



# MAHANAGAR GAS LIMITED

Ref: MGL/CS/SE/2020/349

Date: August 07, 2020

To,

<b>Head, Listing Compliance Department</b> BSE Limited P. J. Towers, Dalal Street, Mumbai - 400 001 Scrip Code/Symbol: <u>539957; MGL</u>	<b>Head, Listing Compliance Department</b> National Stock Exchange of India Ltd Exchange Plaza, Bandra -Kurla Complex, Bandra (East), Mumbai - 400051 Script Symbol: <u>MGL</u>
--	--

**Sub: Submission of Unaudited Financial Results along with the Limited Review Report for the quarter ended June 30, 2020**

Dear Sir/Madam,

In continuation to our letter dated June 30, 2020 and July 14, 2020, we wish to inform you that, the Board of Directors at its meeting held today i.e. August 07, 2020, approved the Unaudited Financial Results for the quarter ended June 30, 2020 as recommended by the Audit Committee.

Pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the statement showing the Unaudited Financial Results for the quarter ended June 30, 2020 along with Limited Review Report thereon. Performance indicators being shared with the Analyst/ Institutional Investors for the said period are also enclosed.

The Board Meeting commenced at 1115 hrs and concluded at 1345 hrs.

Please take the above information on your records and disseminate the same on your website.

Thanking you,

Yours faithfully,

For Mahanagar Gas Limited

**Saghan Srivastava**  
Company Secretary and Compliance Officer



Encl.: As above



**Independent Auditor's Review Report on the Quarterly Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors  
Mahanagar Gas Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Mahanagar Gas Limited (the "Company") for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For SRBC & CO LLP  
Chartered Accountants  
ICAI Firm registration number: 324982E/E300003



per Vikram Mehta  
Partner  
Membership No: 105938  
UDIN: 20105938AAAADU5735  
Place: Mumbai  
Date: August 07, 2020



**MAHANAGAR GAS LIMITED**

CIN : L40200MH1995PLC088133

Regd Office : MGL House, G-33 Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

(₹ in Crore)

Sr. No.	Particulars	For three months ended			For the year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		(Unaudited)	(Audited) (refer note 8)	(Unaudited)	(Audited)
I	Revenue from Operations	277.47	752.67	831.19	3,264.49
II	Other Income	24.52	26.96	20.34	98.95
III	<b>Total Income (I + II)</b>	<b>301.99</b>	<b>779.63</b>	<b>851.53</b>	<b>3,363.44</b>
IV	Expenses :				
	Cost of Natural Gas and Traded Items	98.72	298.51	348.24	1,379.49
	Changes in Inventories	0.11	0.02	(0.01)	0.05
	Excise Duty	15.72	66.12	73.70	292.36
	Employee Benefits Expense	24.64	17.93	24.41	80.63
	Finance Costs	1.53	2.08	1.37	6.53
	Depreciation and Amortisation Expenses	42.26	43.99	37.19	161.73
	Other Expenses	58.29	126.26	108.02	459.12
	<b>Total Expenses</b>	<b>241.27</b>	<b>554.91</b>	<b>592.92</b>	<b>2,379.91</b>
V	<b>Profit Before Tax for the period(III- IV)</b>	<b>60.72</b>	<b>224.72</b>	<b>258.61</b>	<b>983.53</b>
VI	Income Tax Expense : (refer Note 7)				
	(i) Current Tax	14.53	57.68	80.81	233.10
	(ii) Deferred Tax	0.94	0.45	7.56	(43.07)
	<b>Total Income Tax Expense (i+ii)</b>	<b>15.47</b>	<b>58.13</b>	<b>88.37</b>	<b>190.03</b>
VII	<b>Profit After Tax for the period(V - VI)</b>	<b>45.25</b>	<b>166.59</b>	<b>170.24</b>	<b>793.50</b>
VIII	Other Comprehensive Income				
	Items that will not be reclassified to profit or loss :				
	Gains/(Losses) on Remeasurements of the Defined Benefit Plans	(0.72)	0.83	0.48	(2.90)
	Income tax relating to items that will not be reclassified to profit or loss	0.18	(0.21)	(0.17)	1.35
	<b>Total Other Comprehensive Income</b>	<b>(0.54)</b>	<b>0.62</b>	<b>0.31</b>	<b>(1.55)</b>
IX	<b>Total Comprehensive Income for the period (VII + VIII)</b>	<b>44.71</b>	<b>167.21</b>	<b>170.55</b>	<b>791.95</b>
X	Paid up Equity Share Capital (Equity Shares of ₹10 each fully paid up) Other Equity Excluding Revaluation Reserve	98.78	98.78	98.78	98.78 2,853.89
XI	Earnings per equity share (EPS) (Face value of ₹ 10/- each)				
	Basic (₹)*	4.58	16.87	17.23	80.33
	Diluted (₹)*	4.58	16.87	17.23	80.33
	* Not annualised for the interim periods				

