



MAHANAGAR GAS LIMITED

Ref: MGL/CS/SE/2022/445

Date: November 11, 2022

To,

Head, Listing Compliance Department BSE Limited P. J. Towers, Dalal Street, Mumbai - 400 001 Scrip Code/Symbol: <u>539957; MGL</u>	Head, Listing Compliance Department National Stock Exchange of India Ltd Exchange Plaza, Bandra –Kurla Complex, Bandra (East), Mumbai - 400051 Script Symbol: <u>MGL</u>
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Sub: Outcome of Board Meeting – November 11, 2022

Dear Sir/ Madam,

In continuation to our letter dated 27th October, 2022 and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held today i.e. Friday, 11th November, 2022 has *inter-alia* approved the following:

1. Unaudited Financial Results for the quarter and half year ended 30th September, 2022 along with the Limited Review Report thereon, as reviewed and recommended by the Audit Committee, pursuant to Regulation 33 of the Listing Regulations. The Performance Indicators for the said period are also enclosed.
2. Appointment of Dr. Harshadeep Shriram Kamble (DIN: 07183938), as Non-Executive, Non-Independent Nominee Director (Additional) of Government of Maharashtra on the Board of the Company with effect from 11th November, 2022 till further orders from the Government of Maharashtra, pursuant to the Articles of Association of the Company, subject to the approval of shareholders.

Dr. Harshadeep Shriram Kamble is not related to any Director on the Board of the Company. He is not debarred from holding the office of Director by virtue of any Securities and Exchange Board of India (SEBI) order or any other such authority.

The brief profile of Dr. Harshadeep Shriram Kamble is as under:

Dr. Harshadeep Kamble graduated as M.B.B.S. from Nagpur Medical College. Dr. Kamble belongs to 1997 Batch of Indian Administrative Service (IAS). He is presently





MAHANAGAR GAS LIMITED

working as a Principal Secretary (Industries), Government of Maharashtra. He is also Chairman of Prime Minister Employment Generation Scheme and Export Committee of the Maharashtra State. During his career, he worked as Food & Drug Administration Commissioner, Maharashtra State; Secretary to Minister of Social Justice, Government of India; Metropolitan Commissioner, Nagpur; Municipal Commissioner, Malegaon and Aurangabad; Chief Executive Officer (CEO) at Zilla Parishad, Parbhani and Nandurbar and Assistant Collector, Akola.

The Board Meeting commenced at 1130 hours and concluded at 1745 hours.

We request you to take the above information on your record.

Thanking you,

Yours sincerely,

For **Mahanagar Gas Limited**

Atul Prabhu
11/11/2022



Atul Prabhu

Company Secretary & Compliance Officer

Encl.: As above

MAHANAGAR GAS LIMITED

CIN : L40200MH1995PLC088133

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

Part - I : Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2022

(₹ in Crore)

Sr. No.	Particulars	For three months ended			For six months ended		For the year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from Operations	1,717.53	1,593.18	907.57	3,310.71	1,574.42	3,884.90
II	Other Income	25.98	20.01	22.59	45.99	41.21	85.74
III	Total Income (I + II)	1,743.51	1,613.19	930.16	3,356.70	1,615.63	3,970.64
IV	Expenses :						
	Cost of Natural Gas and Traded Items	1,147.64	1,004.53	382.18	2,152.17	573.22	2,045.78
	Changes in Inventories	(0.11)	(0.62)	(0.27)	(0.73)	(0.29)	(0.38)
	Excise Duty	154.87	138.43	77.43	293.30	128.79	324.71
	Employee Benefits Expense	31.94	21.74	22.54	53.68	42.57	83.31
	Finance Costs	2.47	2.29	2.02	4.76	3.72	7.53
	Depreciation and Amortisation Expenses	55.10	53.68	47.28	108.78	92.55	196.27
	Other Expenses	130.35	143.55	123.93	273.90	224.38	507.16
	Total Expenses	1,522.26	1,363.60	655.11	2,885.86	1,064.94	3,164.38
V	Profit Before Tax for the period (III- IV)	221.25	249.59	275.05	470.84	550.69	806.26
VI	Income Tax Expense :						
	(i) Current Tax	57.21	59.77	62.92	116.98	130.14	185.78
	(ii) Deferred Tax	0.07	4.62	7.84	4.69	12.18	23.53
	Total Income Tax Expense (i+ii)	57.28	64.39	70.76	121.67	142.32	209.31
VII	Profit After Tax for the period (V - VI)	163.97	185.20	204.29	349.17	408.37	596.95
VIII	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss :						
	Gains/(Losses) on Remeasurements of the Defined Benefit Plans	2.99	0.04	(2.00)	3.03	(1.70)	0.15
	Income tax relating to items that will not be reclassified to profit or loss	(0.75)	(0.01)	0.51	(0.76)	0.43	(0.02)
	Total Other Comprehensive Income	2.24	0.03	(1.49)	2.27	(1.27)	0.13
IX	Total Comprehensive Income for the period (VII + VIII)	166.21	185.23	202.80	351.44	407.10	597.08
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	98.78	98.78 3,498.54
XI	Earnings per equity share (EPS) (Face value of ₹ 10/- each) Basic and Diluted (₹)* * Not annualised for the interim periods	16.60	18.75	20.68	35.35	41.34	60.43

