



MAHANAGAR GAS LIMITED

Ref: MGL/CS/SE/2020/314

Date: February 07, 2020

To,

Head, Listing Compliance Department BSE Limited P. J. Towers, Dalal Street, Mumbai - 400 001 Scrip Code/Symbol: 539957; MGL	Head, Listing Compliance Department National Stock Exchange of India Ltd Exchange Plaza, Bandra –Kurla Complex, Bandra (East), Mumbai - 400051 Script Symbol: MGL
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Sub: Submission of Unaudited Financial Results along with the Limited Review Report for the quarter ended December 31, 2019.

Dear Sir/Madam,

In continuation to our letter dated January 09, 2020, we wish to inform you that, the Board of Directors of the Company at its meeting held today i.e. February 07, 2020, inter alia approved the Unaudited Financial Results for the quarter ended December 31, 2019.

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 December 31, 2019 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 1630 hrs and concluded at 1915 hrs.

Please take the same on records.

Thanking you,

For Mahanagar Gas Limited


Anand Upadhyay
Company Secretary and Compliance Officer



Encl.: As above



MAHANAGAR GAS LIMITED

CIN : L40200MH1995PLC088133

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

Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2019

(₹ in Crore)

Sr. No.	Particulars	For three months ended			For nine months ended		For the year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from Operations	819.07	861.55	824.34	2,511.81	2,263.55	3,056.79
II	Other Income	28.57	22.98	20.38	71.89	53.88	77.71
III	Total Income (I + II)	847.64	884.53	844.72	2,583.70	2,317.43	3,134.50
IV	Expenses :						
	Cost of Natural Gas and Traded Items	354.23	378.51	383.56	1,080.98	1,032.79	1,399.26
	Changes in Inventories	0.08	(0.04)	(0.08)	0.03	(0.17)	(0.10)
	Excise Duty	74.57	77.97	71.66	226.24	195.02	265.72
	Employee Benefits Expense	19.18	19.12	17.45	62.71	52.34	70.88
	Finance Costs	1.62	1.45	0.09	4.44	0.28	0.32
	Depreciation and Amortisation Expenses	41.45	39.10	32.76	117.73	93.06	125.93
	Other Expenses	112.15	112.58	112.65	332.75	312.05	435.58
	Total Expenses	603.28	628.69	618.09	1,824.88	1,685.37	2,297.59
V	Profit Before Tax for the period(III- IV)	244.36	255.84	226.63	758.82	632.06	836.91
VI	Income Tax Expense : (refer note 6)						
	(i) Current Tax	53.03	41.58	71.59	175.42	200.88	261.40
	(ii) Deferred Tax	5.28	(56.36)	6.72	(43.52)	18.24	29.12
	Total Income Tax Expense (i+ii)	58.31	(14.78)	78.31	131.90	219.12	290.52
VII	Profit After Tax for the period(V - VI)	186.05	270.62	148.32	626.92	412.94	546.39
VIII	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss :						
	Gains/(Losses) on Remeasurements of the Defined Benefit Plans	(1.24)	(2.96)	0.94	(3.72)	2.83	1.93
	Income tax relating to items that will not be reclassified to profit or loss	0.31	1.41	(0.33)	1.56	(0.99)	(0.68)
	Total Other Comprehensive Income	(0.93)	(1.55)	0.61	(2.16)	1.84	1.25
IX	Total Comprehensive Income for the period (VII + VIII)	185.12	269.07	148.93	624.76	414.78	547.64
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 2,300.09
XI	Earnings per equity share (EPS) (Face value of ₹ 10/- each)						
	Basic (₹)*	18.84	27.40	15.02	63.47	41.80	55.31
	Diluted (₹)*	18.84	27.40	15.02	63.47	41.80	55.31
	* Not annualised for the interim periods						

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

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**SIGNED FOR IDENTIFICATION
BY**
SRB
**S R B C & CO LLP
MUMBAI**



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Notes:

- The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on February 07, 2020.
- The limited review as required under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been completed by the auditors of the Company.
- 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.
- The Company has adopted modified retrospective approach as per para C5 (b) and recognition of lease liability as per para C8 (a) and right to use asset as per para C8 (b) (ii) of "IND AS 116 - Leases" to its leases effective from annual reporting period beginning 1st April 2019. Restatement of comparative information is not required as para C7 of Ind AS 116.

This has resulted in recognition of lease liability of ₹59.91 crore and right to use asset of ₹122.28 crore (including reclassification of leasehold land of ₹62.37 crore) as at 1st April, 2019. Lease expenses have changed to depreciation cost on the right to use assets and finance cost for interest accrued on lease liability.

Reconciliation for the above effect on statement of profit and loss for the current period ending 31st December, 2019 as follows:

Adjustment to increase / (decrease) in net profit	₹ in crore					
	Quarter ended 31st December, 2019 comparable basis	Changes due to IndAS 116 Increase/ (decrease)	Quarter ended 31st December, 2019 as reported	Nine months ended 31st December, 2019 comparable basis	Changes due to IndAS 116 Increase/ (decrease)	Nine months ended 31st December, 2019 as reported
Other Expenses	118.20	(6.05)	112.15	348.76	(16.01)	332.75
Finance Costs	0.10	1.52	1.62	0.20	4.24	4.44
Depreciation and Amortisation Expenses	36.26	5.19	41.45	103.94	13.79	117.73
Profit Before Tax	245.02	(0.66)	244.36	760.84	(2.02)	758.82

