



MAHANAGAR GAS LIMITED

Ref: MGL/CS/SE/2024/541

Date: 07th June, 2024

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.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation to our letter dated 04th June, 2024, we are enclosing herewith a copy of Investor Presentation for the **Investors' and Analysts' Meet 2024**.

You are requested to take the above information on your records.

For **Mahanagar Gas Limited**

Atul Prabhu
Company Secretary & Compliance Officer



INVESTORS' & ANALYSTS' MEET – JUNE 07, 2024

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Industry Outlook

Natural Gas Marketing and CGD : Attractive Industry

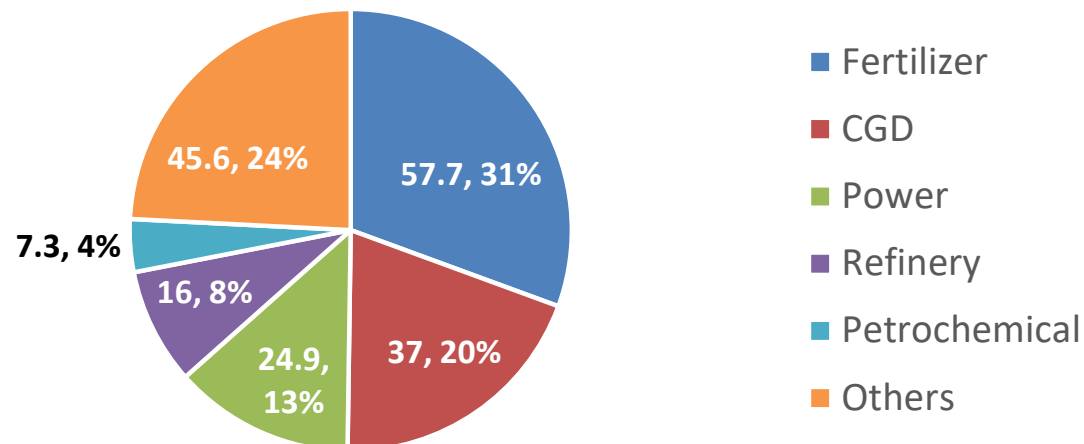


Industry Overview:

- India is the **third-largest energy consumer** in the world after China and US. ⁽¹⁾
- India's primary energy consumption has increased from **25.0 EJ in 2012 to 36.44 EJ in 2022, growing at ~46%** between 2012 and 2022, reaching ~870 MToe⁽²⁾
- India's **per capita energy consumption is one-third of the global average**, indicating potentially higher energy demand in the long-term⁽¹⁾
- Environmentally clean fuels, such as natural gas, are expected to play a dominant role in India's economic growth in the coming years.