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



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Part - II : Statement of Unaudited Assets and Liabilities

(₹ in Crore)

Particulars	As at 30th September, 2022 (Unaudited)	As at 31st March, 2022 (Audited)
ASSETS		
I. Non-current Assets		
(a) Property, Plant and Equipment	2,513.66	2,458.08
(b) Capital Work-in-Progress	696.53	615.94
(c) Intangible Assets	5.78	5.23
(d) Right of Use Assets	162.27	150.42
(e) Financial Assets		
(i) Investments	100.06	-
(ii) Trade receivables	0.01	0.01
(iii) Other Financial Assets	122.59	45.08
(f) Income Tax Assets (net)	73.10	76.34
(g) Other Non-current Assets	65.56	37.59
Total Non-current Assets (I)	3,739.56	3,388.69
II. Current assets		
(a) Inventories	32.11	27.49
(b) Financial Assets		
(i) Investments	1,226.66	1,088.28
(ii) Trade Receivables	284.94	184.04
(iii) Cash and Cash Equivalents	17.37	82.48
(iv) Bank balances other than (iii) above	181.25	382.70
(v) Other Financial Assets	87.87	67.57
(c) Other current assets	32.01	12.56
Total Current assets (II)	1,862.21	1,845.12
Total Assets (I+II)	5,601.77	5,233.81
EQUITY AND LIABILITIES		
I. Equity		
(a) Equity Share Capital	98.78	98.78
(b) Other Equity	3,696.87	3,498.54
Total Equity (I)	3,795.65	3,597.32
II. Liabilities		
A. Non-current Liabilities		
(a) Financial Liabilities		
(i) Lease Liabilities	94.01	82.40
(ii) Security Deposits	0.70	0.80
(b) Provisions	25.02	25.86
(c) Deferred Tax Liabilities (net)	206.25	200.80
Total Non-current Liabilities (A)	325.98	309.86
B. Current Liabilities		
(a) Financial Liabilities		
(i) Trade Payables		
- outstanding dues of micro and small enterprises	7.35	18.10
- outstanding dues other than micro and small enterprises	342.16	253.75
(ii) Security Deposits	760.95	715.01
(iii) Lease Liabilities	22.57	20.58
(iv) Other Financial Liabilities	227.70	245.03
(b) Other Current Liabilities	90.08	61.45
(c) Provisions	9.06	9.74
(d) Income Tax Liabilities (net)	20.27	2.97
Total Current Liabilities (B)	1,480.14	1,326.63
Total Liabilities (II = A+B)	1,806.12	1,636.49
Total - Equity and Liabilities (I+II)	5,601.77	5,233.81



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Part - III : Unaudited Cash Flow Statement

(₹ in Crore)