- During the previous quarter, the Company had elected to exercise the non-revisable option permitted under section 115 BAA of the Income-tax Act, 1961 as introduced by the Taxation Law (Amendment) Ordinance, 2019 and accordingly, had recognised provision for Current Income Tax at lower tax rate of 25.17% and reduction of ₹56.69 crore in relation to the Deferred Tax Liability was recorded in the statement of profit and loss for the previous quarter.
- As per authorisation terms and conditions of the PNGRB for Raigad Geographical Area, the Company is required to meet Minimum Work Programme (MWP) targets by March 2020 (with reference to domestic PNG 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 MGL 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 MGL causing a shortfall. The Company has achieved domestic PNG connection targets as per catch up plan up to 31st March 2019 and the progress on pipeline inch Kilo Meters is being expedited. The Company has received critical permissions from various authorities for laying pipelines. The management expects to meet domestic PNG connection targets and make substantial progress on pipeline inch Kilo Meters by March 31, 2020. The status of the progress has been submitted to PNGRB on a regular basis. Pursuant to the recent discussions, PNGRB has advised Company to provide revised catch-up plan for the next 2 years approved by the Board. Accordingly Company has submitted revised Catch-Up plan on November 15, 2019. Considering the discussions with PNGRB and reasonable progress on the revised catch up plan, Company is of the view that no provision is deemed necessary in relation to the bank guarantee issued to the PNGRB at this stage.
- 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 case is being heard by the PNGRB. Total demand from November 2008 till December 2019 is ₹230.45 crore. 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.

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

Sanjib Datta
Sanjib Datta
Managing Director

Place : Mumbai
Date : February 07, 2020



Independent Auditor's Review Report on the Quarterly and Year to Date 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 December 31, 2019 and year to date from April 01, 2019 to December 31, 2019 (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: 20105938 AAAAA Y2864
Mumbai, February 07, 2020



MAHANAGAR GAS LIMITED

PERFORMANCE CURRENT QUARTER V/S PREVIOUS QUARTER

Particulars	UOM	For the Three months ended 31st December 2019	For the Three months ended 30th September 2019	% Increase / (Decrease)
SALES VOLUMES:				
CNG	SCM Million	204.64	202.56	1.02%
PNG - Domestic	SCM Million	37.90	35.02	8.20%
PNG - Industry / Commercial	SCM Million	38.25	38.38	-0.34%
PNG - TOTAL	SCM Million	76.15	73.40	3.74%
TOTAL VOLUMES	SCM Million	280.78	275.96	1.75%
TOTAL VOLUMES	MMSCMD	3.052	3.000	1.75%
NET REVENUE FROM OPERATIONS :				
Net Sales				
CNG (Net of Excise Duty)	Rs. Crores	522.64	547.69	-4.57%
PNG	Rs. Crores	216.13	228.89	-5.57%
Traded Items	Rs. Crores	0.73	1.61	
Total Sales	Rs. Crores	739.50	778.19	-4.97%
Other Operating Income	Rs. Crores	5.00	5.39	-7.24%
TOTAL NET REVENUE FROM OPERATIONS	Rs. Crores	744.50	783.58	-4.99%
REVENUE FROM OPERATIONS (Gross)	Rs. Crores	819.07	861.55	-4.93%
Less: Excise Duty	Rs. Crores	74.57	77.97	-4.37%
REVENUE FROM OPERATIONS (Net)	Rs. Crores	744.50	783.58	-4.99%
EBIDTA	Rs. Crores	258.86	273.41	-5.32%
% of EBIDTA to Net Revenue from Operation	%	34.77%	34.89%	
NET PROFIT (after tax)	Rs. Crores	186.05	270.62	-31.25%
% of PAT to Net Revenue from Operation	%	24.99%	34.54%	
EARNINGS PER SHARE	Rs.	18.84	27.40	-31.25%



MAHANAGAR GAS LIMITED

PERFORMANCE FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 V/S DECEMBER 31, 2018

Particulars	UOM	For the Nine months ended 31st December 2019	For the Nine months ended 31st December 2018	% Increase / (Decrease)
SALES VOLUMES:				
CNG	SCM Million	604.15	593.37	1.82%
PNG - Domestic	SCM Million	109.35	102.34	6.85%
PNG - Industry / Commercial	SCM Million	113.31	110.51	2.54%
PNG - TOTAL	SCM Million	222.66	212.85	4.61%
TOTAL VOLUMES	SCM Million	826.81	806.22	2.55%
TOTAL VOLUMES	MMSCMD	3.007	2.932	2.55%
NET REVENUE FROM OPERATIONS :				
Net Sales				
CNG (Net of Excise Duty)	Rs. Crores	1,587.84	1,386.67	14.51%
PNG	Rs. Crores	677.72	663.75	2.11%
Traded Items	Rs. Crores	4.33	3.71	
Total Sales	Rs. Crores	2,269.89	2,054.13	10.50%
Other Operating Income	Rs. Crores	15.68	14.40	8.89%
TOTAL NET REVENUE FROM OPERATIONS	Rs. Crores	2,285.57	2,068.53	10.49%
REVENUE FROM OPERATIONS (Gross)	Rs. Crores	2,511.81	2,263.55	10.97%
Less: Excise Duty	Rs. Crores	226.24	195.02	16.01%
REVENUE FROM OPERATIONS (Net)	Rs. Crores	2,285.57	2,068.53	10.49%
EBIDTA	Rs. Crores	809.10	671.52	20.49%
% of EBIDTA to Net Revenue from Operation	%	35.40%	32.46%	
NET PROFIT (after tax)	Rs. Crores	626.92	412.94	51.82%
% of PAT to Net Revenue from Operation	%	27.43%	19.96%	
EARNINGS PER SHARE	Rs.	63.47	41.80	51.82%

