



MAHANAGAR GAS LIMITED

(GAIL, Govt. of Maharashtra & BGAPH Enterprise)

Ref: MGL/CS/SE/2018/207

Date: November 13, 2018

To,

Head, Listing Compliance Department BSE Limited P. J. Towers, Dalal Street, Mumbai - 400 001 Scrp 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: Submission of Unaudited Financial Results along with the Limited Review Report for the quarter and half year ended September 30, 2018.

Dear Sir/Madam,

In continuation to our letter dated October 15, 2018, we wish to inform you that, the Board of Directors of the Company at its meeting held today i.e November 13, 2018, inter alia approved the Unaudited Financial Results for the quarter and half year ended September 30, 2018, 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 and half year ended September 30, 2018 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 1430 hrs and concluded at 1630 hrs.

You are requested to take the above information on your records and disseminate the same on your website.

Thanking you,

Yours faithfully,

For Mahanagar Gas Limited


Alok Mishra

Company Secretary and Compliance Officer



Encl.: As above

Limited Review Report

**Review Report to
The Board of Directors
Mahanagar Gas Limited**

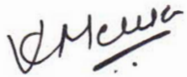
We have reviewed the accompanying statement of unaudited standalone financial results of Mahanagar Gas Limited (the 'Company') for the quarter ended September 30, 2018 and year to date from April 01, 2018 to September 30, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (IndAS 34) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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 Indian Accounting Standard 34, Interim Financial Reporting (IndAS 34) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003


per Vikram Mehta
Partner
Membership No.: 105938
Mumbai
November 13, 2018



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, 2018

(₹ in Crore)

Sr. No.	Particulars	For three months ended			For six months ended		For the year ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from Operations (refer note 6)	762.94	676.27	588.04	1,439.21	1,170.89	2,452.92
II	Other Income	18.16	15.34	14.09	33.50	26.28	57.68
III	Total Income (I + II)	781.10	691.61	602.13	1,472.71	1,197.17	2,510.60
IV	Expenses :						
	Cost of Natural Gas and Traded Items	356.21	293.02	236.85	649.23	468.04	1,029.16
	Changes in Inventories	0.02	(0.10)	(0.02)	(0.08)	(0.01)	(0.05)
	Excise Duty	66.43	56.93	54.28	123.36	106.27	219.91
	Employee Benefits Expense	18.01	16.88	16.68	34.89	34.14	67.02
	Finance Costs	0.12	0.06	-	0.18	0.01	0.09
	Depreciation and Amortisation Expenses	30.79	29.51	25.85	60.30	50.48	111.19
	Other Expenses	100.80	98.60	80.19	199.40	159.50	356.77
	Total Expenses	572.38	494.90	413.83	1,067.28	818.43	1,784.09
V	Profit Before Tax for the period(III- IV)	208.72	196.71	188.30	405.43	378.74	726.51
VI	Income Tax Expense :						
	(i) Current Tax	68.11	61.18	57.90	129.29	117.97	211.76
	(ii) Deferred Tax	4.32	7.20	5.61	11.52	11.65	36.88
	Total Income Tax Expense (i+ii)	72.43	68.38	63.51	140.81	129.62	248.64
VII	Profit After Tax for the period(V - VI)	136.29	128.33	124.79	264.62	249.12	477.87
VIII	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss :						
	Gains/(Losses) on Remeasurements of the Defined Benefit Plans	1.49	0.40	(0.54)	1.89	(0.83)	1.59
	Income tax relating to items that will not be reclassified to profit or loss	(0.52)	(0.14)	0.19	(0.66)	0.29	(0.56)
	Total Other Comprehensive Income	0.97	0.26	(0.35)	1.23	(0.54)	1.03
IX	Total Comprehensive Income for the period (VII + VIII)	137.26	128.59	124.44	265.85	248.58	478.90
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 1,996.57
XI	Earnings per equity share (EPS) (Face value of ₹ 10/- each)						
	Basic (₹)*	13.80	12.99	12.63	26.79	25.22	48.38
	Diluted (₹)*	13.80	12.99	12.63	26.79	25.22	48.38
	* Not annualised for the interim periods						