Sector-wise consumption of Natural Gas – FY24 (MMSCMD, %)⁽³⁾

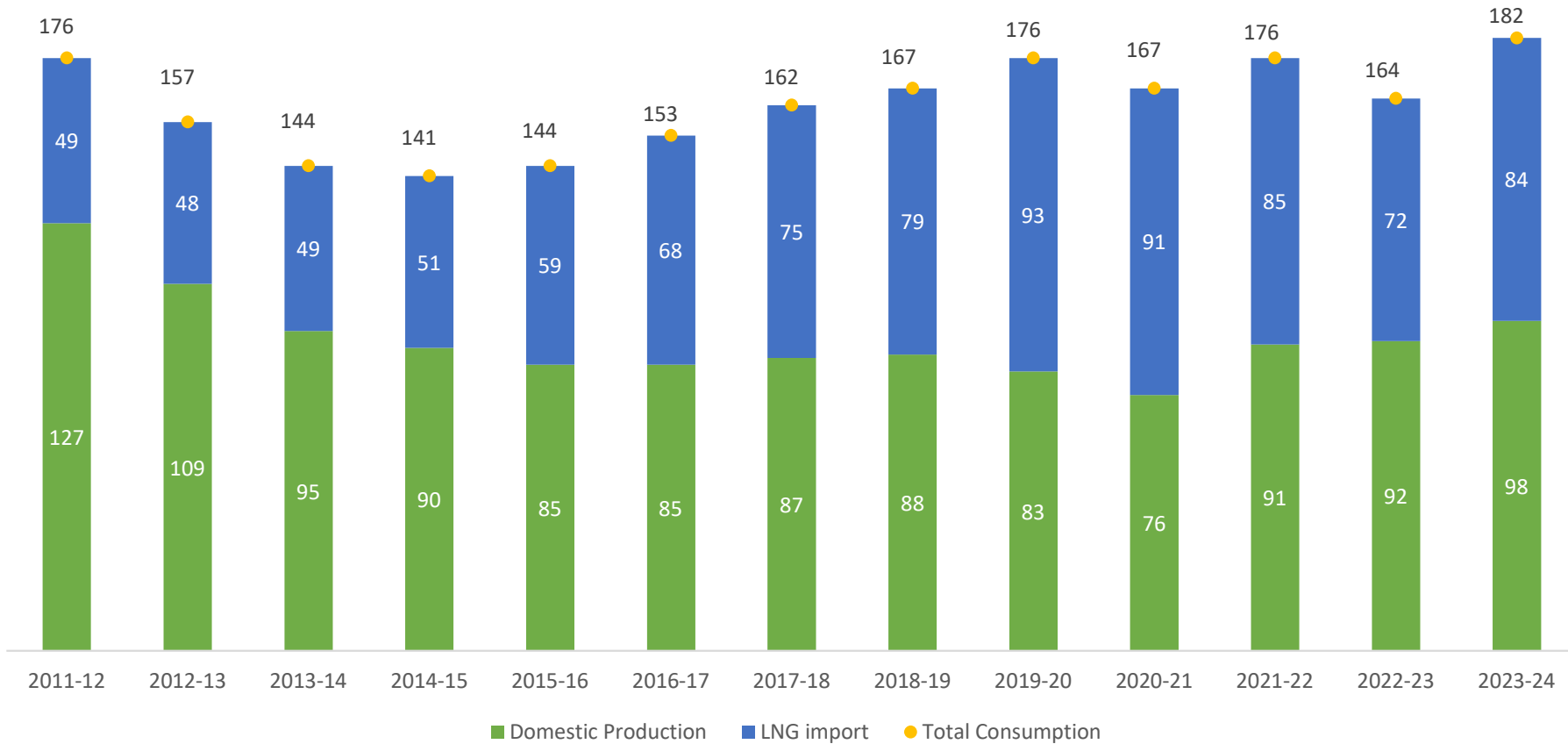
Total Consumption – 183 MMSCMD



India – Natural gas consumption and supply sources



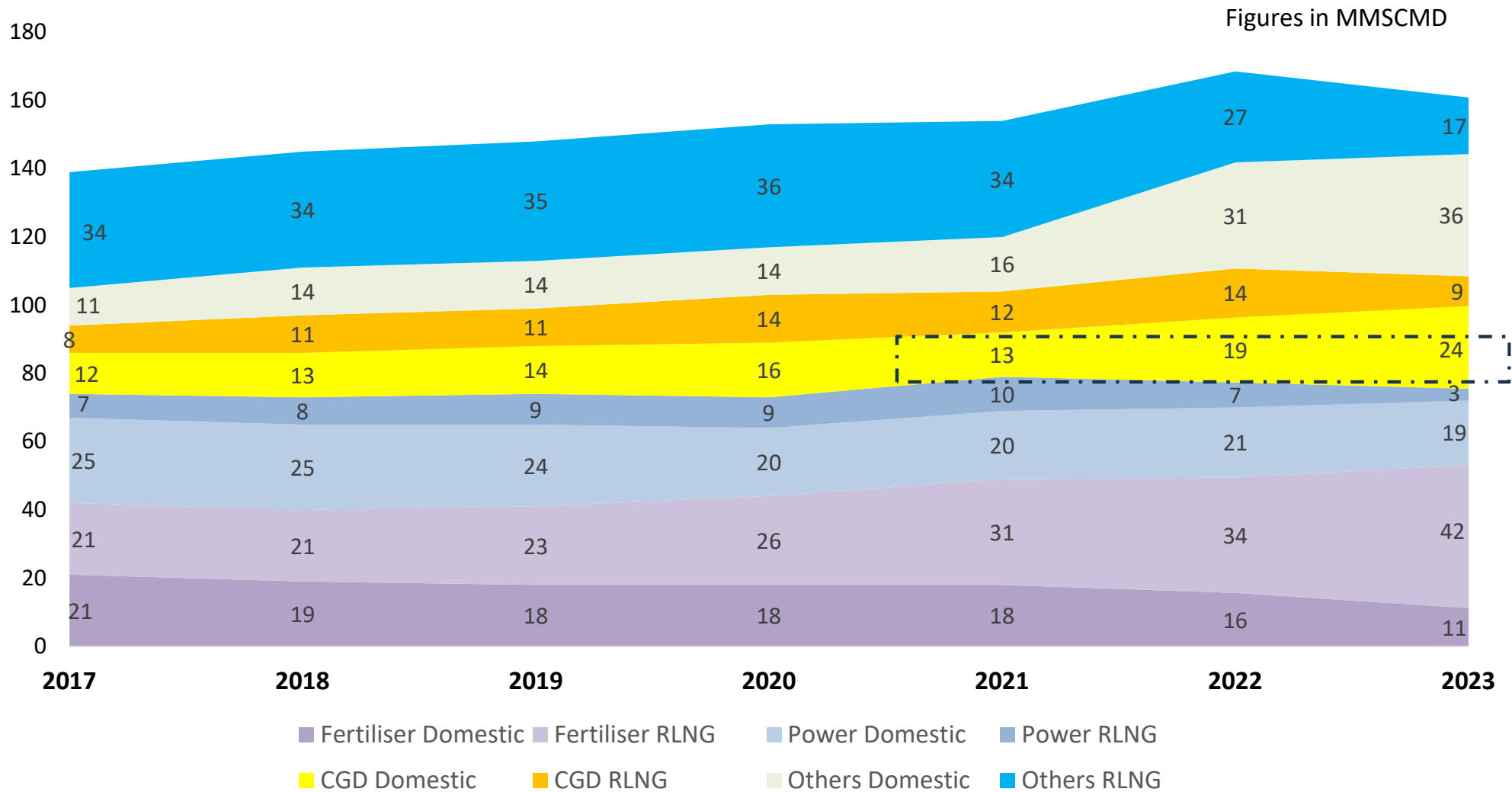
Figures in MMSCMD



India – Sectoral consumption pattern



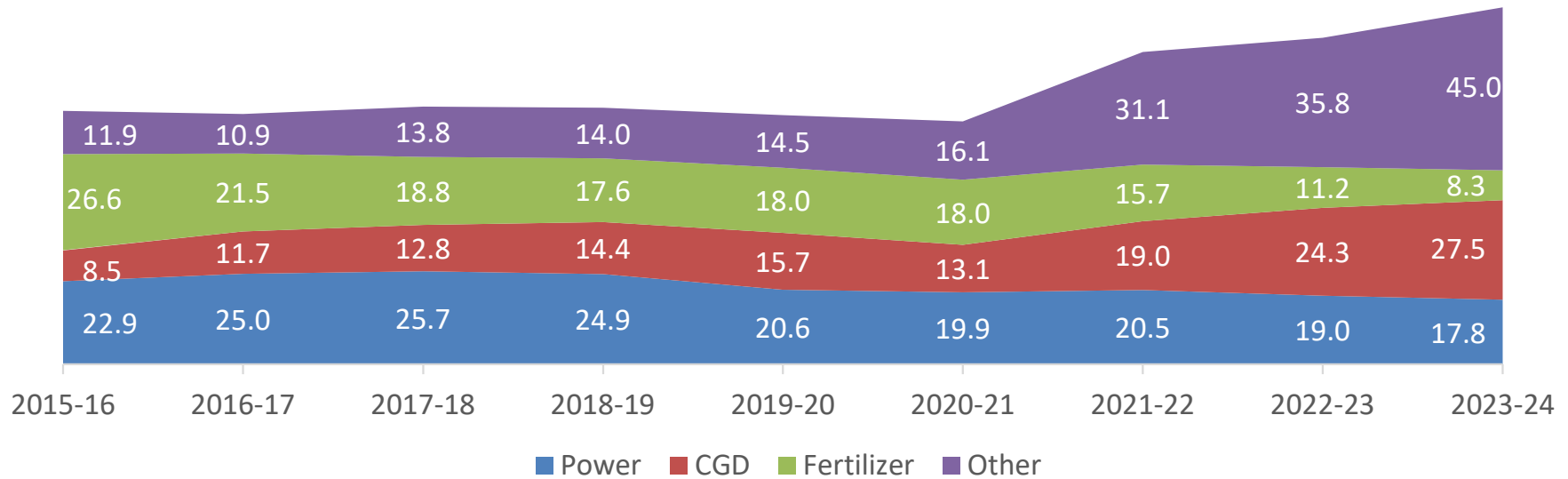
Increasing share of domestic gas in CGD segment



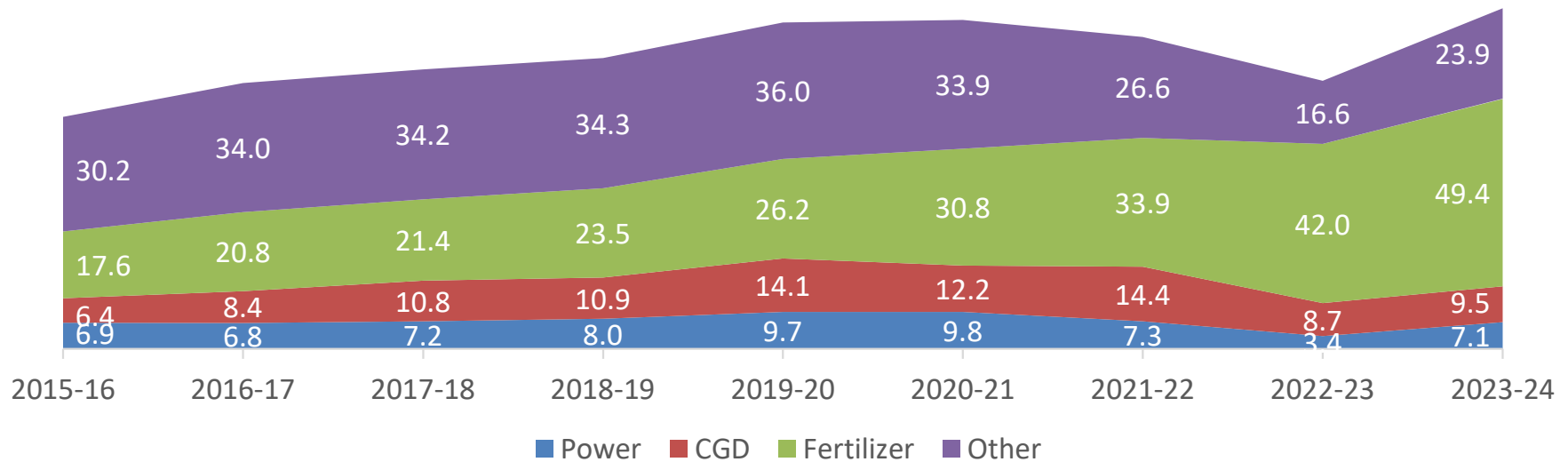
India – Sectoral consumption pattern



Domestic (figures in MMSCMD)



RLNG (figures in MMSCMD)

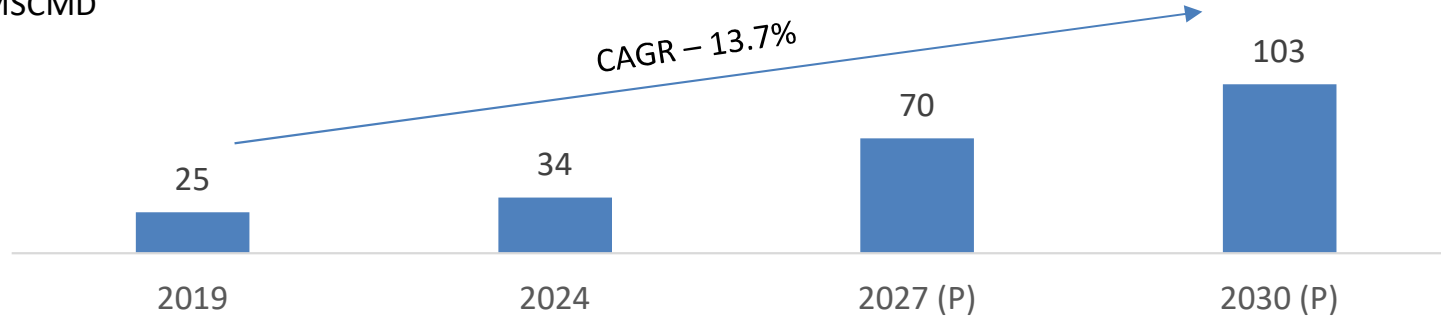


CGD – Future Landscape



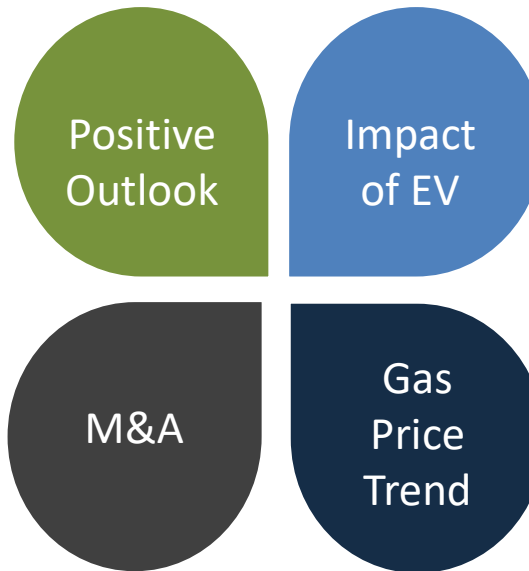
CGD sector to grow at a faster pace as natural gas becomes a preferred fuel ⁽¹⁾

Figures in MMSCMD



- The government has planned to invest \$67 billion in the natural gas sector over the next six years.
- India to have 17.5K CNG stations and 12 Cr. DPNG connections by 2030, from existing ~7K stations and 1.29 Cr DPNG connections.
- Consumption to increase from 185 to 500 MMSCMD by 2030.
- Over 2-3 years, CGD industry to consolidate once new GAs reach scale as smaller players exit in favour of larger and more serious players.

Trends



- CNG enjoys an edge in CV/LCV segment with high payload, running long distances; EVs are unlikely to threaten this.
- EVs have less overlap with CNG consumer base. Low-end PV segment has low EV penetration; on road cost of EV is 1.4-1.5x that of CNG PV (excluding battery replacement cost).
- CGD has been given highest priority in allocation while bidding for HPHT gas, which will ensure low reliance on higher priced RLNG.
- ~30% shortage of APM gas vs. priority allocation likely to be met through higher supply from HPHT gas via auction and gas exchange.