Particulars	For the period ended 30th September 2022 (Unaudited)	For the period ended 30th September 2021 (Unaudited)
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax for the period	470.84	550.69
Adjustments for:		
Depreciation and Amortisation Expense	108.78	92.55
Finance Costs	4.76	3.72
Interest Income	(20.19)	(20.78)
Realised Gain on sale of Investments	(17.21)	(9.89)
Unrealised (Gain)/Loss on Investments	3.05	(5.06)
Write-off, Allowance and Loss on Disposal of CWIP and Property, Plant and Equipment (Net)	4.18	7.82
Allowance for inventory obsolescence	(0.59)	(0.02)
Expected credit loss allowance and write off on Financial Assets	1.73	1.35
Net unrealised foreign exchange (gain)/ loss	(0.04)	0.01
Operating Profit Before Working Capital Changes	555.31	620.39
Movements in working capital :		
(Increase)/Decrease in Inventories	(4.03)	(2.35)
(Increase)/Decrease in Trade Receivables	(101.56)	(8.93)
(Increase)/Decrease in Other Financial Assets	(23.91)	(3.25)
(Increase)/Decrease in Other Non Current Assets	1.30	2.25
(Increase)/Decrease in Other Current Assets	(19.45)	(11.31)
Increase/(Decrease) in Other Financial Liabilities	13.00	29.10
Increase/(Decrease) in Provisions	1.51	4.72
Increase/(Decrease) in Trade Payables	77.70	46.72
Increase/(Decrease) in Security Deposits (Liability)	45.84	33.11
Increase/(Decrease) in Other Current Liabilities	28.62	42.83
	19.02	132.89
Cash Generated from Operations	574.33	753.28
Income Taxes Paid (Net of refund)	(96.44)	(124.67)
Net Cash Generated from Operating Activities	477.89	628.61
II. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipment, CWIP and Intangible Assets (includes capital advances)	(296.24)	(208.34)
Proceeds from Sale of Property, Plant and Equipment	0.13	1.53
Payments for purchase of Investments	(3,287.24)	(2,080.81)
Proceeds from sale of Investments	3,054.36	1,689.16
Movement in Bank Deposits not considered as Cash and Cash Equivalents	126.00	27.92
Interest Received	29.29	25.31
Net Cash Used in Investing Activities	(373.70)	(545.23)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of Lease Liability	(16.20)	(13.08)
Dividend Paid	(153.10)	(62.55)
Interest Paid	-	(0.48)
Net Cash Used in Financing Activities	(169.30)	(76.11)
Net Increase in Cash and Cash Equivalents (I+II+III)	(65.11)	7.27
Cash and Cash Equivalents at the beginning of the period	82.48	28.19
Cash and Cash Equivalents at the end of the period	17.37	35.46



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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 November 11, 2022.
2. Financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under 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. GAIL (India) Limited (GAIL) raised demand in April 2014 for transportation tariff with respect to ONGC's Uran Trombay Natural Gas Pipeline (UTNGPL) 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 UTNGPL as a common carrier. The total demand raised by GAIL for the period from November 2008 till July 2021 was Rs. 331.80 Crores. 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 UTNGPL to ONGC as common carrier and not for transportation of its own gas by ONGC.

The Company filed an appeal with the PNGRB in February 2015, the same was dismissed in October 2015. The Company filed a writ petition, in November 2015, with the Hon'ble High Court of Delhi. The Court advised the Company to file an appeal with 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. PNGRB in March 2020, had passed an Order which directed the Company and GAIL to pay the disputed transportation tariff to ONGC. The Company filed an Appeal before APTEL against the PNGRB order in April 2020. The matter was heard by APTEL in October 2020. APTEL remanded back the case in July 2021 to PNGRB for proper adjudication. The matter was heard by PNGRB in April 2022 and an order was passed in September 2022 directing the Company to pay the disputed transportation tariff for the period 2014 to 2021 as per the transportation tariff fixed by PNGRB for UTNGPL vide Tariff order dated 30.12.2013. The Company is in the process of initiating legal proceeding against the PNGRB order.

Based on the legal opinion obtained, the Company believes that it has a strong case and does not expect any outflow of resources. Hence, no provision has been recognised.

5. Previous period/year figures have been regrouped/reclassified wherever necessary.

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

Place: Mumbai
Date: November 11, 2022

Sanjib Datta
Managing Director



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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF MAHANGAR GAS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Mahanagar Gas Limited ("the Company"), for the quarter and six months ended September 30, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 specified under section 143(10) of the Companies Act, 2013 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 stated in paragraph 3 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 Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The comparative financial information of the Company for the quarter ended June 30, 2022, corresponding quarter and six months ended September 30, 2021 and for the year ended March 31, 2022 prepared in accordance with the Ind AS included in this Statement have been reviewed/ audited, as applicable, by the predecessor auditor. The reports of the predecessor

**Deloitte
Haskins & Sells LLP**

auditor on these comparative financial information dated August 06, 2022 for quarter ended June 30, 2022, October 26, 2021 for the quarter and six months ended September 30, 2021, and May 10, 2022 for the year ended March 31, 2022 expressed unmodified conclusions / opinion, as applicable.

Our conclusion on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)



Rupen K. Bhatt
Partner
Membership No. 46930
UDIN: 22046930BCU09I2044

Place: Mumbai
Date: November 11, 2022