There were no exceptional item(s) and discontinued operation(s) during the periods presented.

*SRB*

*61*

SIGNED FOR IDENTIFICATION  
BY  
*[Signature]*  
S R B & CO LLP  
MUMBAI



**Notes:**

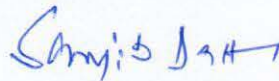
1. The above financial results are submitted by the company pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on August 07, 2020.
2. Financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Rules, 2016.
3. The Company is in the business of selling and distribution of natural gas. There are no separate reportable segments, other than selling of natural gas, as per IND AS 108 - Operating Segments.
4. As per authorisation terms and conditions of the Petroleum and Natural Gas Regulatory Board (PNGRB) for Raigad Geographical Area, the Company is required to meet Minimum Work Programme (MWP) targets by March 2020 (with reference to connections and pipeline inch Kilo Meters) and the Company had submitted Performance Bank Guarantee of ₹105.20 Crore dated March 19, 2015 to the PNGRB. Show cause notice dated July 23, 2018 was given by the PNGRB for shortfall in periodic MWP, asking the Company to explain why penalty should not be levied for the interim MWP target shortfall. The Company submitted catch-up plan vide letter dated August 2, 2018 for meeting MWP target by March 2020 and reiterated host of factors beyond control of the Company causing a shortfall. Further, the PNGRB called a Joint Progress Review Meeting on August 27, 2019 wherein the PNGRB asked MGL to submit an aggressive catch-up plan (quarter wise) for next two years to achieve MWP targets duly approved by Board of Directors of MGL. Board of Directors of MGL approved revised catch-up Plan and was submitted to the PNGRB on November 15, 2019. As at 31st March 2020, the Company has achieved cumulative number of Domestic connections as per the PNGRB MWP target and cumulative Inch-Km target has been achieved as per revised catch-up plan dated November 15, 2019 for period up to March 31, 2020. The company has further requested the PNGRB to extend the timeline for achieving the minimum work program of Inch-Kms by six months i.e. from September 30, 2021 to March 31, 2022 due to outbreak of COVID-19 vide letter dated April 30, 2020. The PNGRB, recently vide letter dated July 22, 2020, has requested submission of information on Covid 19 lockdown, which the company is in the process of submitting. The management is of the view that it will be able to achieve the inch km targets as per timelines submitted and that the penalty can be avoided. Accordingly, no provision is deemed necessary in relation to the bank guarantee issued to the PNGRB at this stage.
5. GAIL (India) Limited (GAIL) raised demand in April 2014 for additional transportation tariff pursuant to demand on them by Oil and Natural Gas Corporation Limited (ONGC), based on the Petroleum and Natural Gas Regulatory Board (PNGRB) order dated 30.12.2013, determining tariff for ONGC's Uran Trombay pipeline (UTPL) as a common carrier. The Company disputed the demand with GAIL based on contractual provisions and since the transportation charges are to be paid by a third-party user for utilisation of UTPL to ONGC as common carrier and not for transportation of its own gas by ONGC. Finally, the complaint was filed with the PNGRB in February 2015. However, it was dismissed in October 2015. The writ petition was filed in November 2015 with the High Court of Delhi. The Court advised to appeal before Appellate Tribunal for Electricity (APTEL) being Appellate Authority of the PNGRB in November 2016. The matter was heard by APTEL and remanded back to the PNGRB on technical grounds in September 2019. The PNGRB on 18 March 2020 had passed an Order through which it directed MGL and