MGL : An Introduction

CORPORATE VISION

*To be a World
Class Consumer
& Environment
Friendly
Company &
Employer of
Choice*

*Committed to
provide Safe,
Efficient and
Reliable energy.*

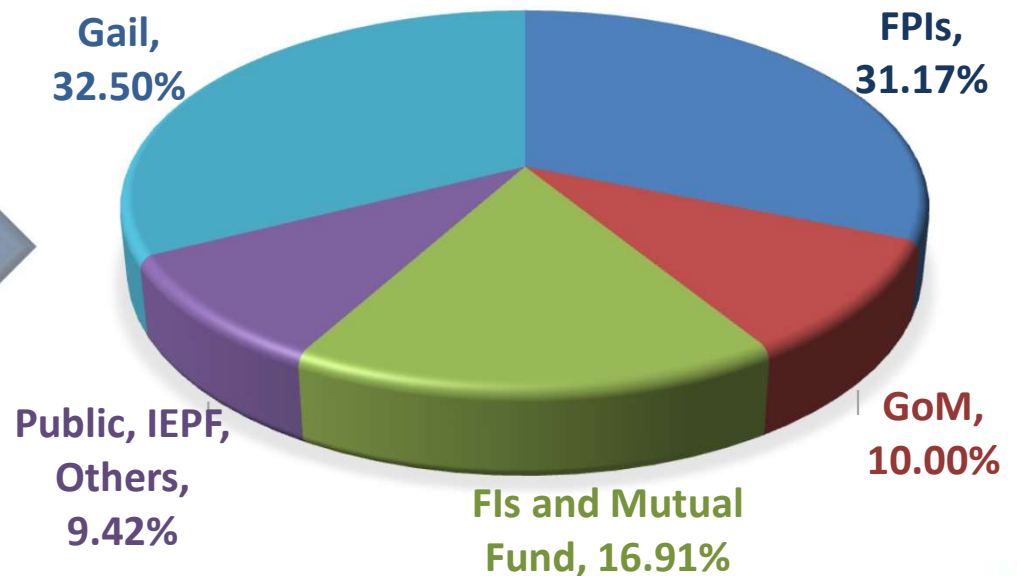
*While creating
value for all our
Stakeholders*

Shareholding



- ❖ Mahanagar Gas Limited (MGL) was incorporated on 8th May 1995, with GAIL and British Gas (BG) holding Equity of 49.75% each and 0.50% holding by Government of Maharashtra (GoM).
- ❖ MGL was listed on 1st July 2016 on BSE and NSE. Post listing GAIL and BG held Equity of 32.5% each, 10% by GoM and balance 25% equity by Public.
- ❖ In August 2019, BG completely divested its shareholding.

Shareholding as on March 31, 2024



Board and the Executive Management



- ❖ MGL's Board is fairly diversified consisting of 8 Board members, Chairman, MD and DMD nominated by GAIL, One Nominee Director from Government of Maharashtra (GoM) and 4 Independent Directors.
- ❖ The Company has very strong parentage of GAIL and in the initial years British Gas, which inculcated strong governance, safety practices and risk mitigation mechanism. GoM being 10% equity shareholder there is good administrative support from the local bodies.
- ❖ The Company's Senior Executive management is represented by highly qualified personnel with several years of experience in Oil and Gas Sector.

Credit Strength



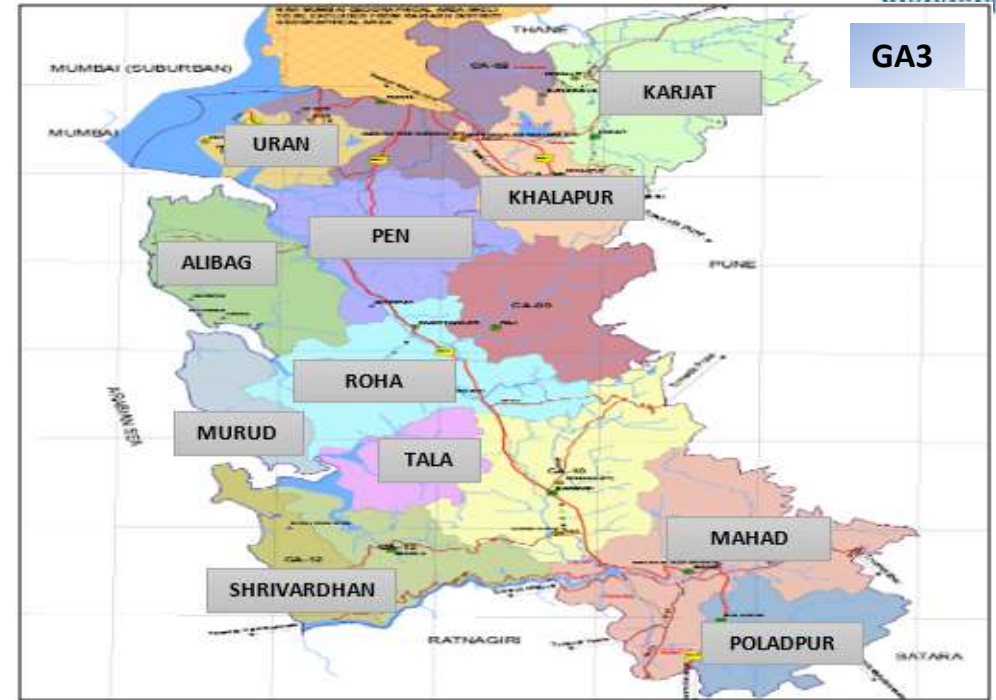
- ❖ Healthy Profitability and ability to generate cash consistently from core business.
- ❖ Debt free Company with treasury surplus.
- ❖ Highly comfortable working capital cycle.
- ❖ Consistently Rated Long term [ICRA] – AAA Stable and Short term [ICRA] A1+

Governance Structure



- ❖ The Company Governed through the Board / Committees
- ❖ Formal Board Delegated Power to executive management
- ❖ Business Risk Register in place much before SEBI mandate
- ❖ Documented Contracts and Procurement manual approved by the Board
- ❖ Statutory auditors are M/S Deloitte, Haskins & Sells
- ❖ Internal auditors are M/S Ernst & Young
- ❖ Statutory Auditor report has always been “unqualified” since inception
- ❖ Regular IT / Systems audit gets conducted
- ❖ Compliance tool and monitoring system in place
- ❖ All vendor payments through E –Payments
- ❖ SAP (ERP) well implemented end to end including Billing Engine (IS-U) & ESS

Areas of Operation



Authorized GAs	~Area (Sq. Km)	Population*	Household
GA1 - Mumbai & Greater Mumbai	465	12442373	2040500
GA2 - Thane Urban and adjoining Municipalities	1000	2373568	1469820
GA3 - Raigad District	6864	622836	167000

MGL Performance

Infrastructure and Customer Base as on March 31, 2024



Physical Infrastructure				
	GA1	GA2	GA3	Total
CNG Stations (Nos.)	151	149	47	347
Steel Pipeline Length (km)	237	246	116	599
PE Pipeline Length (km)	3,253	2,816	300	6,369
Customer Base				
	GA1	GA2	GA3	Total
MGL PNG Connections (Nos.)	12,57,250	11,52,456	80,041	24,89,747
CNG Vehicles (Nos.)	6,84,836	3,04,252	7,127	9,96,215
I&C Customer (Nos.)	3,384	1,366	19	4,769

The Company has achieved MWP targets as per PNGRB authorization

GA Wise CNG Retail Outlets As on March 31, 2024

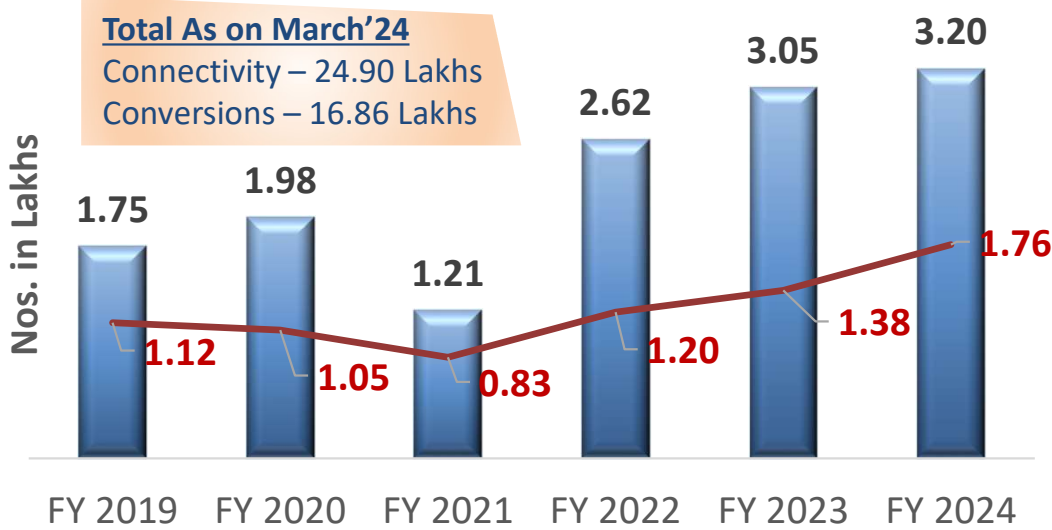


Entity Type	GA1	GA2	GA3	TOTAL
COCO	9	10	5	24
PVT	9	45	14	68
OMC	118	89	25	232
STUs	15	5	3	23
TOTAL	151	149	47	347



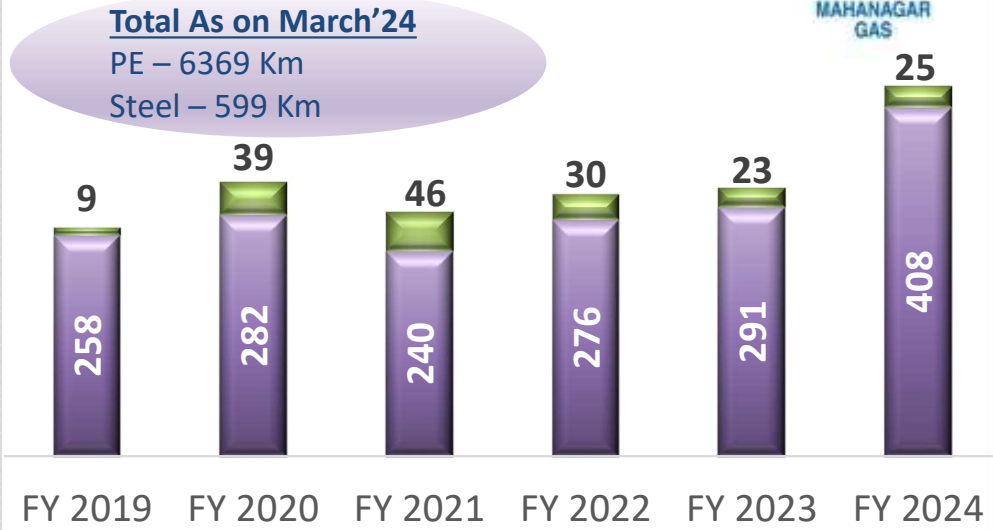
Year on Year Performance - Physicals

■ Domestic Connectivity Nos. — Domestic Conversions Nos.