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

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



MAHANAGAR GAS LIMITED

CIN : L40200MH1995PLC088133

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

Part - II : Statement of Assets and Liabilities as at September 30, 2018

(₹ in Crore)

Particulars	As at 30th September, 2018 (Unaudited)	As at 31st March, 2018 (Audited)
ASSETS		
I. Non-current Assets		
(a) Property, Plant and Equipment	1,601.13	1,528.06
(b) Capital Work-in-Progress	362.78	356.62
(c) Intangible Assets	5.06	3.89
(d) Financial Assets		
(i) Trade receivables	0.10	0.20
(ii) Security Deposits	19.28	17.75
(iii) Other Financial Assets	0.19	25.17
(e) Income Tax Assets (net)	22.35	24.00
(f) Other Non-current Assets	77.19	79.05
Total Non-current Assets (I)	2,088.08	2,034.74
II. Current assets		
(a) Inventories	23.89	24.00
(b) Financial Assets		
(i) Investments	609.18	687.68
(ii) Trade Receivables	115.18	91.35
(iii) Cash and Cash Equivalents	39.93	15.02
(iv) Bank balances other than (iii) above	258.36	76.86
(v) Security Deposits	11.16	15.52
(vi) Other Financial Assets	53.62	47.92
(c) Other current assets	18.56	17.15
Total Current assets (II)	1,129.88	975.50
Total Assets (I+II)	3,217.96	3,010.24
EQUITY AND LIABILITIES		
I. Equity		
(a) Equity Share Capital	98.78	98.78
(b) Other Equity	2,131.41	1,996.57
Total Equity (I)	2,230.19	2,095.35
II. Liabilities		
A. Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	1.20
(ii) Other Financial Liabilities	2.50	0.86
(b) Provisions	14.71	14.75
(c) Deferred Tax Liabilities (net)	186.63	174.83
Total Non-current Liabilities (A)	203.84	191.64
B. Current Liabilities		
(a) Current Financial Liabilities		
(i) Trade Payables		
- outstanding dues of micro and small enterprises	1.99	3.48
- outstanding dues other than micro and small enterprises	145.87	106.55
(ii) Security Deposits	479.98	443.15
(iii) Other Financial Liabilities	66.02	125.68
(b) Provisions	4.56	5.14
(c) Income Tax Liabilities (net)	20.54	0.81
(d) Other Current Liabilities	64.97	38.44
Total Current Liabilities (B)	783.93	723.25
Total Liabilities (II = A+B)	987.77	914.89
Total - Equity and Liabilities (I+II)	3,217.96	3,010.24

SIGNED FOR IDENTIFICATION

BY

SRBC & CO LLP



Notes:

- 1 The above financial results have been prepared in accordance with IND AS - 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- 2 The above financial results were reviewed and recommended by the Audit Committee at their meeting held on November 13, 2018 and approved by the Board of Directors at their meeting held on November 13, 2018.
- 3 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.
- 4 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.
- 5 Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.
- 6 The Company in the previous quarter has finalised the outstanding negotiations with the Oil Marketing Companies (OMC) with respect to the trade discounts being offered to them. Accordingly, considering the final settlement, the Company in the previous quarter has accounted an additional discount of Rs 12.93 crore relating to period from January 1, 2015 to March 31, 2018, which has been netted off against revenue from operations in the previous quarter.
- 7 As per authorisation terms and conditions of the PNGRB for Raigarh Geographical Area, the Company is required to meet Minimum Work Programme (MWP) targets by March 2020 and the Company had submitted Performance Bank Guarantee of Rs.105.20 Crores 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 management is of the view that it will be able to make substantial progress on the required work by March 31, 2020 and is of the view 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.
- 8 The figures for the previous year / periods are re-arranged / re-grouped, wherever considered necessary.