GAIL to pay to ONGC. MGL has filed its Appeal before APTEL on 20th April 2020 during lockdown. Total demand from November 2008 till June 2020 is ₹259.10 Crore (including ₹223.32 Crore covered in the case filed with APTEL and ₹35.78 Crore demand received subsequently). Based on the legal opinion, the Company believes that it has a strong case and does not expect any outflow of resources. Hence, no provision has been made.

6. On March 11, 2020, the World Health Organization characterised the outbreak of a strain of novel coronavirus ("COVID-19") as a pandemic. This outbreak is causing significant disturbances and slowdown of economic activity. The Company's operations are impacted resulting in reduction of sales volumes, due to nationwide lockdown imposed by the Government of India since last week of March 2020, except in respect of sales volume of household gas consumed in kitchens. During lockdown, Company has been able to receive gas supplies and has maintained the supply of gas to all types of consumers as per their requirement. Daily sales volumes for the month of June 20 have picked up and have increased to around 50% compared to normal volumes recorded in pre lockdown period. It is estimated that sales volumes are likely to pick up further with easing of lockdown and vehicular traffic coming to normalcy, opening up of restaurants, industries and other businesses using gas. In assessing the recoverability of carrying amounts of Company's assets such as Investments, loans / advances, trade receivables, inventories etc. and potential future liability for take or pay contracts for purchase of gas, the Company has considered various internal and external information up to the date of approval of these financial results and concluded that the assets are recoverable based on the cash flow projections and no further provisions are deemed necessary for any future potential liabilities. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
7. The Company had adopted the option for concessional tax rate as permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from the quarter ended September 30, 2019. Therefore, income tax expenses for the quarter ended June 30, 2019 is not comparable to all periods presented in the above results.
8. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to 31st March, 2020 and the unaudited year-to-date published figures up to 31st December, 2019 being the date of the end of the third quarter of the financial year which was subjected to limited review.

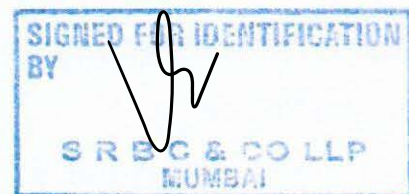
**For and on behalf of the Board of Directors of Mahanagar Gas Limited**