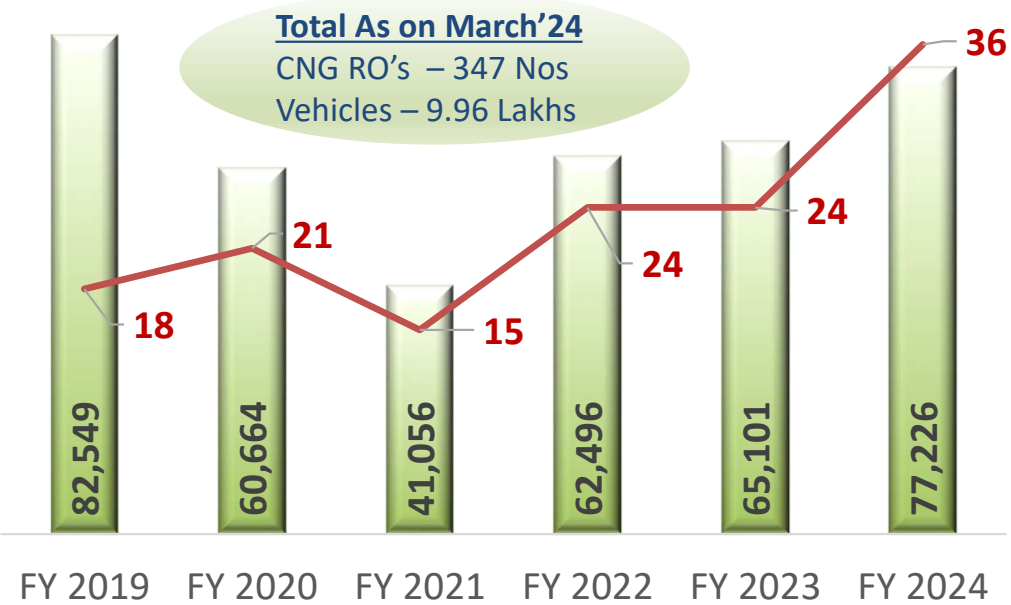
■ PE Pipelines Kms

■ Steel Pipelines Kms



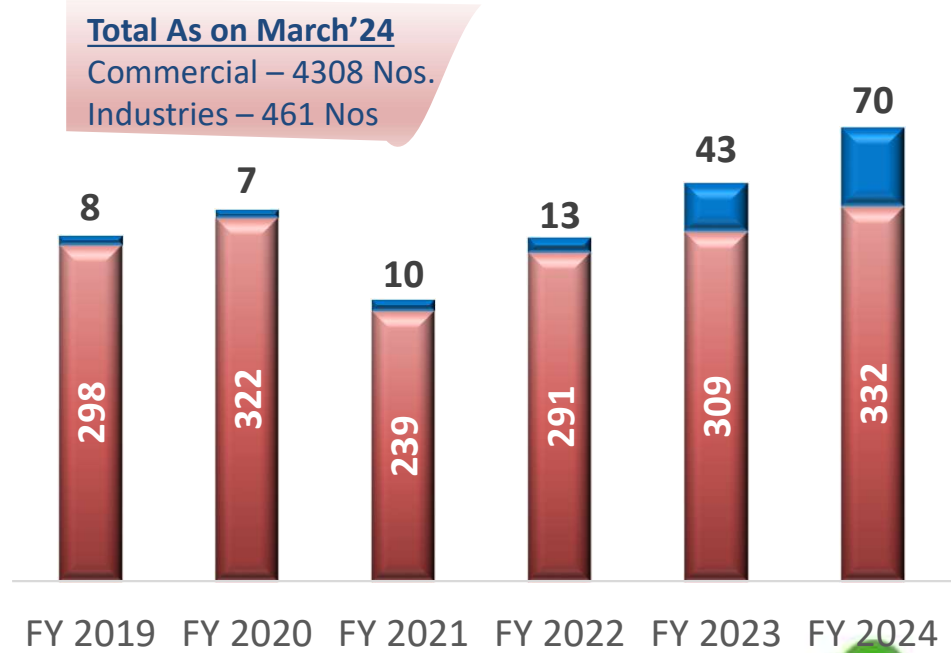
■ Vechile conversion Nos.

— CNG Retail Outlets (New) Nos.



■ Commercial Nos.

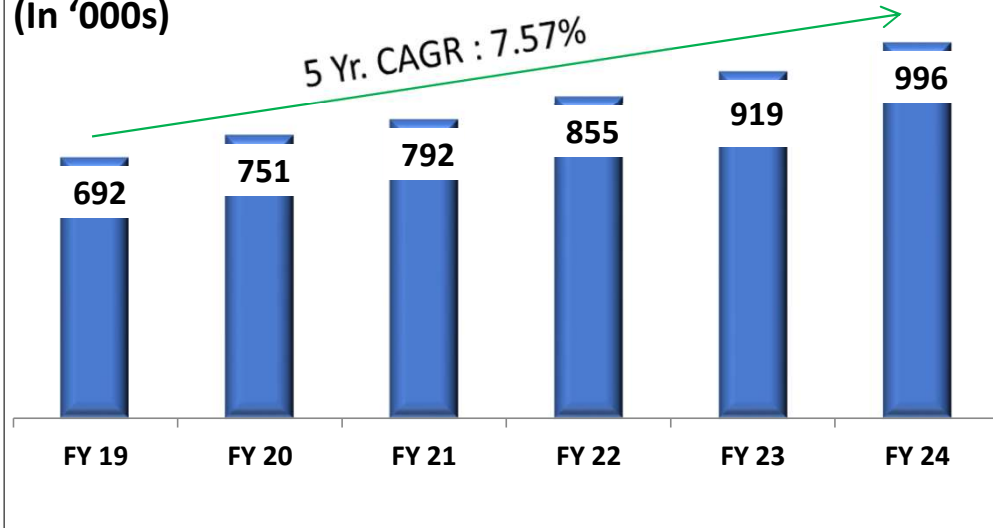
■ Industrial Nos.



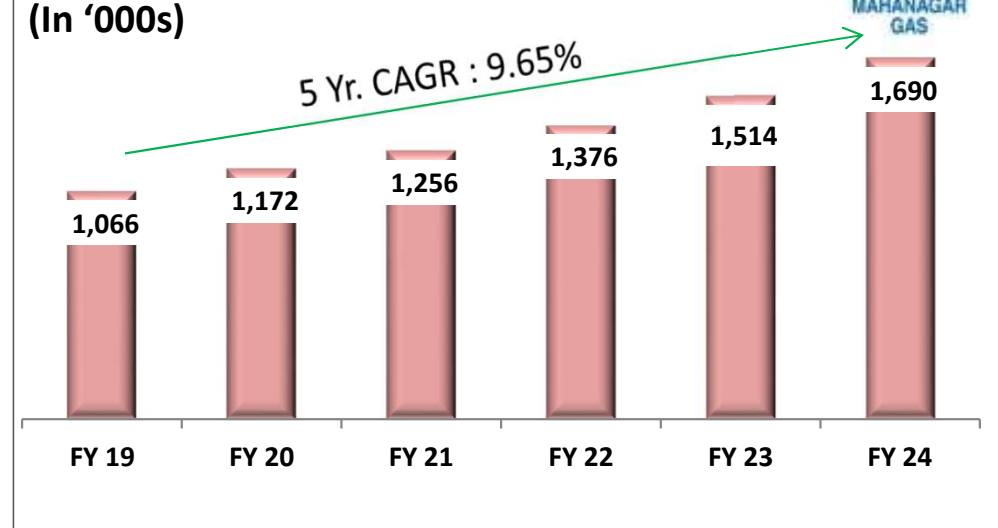
Growth backed by increased customer base and coverage area



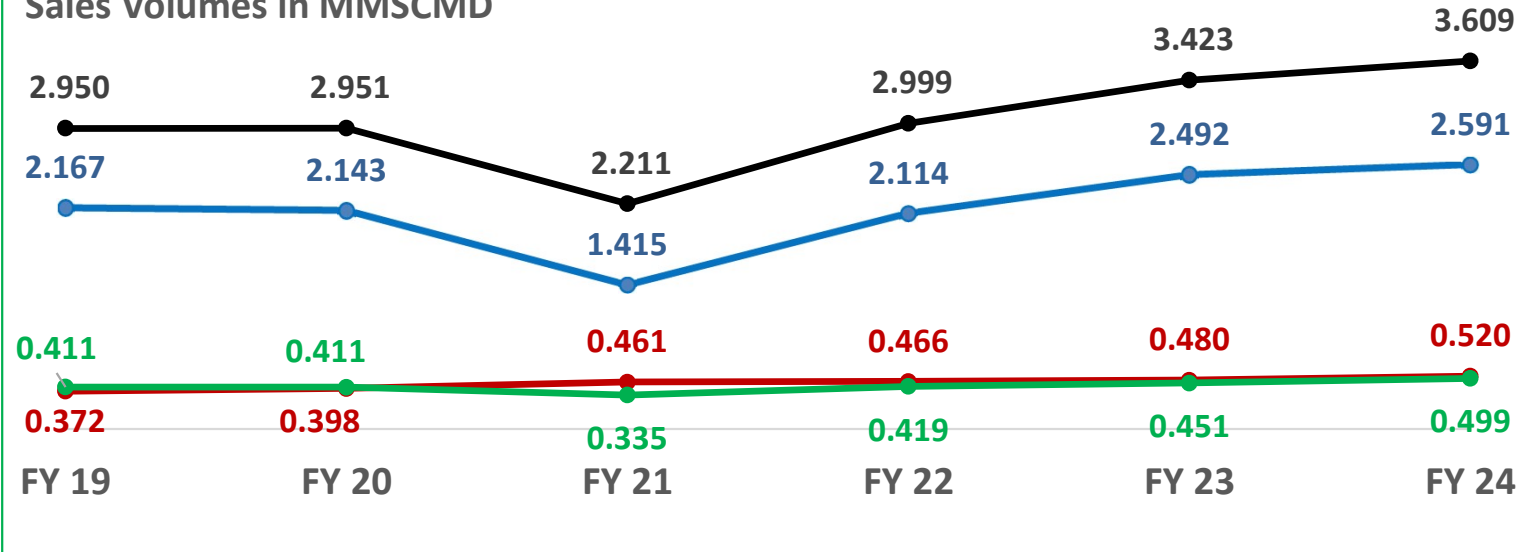
CNG Customers (end users) Growth
(In '000s)