Place: Mumbai
Date : November 13, 2018



For and on behalf of the Board of Directors


Sanjib Datta
Managing Director



MAHANAGAR GAS LIMITED

PERFORMANCE CURRENT QUARTER V/S PREVIOUS QUARTER

Particulars	UOM	For the quarter ended 30th September 2018	For the quarter ended 30th June 2018	% Increase / (Decrease)
SALES VOLUMES:				
CNG	SCM Million	200.47	193.08	3.83%
PNG - Domestic	SCM Million	33.51	33.29	0.65%
PNG – Industry / Commercial	SCM Million	38.32	35.05	9.33%
PNG - TOTAL	SCM Million	71.83	68.34	5.10%
TOTAL VOLUMES	SCM Million	272.30	261.42	4.16%
TOTAL VOLUMES	MMSCMD	2.960	2.873	3.03%
NET REVENUE FROM OPERATIONS :				
Net Sales				
CNG (Net of Excise Duty)	Rs. Crores	466.68	416.16	12.14%
PNG	Rs. Crores	223.84	197.58	13.29%
Traded Items	Rs. Crores	1.30	1.12	
Total Sales	Rs. Crores	691.82	614.86	12.52%
Other Operating Income	Rs. Crores	4.69	4.48	4.61%
TOTAL NET REVENUE FROM OPERATIONS	Rs. Crores	696.51	619.34	12.46%
REVENUE FROM OPERATIONS (Gross)	Rs. Crores	762.94	676.27	12.82%
Less: Excise Duty	Rs. Crores	66.43	56.93	16.70%
REVENUE FROM OPERATIONS (Net)	Rs. Crores	696.51	619.34	12.46%
EBIDTA	Rs. Crores	221.47	210.94	4.99%
% of EBIDTA to Net Revenue from Operation	%	31.80%	34.06%	
NET PROFIT (after tax)	Rs. Crores	136.29	128.33	6.20%
% of PAT to Net Revenue from Operation	%	19.57%	20.72%	
EARNINGS PER SHARE	Rs.	13.80	12.99	6.20%

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MAHANAGAR GAS LIMITED

PERFORMANCE FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 V/S SEPTEMBER 30, 2017

Particulars	UOM	For the Six months ended 30th September 2018	For the Six months ended 30th September 2017	% Increase / (Decrease)
SALES VOLUMES:				
CNG	SCM Million	393.55	355.00	10.86%
PNG - Domestic	SCM Million	66.80	60.27	10.84%
PNG – Industry / Commercial	SCM Million	73.37	66.97	9.56%
PNG - TOTAL	SCM Million	140.17	127.24	10.16%
TOTAL VOLUMES	SCM Million	533.72	482.24	10.67%
TOTAL VOLUMES	MMSCMD	2.917	2.635	10.67%
NET REVENUE FROM OPERATIONS :				
Net Sales				
CNG (Net of Excise Duty)	Rs. Crores	882.84	741.13	19.12%
PNG	Rs. Crores	421.42	315.00	33.78%
Traded Items	Rs. Crores	2.42	1.60	
Total Sales	Rs. Crores	1,306.68	1,057.73	23.54%
Other Operating Income	Rs. Crores	9.17	6.89	33.10%
TOTAL NET REVENUE FROM OPERATIONS	Rs. Crores	1,315.85	1,064.62	23.60%
REVENUE FROM OPERATIONS (Gross)	Rs. Crores	1,439.21	1,170.89	22.92%
Less: Excise Duty	Rs. Crores	123.36	106.27	16.08%
REVENUE FROM OPERATIONS (Net)	Rs. Crores	1,315.85	1,064.62	23.60%
EBIDTA	Rs. Crores	432.41	402.95	7.31%
% of EBIDTA to Net Revenue from Operation	%	32.86%	37.85%	
NET PROFIT (after tax)	Rs. Crores	264.62	249.12	6.22%
% of PAT to Net Revenue from Operation	%	20.11%	23.40%	
EARNINGS PER SHARE	Rs.	26.79	25.22	6.22%

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