**Sanjib Datta**  
**Managing Director**

**Place: Mumbai**

**Date: August 07, 2020**



**MAHANAGAR GAS LIMITED**

**PERFORMANCE CURRENT QUARTER V/S PREVIOUS QUARTER**

Particulars	UOM	For the Three months ended June 30, 2020	For the Three months ended March 31, 2020	% Increase / (Decrease)
<b>SALES VOLUMES:</b>				
CNG	SCM Million	43.70	180.17	-75.74%
PNG - Domestic	SCM Million	39.00	38.16	2.22%
PNG – Industry / Commercial	SCM Million	18.59	35.06	-46.98%
PNG - TOTAL	SCM Million	57.59	73.22	-21.34%
<b>TOTAL VOLUMES</b>	<b>SCM Million</b>	<b>101.30</b>	<b>253.39</b>	<b>-60.02%</b>
<b>TOTAL VOLUMES</b>	<b>MMSCMD</b>	<b>1.113</b>	<b>2.785</b>	<b>-60.02%</b>
<b>NET REVENUE FROM OPERATIONS :</b>				
<b>Net Sales</b>				
CNG (Net of Excise Duty)	Rs. Crores	110.64	463.54	-76.13%
PNG	Rs. Crores	148.84	216.62	-31.29%
Traded Items	Rs. Crores	0.56	0.97	
<b>Total Sales</b>	<b>Rs. Crores</b>	<b>260.04</b>	<b>681.13</b>	<b>-61.82%</b>
Other Operating Income	Rs. Crores	1.71	5.42	-68.45%
<b>TOTAL NET REVENUE FROM OPERATIONS</b>	<b>Rs. Crores</b>	<b>261.75</b>	<b>686.55</b>	<b>-61.87%</b>
REVENUE FROM OPERATIONS (Gross)	Rs. Crores	277.47	752.67	-63.14%
Less: Excise Duty	Rs. Crores	15.72	66.12	-76.22%
<b>REVENUE FROM OPERATIONS (Net)</b>	<b>Rs. Crores</b>	<b>261.75</b>	<b>686.55</b>	<b>-61.88%</b>
EBIDTA	Rs. Crores	79.99	243.83	-67.19%
% of EBIDTA to Net Revenue from Operation	%	30.56%	35.52%	
NET PROFIT (after tax)	Rs. Crores	45.25	166.59	-72.84%
% of PAT to Net Revenue from Operation	%	17.29%	24.26%	
EARNINGS PER SHARE	Rs.	4.58	16.87	-72.84%

Note: The Company's operations were impacted for the full quarter as a result of extended lockdown due to Covid 19, resulting in reduced sales volumes for the quarter.



MAHANAGAR GAS LIMITED

PERFORMANCE FOR THE THREE MONTHS ENDED JUNE 30, 2020 V/S JUNE 30, 2019

Particulars	UOM	For the Three months ended June 30, 2020	For the Three months ended June 30, 2019	% Increase / (Decrease)
<b>SALES VOLUMES:</b>				
CNG	SCM Million	43.70	196.95	-77.81%
PNG - Domestic	SCM Million	39.00	36.43	7.07%
PNG – Industry / Commercial	SCM Million	18.59	36.68	-49.32%
PNG - TOTAL	SCM Million	57.59	73.11	-21.22%
<b>TOTAL VOLUMES</b>	<b>SCM Million</b>	<b>101.30</b>	<b>270.06</b>	<b>-62.49%</b>
<b>TOTAL VOLUMES</b>	<b>MMSCMD</b>	<b>1.113</b>	<b>2.968</b>	<b>-62.49%</b>
<b>NET REVENUE FROM OPERATIONS :</b>				
<b>Net Sales</b>				
CNG (Net of Excise Duty)	Rs. Crores	110.64	517.50	-78.62%
PNG	Rs. Crores	148.84	232.70	-36.04%
Traded Items	Rs. Crores	0.56	1.98	
<b>Total Sales</b>	<b>Rs. Crores</b>	<b>260.04</b>	<b>752.18</b>	<b>-65.43%</b>
Other Operating Income	Rs. Crores	1.71	5.31	-67.80%
<b>TOTAL NET REVENUE FROM OPERATIONS</b>	<b>Rs. Crores</b>	<b>261.75</b>	<b>757.49</b>	<b>-65.45%</b>
REVENUE FROM OPERATIONS (Gross)	Rs. Crores	277.47	831.19	-66.62%
Less: Excise Duty	Rs. Crores	15.72	73.70	-78.67%
<b>REVENUE FROM OPERATIONS (Net)</b>	<b>Rs. Crores</b>	<b>261.75</b>	<b>757.49</b>	<b>-65.45%</b>
EBIDTA	Rs. Crores	79.99	276.83	-71.11%
% of EBIDTA to Net Revenue from Operation	%	30.56%	36.55%	
NET PROFIT (after tax)	Rs. Crores	45.25	170.24	-73.42%
% of PAT to Net Revenue from Operation	%	17.29%	22.47%	
EARNINGS PER SHARE	Rs.	4.58	17.23	-73.42%

Note: The Company's operations were impacted for the full quarter as a result of extended lockdown due to Covid 19, resulting in reduced sales volumes for the quarter.