PNG Customers (end users) Growth
(In '000s)



Sales Volumes in MMSCMD

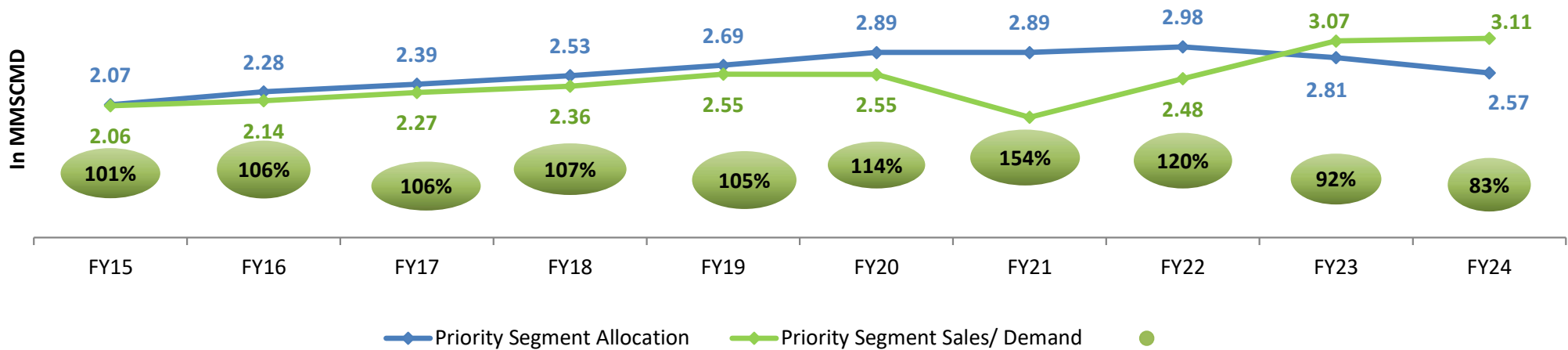
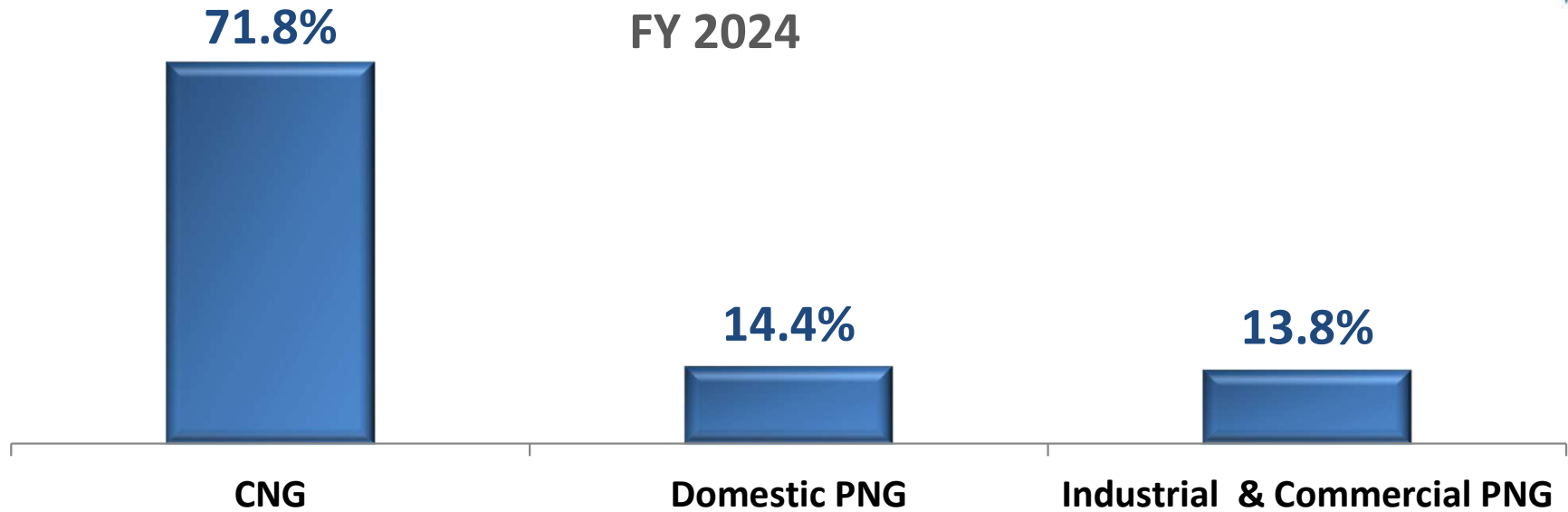


CAGR

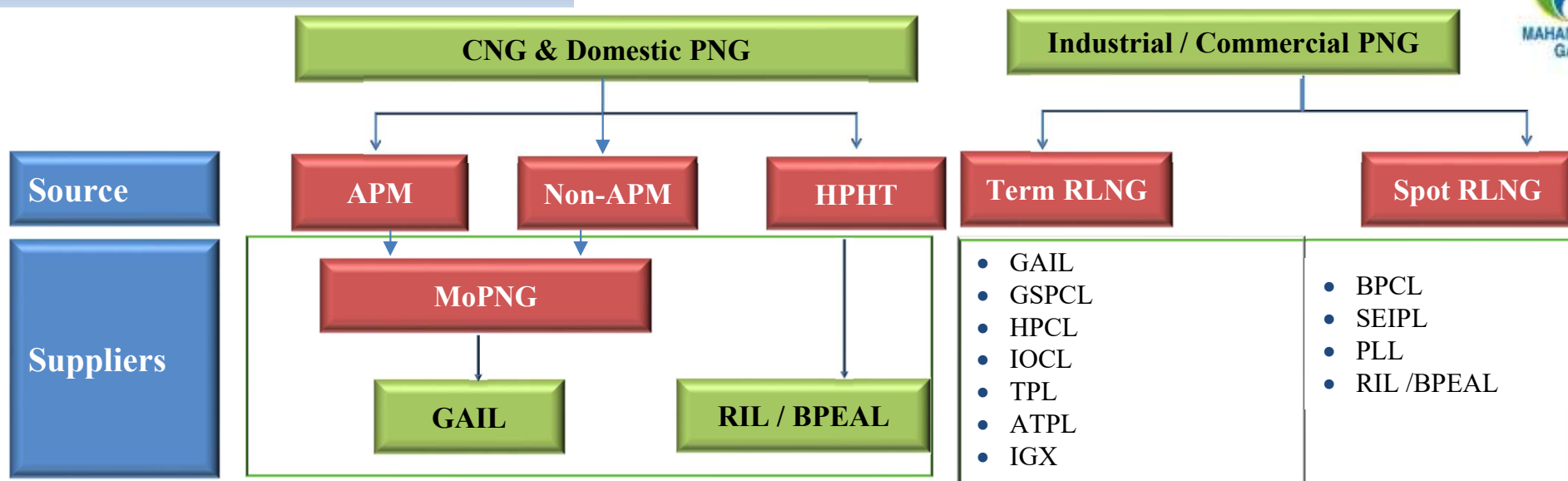
CNG	4.11%
Domestic	7.49%
I&C	5.91%
Total	4.85%

1. FY 21 performance was severely impacted due to COVID 19 except in household category.
2. CAGR is based on March average sales volumes

Sales Volume Composition



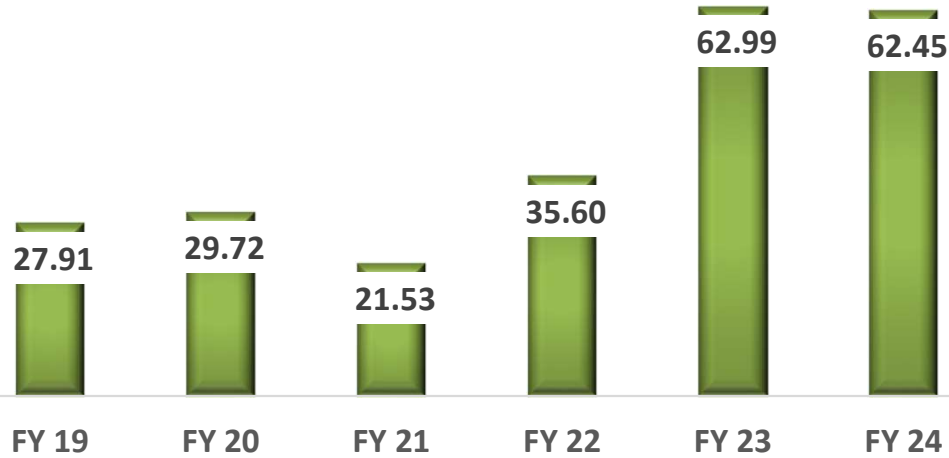
Gas Sourcing



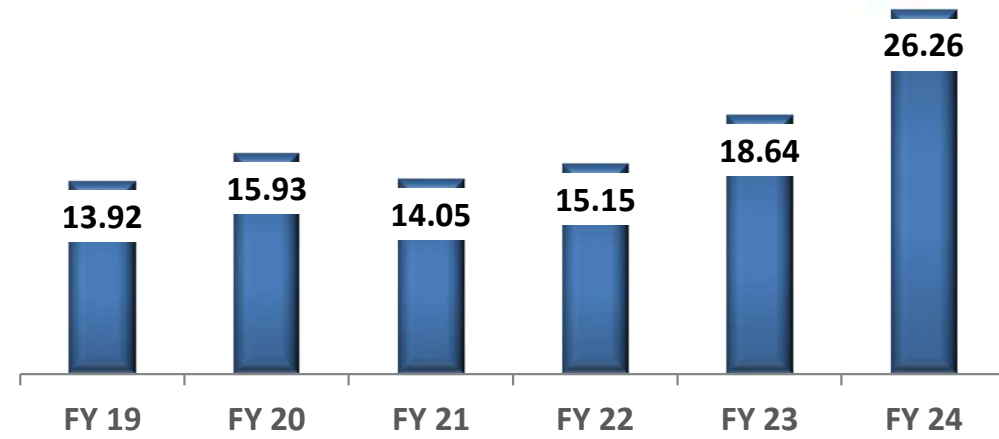
- ❖ Firm APM allocation ~70% of the priority volumes.
- ❖ HPHT available to CGD on priority, the company has term contracts of ~0.50 mmscmd.
- ❖ Have tied up term RLNG through competitive bidding for Industrial and Commercial requirement linked to HH and Oil index with flexible MGQ terms
- ❖ For spot requirement we have IGX and other suppliers through competitive bidding.
- ❖ APM and HPHT price has good visibility for medium term.

Revenue and Profitability

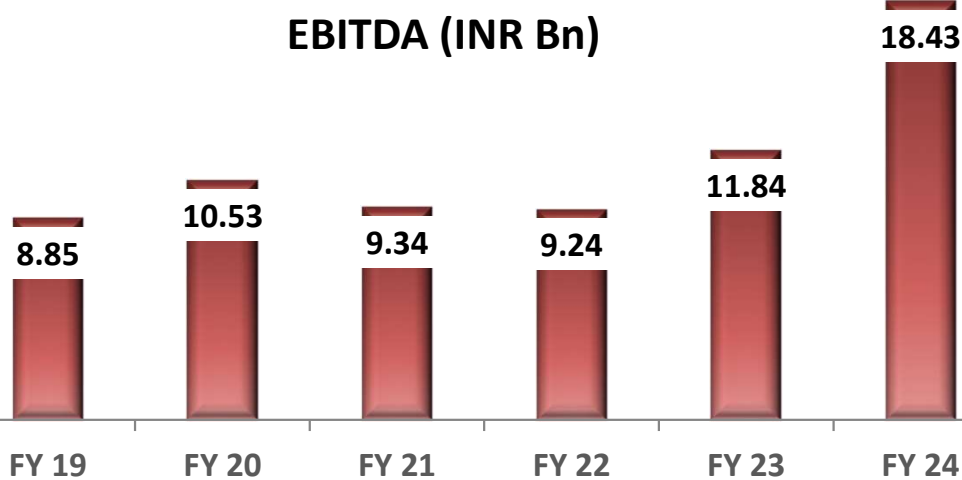
REVENUE (INR Bn)



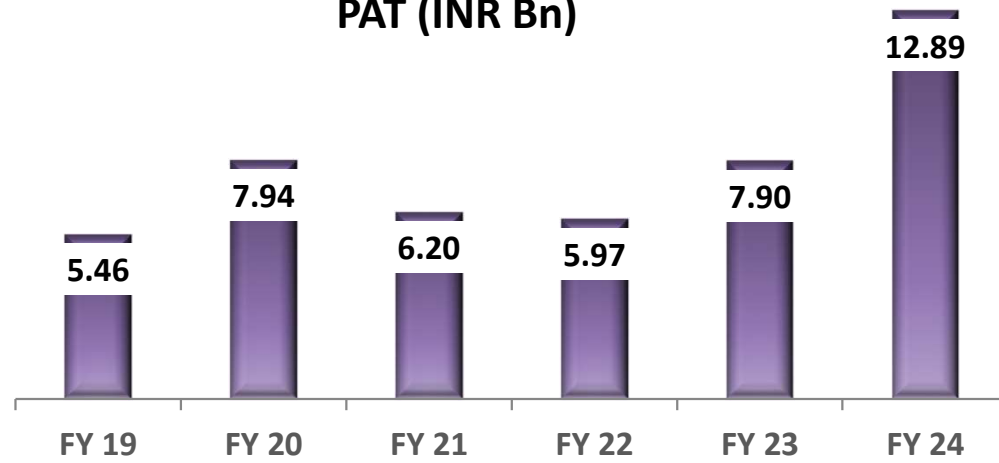
Gross Profit (INR Bn)



EBITDA (INR Bn)



PAT (INR Bn)



Note: 1) Revenue from Operations (Net) excluding Other Income

2) Gross Profit = Sale of Natural Gas and Traded Items - Cost of Natural Gas and Traded Items + Other Operating Income

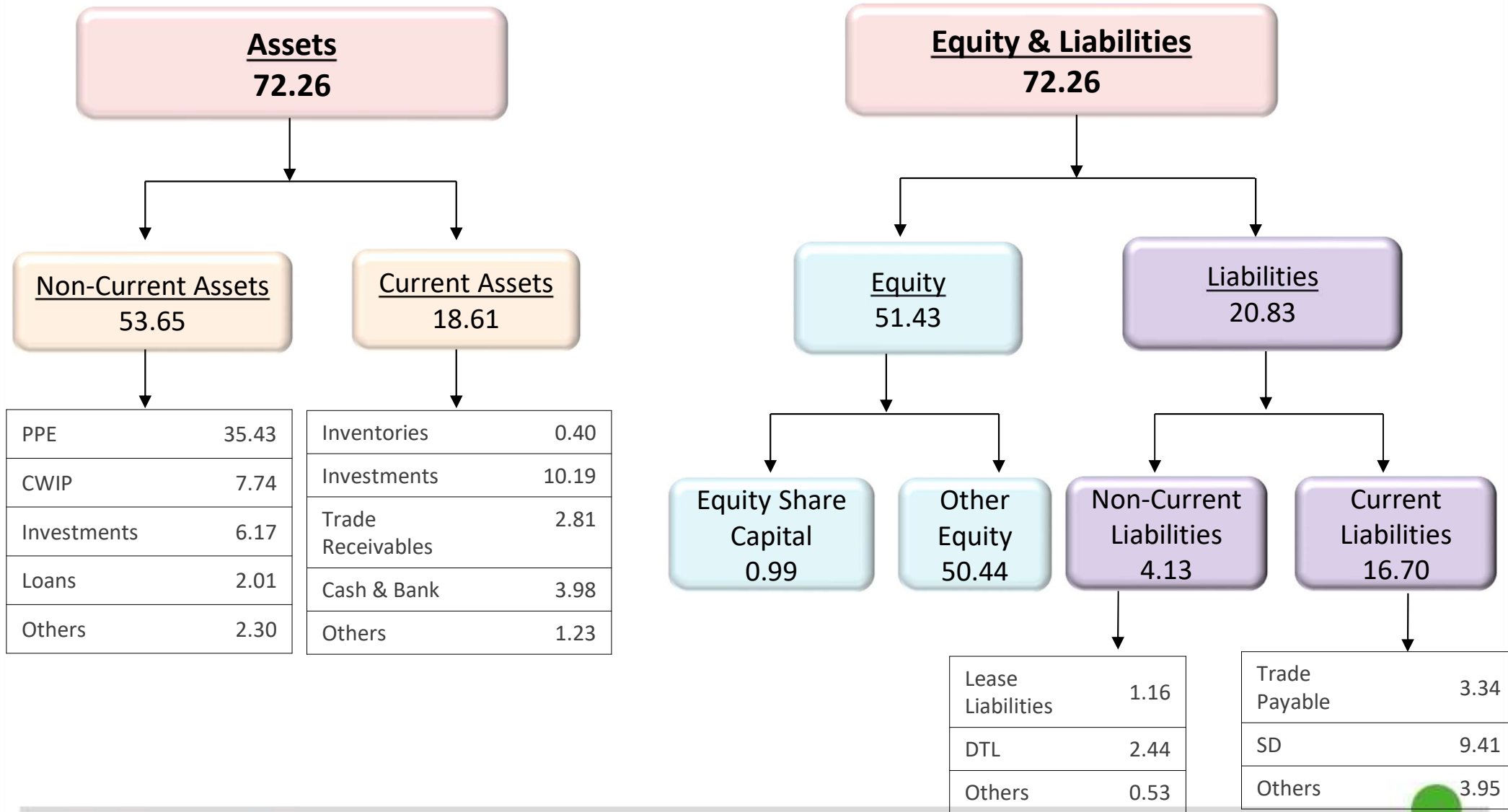
3) FY 21 performance was severely impacted due to COVID 19 except in household category

4) Revenue CAGR % for CNG and Total Revenue is impacted adversely due to Covid 19 pandemic since March 2020.

Balance Sheet as on 31st March 2024 (Standalone)



INR BN



Other Financial Metrics



Particulars	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Average Realization / SCM (INR)	25.69	27.27	26.42	32.25	50.20	47.05
Gross Margin / SCM (INR)	12.73	14.54	17.20	13.61	14.74	19.71
Opex / SCM (INR)	4.70	5.00	5.84	5.39	5.44	5.93
EBITDA / SCM (INR)	8.22	9.75	11.57	8.44	9.48	13.95
RONW % (1)	24.32%	29.66%	20.03%	17.48%	20.44%	27.79%
EPS (INR)	55.30	80.33	62.72	60.43	79.98	130.50

(1) Note: Return on Net Worth = Profit After Tax / Average Net Worth (Share Capital + Reserves and Surplus) for the current year and previous year.

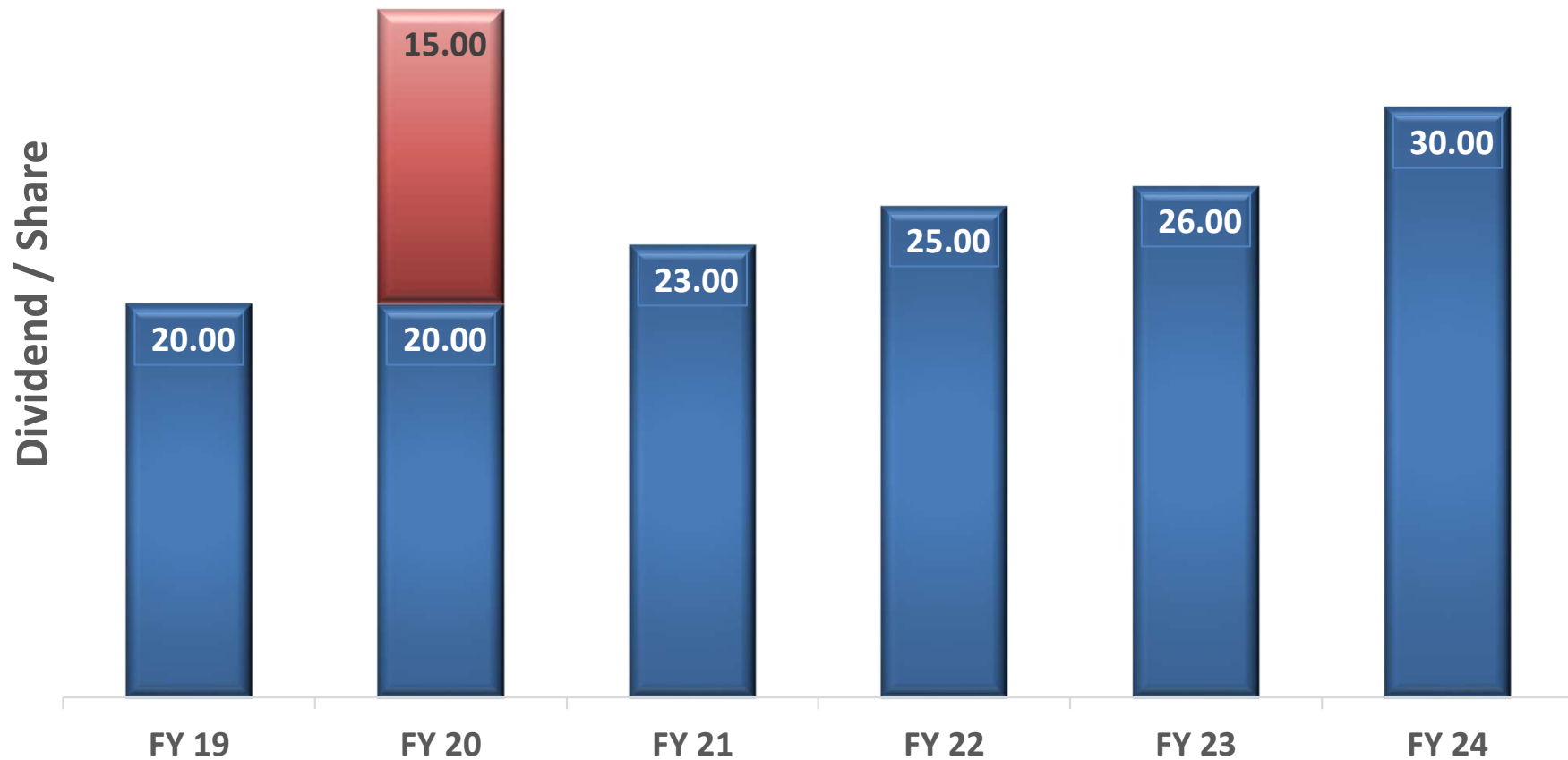
(2) EPS & RONW are not annualized for the interim periods

Creating value for shareholders



Dividend Distribution

Special Normal



New Initiatives

Acquisition of UEPL



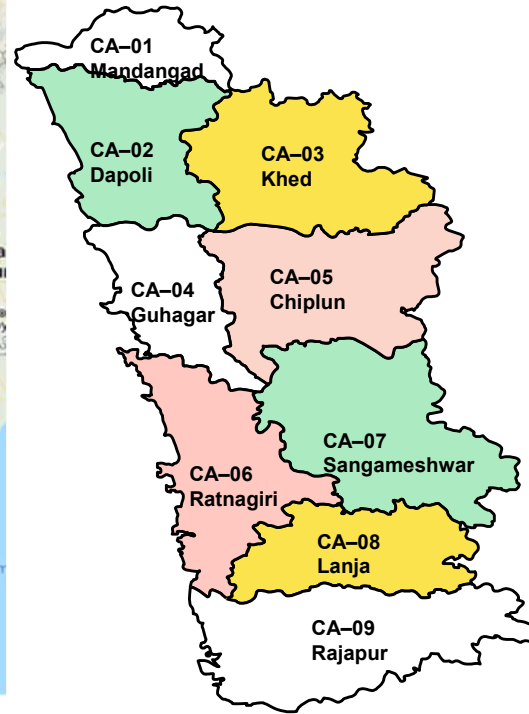
On 1st February 2024, MGL completed the acquisition of 100% stake in Unison Enviro Private Limited (UEPL), a CGD company having authorisation for 3 geographical areas.

1

Ratnagiri (MH)

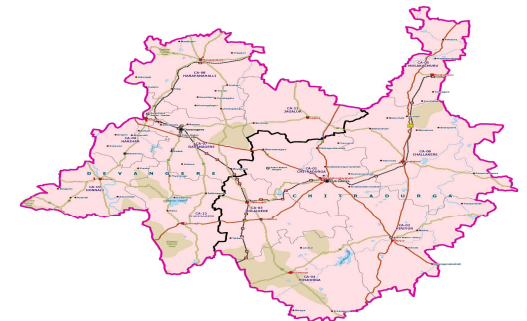
2

Latur & Osmanabad (MH)



3

Chitradurga & Davangere (KA)



UEPL - Exclusivity



Sl. No.	Geographical Area (GA)	State/Union Territories	Date of Authorization	Marketing exclusivity till	Infrastructure exclusivity till
1	Ratnagiri District	Maharashtra	09-Aug-16	08-Aug-23	08-Aug-41
2	Latur & Osmanabad Districts	Maharashtra	24-Sep-18	23-Sep-28	23-Sep-43
3	Chitradurga & Davanagere Districts	Karnataka	25-Sep-18	24-Sep-28	24-Sep-43



Infrastructure and Customer Base as on March 31, 2024 (UEPL)



Physical Infrastructure				
	Ratnagiri	Latur/ Usmanabad	Chitradurga Davangere	Total
CNG Stations (Nos.)	21	19	16	56
Steel Pipeline Length (km)	0.4	12.1	4.9	17.4
PE Pipeline Length (km)	102.3	48.2	98.3	248.8
Customer Base				
	Ratnagiri	Latur/ Usmanabad	Chitradurga Davangere	Total
MGL PNG Connections (Nos.)	20,181	2,826	3,991	26,998
CNG Vehicles (Nos.)	12,752	11,296	4,655	28,703
I&C Customer (Nos.)	54	2	1	57



Mahanagar LNG

Mahanagar LNG Private Limited (MLPL) is a Joint Venture of MGL with the Baidyanth Group, which was incorporated on December 26, 2023.

LNG as a fuel has lower emissions which comes with the commercial benefits vis-à-vis alternate fuels.

MLPL intends to set up 6 stations in the current financial year across the various logistics and manufacturing hubs of Maharashtra with a focus on the long-haul trucking space.

This venture intends to focus on the decarbonization of the Indian road logistics sector.



3ev Industries

MGL has forayed into the electric vehicle mobility segment with an equity investment in 3ev Industries Pvt. Ltd.

3ev is in the business of manufacturing of L5 category 3-wheeler cargo and passenger EVs.

Total investment commitment is Rs. 96 Crore for equity holding of 30.97%. As on date Rs. 50 Crore has been invested.

Through this investment, MGL is looking to be a part of the EV growth story that is playing out in India and globally.

Compressed Biogas (CBG)



The CBG plant will process food waste and convert it into green fuel.

This will help mitigate environmental concerns, harness renewable energy sources, and promote circular economy.

The foray in the CBG domain has a synergistic significance for MGL with the backdrop of government's CBG blending mandates for the CGD players.

The project will be executed through a JVC with a technology partner experienced in the CBG projects.



BMC and MGL signed an MoU on 8th June 2023 for setting up of the CBG Plant.



Consultant was appointed in Nov 2023 for preparation of DPR. Waste Availability & Characterization Study (WACS) was carried out as well.



The Concession Agreement with BMC is being firmed up.

- ❖ The Company has capex plan for FY 2024-25:
 - ❖ of ~Rs.1000 Crores, for MGL ~Rs.800 Crore and UEPL ~Rs.200 Crore.
 - ❖ for creating pipeline infrastructure steel ~25 kms, PE ~200 kms and CNG station ~60 in MGL and ~30 in UEPL, PNG Domestic Connection of more than 3 Lakhs and ~60 Industrial connection and ~300 Commercial Connections.
- ❖ We expect volume growth in the range of 6 to 7%.
- ❖ The Company remains committed to growth avenues and will look for organic and inorganic suitable opportunities.
- ❖ The Company will be looking at diversification avenues in energy related businesses.

Corporate Social Responsibility (CSR)

CSR THEMATIC AREAS OF FOCUS



MGL VIDYA for Education



MGL HUNAR for Skills Development



MGL AAROGYA for Health Care and Sanitation



MGL SAKSHAM for Empowerment



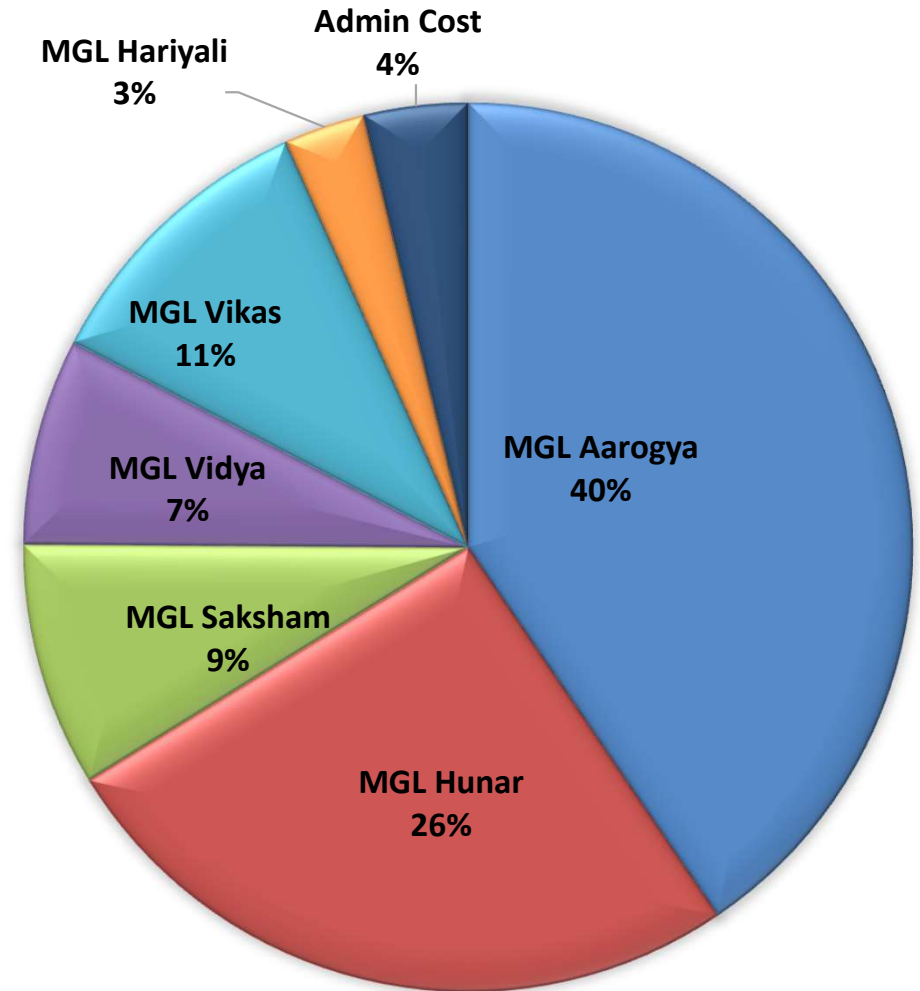
MGL VIKAS for Rural Development



MGL SAATHI for Welfare



MGL HARIYALI for Environment



Recognition for CSR

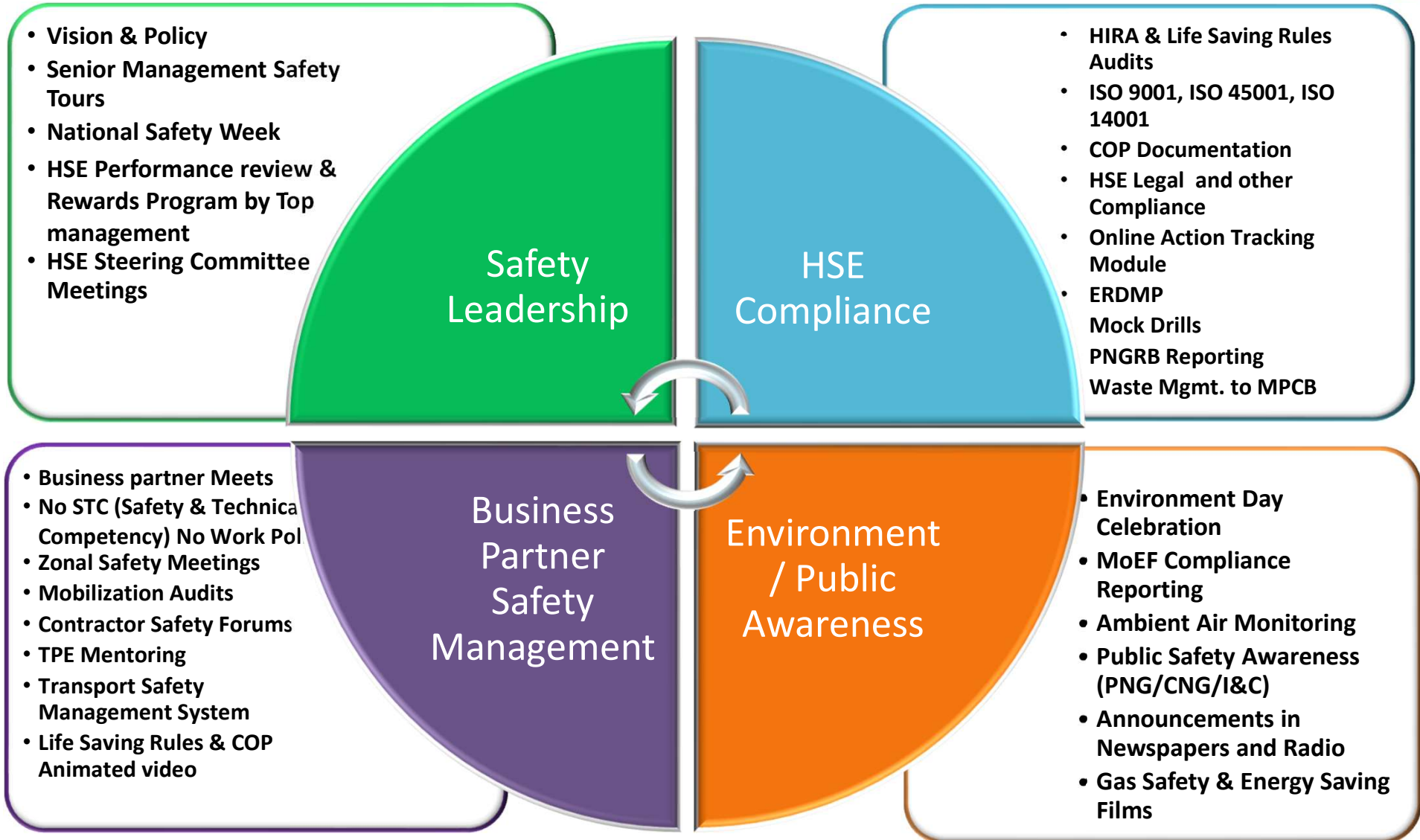


- ❖ **The Mahatma Award** for working on maximum number of **Sustainable Development Goals (SDGs)** under the banner “we care” has touched **14 out of 17 SDGs** impacting the lives and livelihood of marginal communities.
- ❖ **The National Award** for Excellence in CSR and Sustainability by showcasing its intervention in the category of **Best Overall Excellence in Corporate Social Responsibility practices.**
- ❖ **Appreciation and Felicitations on World TB Day** and under the National Tuberculosis Elimination Programme (NTEP), by TB Office Raigad District for contributing 05 TruNaat Machines & TB Testing chips.



Health Safety Environment (HSE)

HSE Management System



Recognition for HSS&E



- ❖ Federation of Indian Chambers of Commerce & Industry (**FICCI GIZ**) **AWARD** 2023 in topmost **Platinum** Category for **Excellence in Industrial Disaster Risk Management**.
- ❖ **“Second” prize at 18th CII Western Region Safety, Health & Environment (SHE) Excellence & Innovation Award 2024** under Service Sector from Confederation of Indian Industry on March 22, 2024.
- ❖ **“Greentech Award”** in the Construction Safety category on May 29, 2023 at New Delhi. This is the first award in the category of Construction Safety for MGL.
- ❖ **Platinum Safety Award 2023** in Gas Sector by Apex India Foundation. The award was received at the hands of Shri Manoj Tiwari, Honourable Member of Parliament and Dr. Avneesh Singh, Director General (Retd.), DGFASLI at Udaipur.
- ❖ **Certificate of Appreciation for Meritorious Performance in Industrial Safety** for CGS Ambernath, Mahape and Taloja by the National Safety Council, Maharashtra Chapter on September 30, 2023 at Mumbai.

Environmental, Social and Governance - ESG

ESG Initiatives



- ✓ Compressed Biogas (CBG) plant of 1000 TPD capacity is planned in Mumbai based on MSW (Municipal Solid Waste) as feedstock
- ✓ Solar Panels is being installed at Various RO CNG stations at GOM(Ghatkopar, Malad and Mankhurd) and at Savroli LNG station of 10 Kw each capacity
- ✓ Wind turbine /mill is installed at CGS Taloja for harnessing wind energy of 12Kw/month capacity
- ✓ Installed Sewage Treatment Plant (STPs) at 2 City Gate Station (CGS) viz. CGS Savroli & CGS Taloja and Rainwater harvesting system at 2 City Gate Station (CGS) viz. CGS Savroli and CGS Ambernath for recycling of wastewater in FY 2023-24
- ✓ Lost Time Injury Frequency (LTIF) is maintained less than 0.083 (FY22-23)
- ✓ Conducted Energy Efficiency Audit for 4 CGS, 3 RO's & 2 Offices in FY23-24
- ✓ Conducted awareness session for suppliers to adopt low carbon transition initiatives
- ✓ Net Zero – A road map for de-carbonisation (GHG emissions to be made zero / minimal) is under way



Safe Harbor



- *This presentation may contain statements which reflect the management's current views and estimates and could be construed as forward looking statements.*
- *The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed.*
- *Potential risks and uncertainties include such factors as general economic conditions, competitive product and pricing pressures and regulatory developments.*

Thank You.....

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<https://www.mahanagargas.com>

CIN : L40200MH1995PLC088133