



# MAHANAGAR GAS LIMITED

Ref: MGL/CS/SE/2024/573

Date: October 24, 2024

To,

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

**Sub.: Outcome of Board Meeting – Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') – Scheme of Merger / Amalgamation**

The Board of Directors of Mahanagar Gas Limited ('MGL'/ 'Transferee Company') at its Meeting held today i.e. Thursday, October 24, 2024 has considered and approved a Scheme of Merger / Amalgamation of Unison Enviro Private Limited ('UEPL'/ 'Transferor Company') with MGL and their respective shareholders ('the Scheme') under section 230 and 232 of the Companies Act, 2013. UEPL is a wholly owned subsidiary of MGL.

The Scheme is subject to necessary statutory and regulatory approvals including the approval of the National Company Law Tribunal / other regulatory authority(ies), under the applicable laws.

There is no material impact of the Scheme on the financials of the Company.

We enclose herewith as an **Annexure** the details required under Regulation 30 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 for the above mentioned Scheme.

The Board Meeting commenced at 1400 hours and concluded at 1750 hours.

The Company will make necessary disclosures on any material developments in this regard from time to time.

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

Thanking you,  
Yours Sincerely,

**For Mahanagar Gas Limited**

**Atul Prabhu**  
**Company Secretary & Compliance officer**

Encl.: as above

## ANNEXURE

**Disclosure of information pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023**

Sr. No.	Particulars	Remarks		
1.	Name of the entity(ies) forming part of the Scheme, details in brief such as, size, turnover etc.	<b>Particulars</b>	<b>Net Worth as on March 31, 2024 (Rs. In Lakhs)</b>	<b>Total Revenue from Operations as on March 31, 2024 (Rs. In Lakhs)</b>
		Mahanagar Gas Limited ('MGL' or 'Transferee Company')	5,14,287	6,86,195
		Unison Enviro Private Limited ('UEPL' or 'Transferor Company')	7,640	28,093
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at arms-length	<p>UEPL is the wholly owned subsidiary of MGL. Since the merger is between the wholly owned subsidiary and its parent holding company, no shares will be issued to discharge the consideration pursuant to the merger.</p> <p>The Ministry of Corporate Affairs has clarified vide its General Circular No. 30/2014 dated July 17, 2014, that transactions arising out of Compromise, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 2013 ('the Act'), will not fall within the purview of related party transaction in terms of Section 188 of the Act. Similarly, compliances under Regulation 23 of Listing Regulations for related party transactions is not applicable to a wholly owned subsidiary. Further, compliance with the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, is not applicable for merger between parent holding company and its wholly owned subsidiaries. Hence, no valuation report is required from a registered valuer.</p>		
3.	Area of business of the entity(ies) involved; / Industry to which the entities belong	<ul style="list-style-type: none"> <li>MGL is primarily engaged into the City Gas Distribution ('CGD') business and has its geographical presence in 3 areas, namely, Mumbai and Greater Mumbai, Thane Urban and adjacent municipalities and Raigad Districts of Maharashtra.</li> </ul> <p>Under the CGD business, natural gas is compressed by MGL and sold to customers from the stations or through pipelines and such compression is done through city gas distribution infrastructure, which involves the process of reduction of pressure for supplying pipe natural gas and compression to fill compressed natural gas in vehicles.</p>		

Sr. No.	Particulars	Remarks
		<ul style="list-style-type: none"> <li>UEPL is engaged in similar business as that of MGL, i.e., CGD business. UEPL has its geographical presence in 3 areas, namely, Ratnagiri district in Maharashtra, Latur &amp; Osmanabad districts in the state of Maharashtra and Chitradurga &amp; Davangere districts in Karnataka.</li> </ul>
4.	Rationale for amalgamation/ merger /Scheme	<p>Transferee Company has been party to several bids for expanding and acquiring city gas distribution businesses in multiple locations. The growth of the Transferee Company beyond the existing three geographical areas was possible via acquiring ongoing city gas distribution businesses. Transferor Company's business was only available for acquisition in a bid via share acquisition. Accordingly, this acquisition was done by the Transferee Company to expand its presence in different geographical locations to strengthen its position in the city gas distribution business and the Scheme is proposed as a part of consolidation strategy within the Group. Thus, Transferee Company seeks to merger of the Transferor Company for consolidation and expansion of the city gas distribution business. The Transferor Company, as on the appointed date, is a wholly owned subsidiary of the Transferee Company and engaged in similar line of business viz., city gas distribution business in different geographies in the State of Maharashtra and Karnataka. The objects / rationale of the proposed Scheme is as under:</p> <ul style="list-style-type: none"> <li>The merger of Transferor Company into Transferee Company will result in operational synergies resulting in cost optimization;</li> <li>The Scheme will also achieve rationalization of costs by simplification of management structure leading to better administration and cost savings;</li> <li>Reduction in managerial overlaps which are necessarily involved in running multiple entities operating in similar line of business;</li> <li>More efficient utilization of capital for enhanced development and growth of the consolidated city gas distribution business in one entity;</li> <li>Rationalization of the holding structure by way of reduction in the number of entities and streamline the structure of Transferee Company;</li> <li>Providing an opportunity to leverage combined assets, capabilities, experience, expertise, infrastructure of both Companies enabling optimum utilization of existing resources and economies of scale;</li> </ul>

Sr. No.	Particulars	Remarks
		<ul style="list-style-type: none"> <li>• Economies of scale, greater integration, greater flexibility, most effective network and greater market reach as per the GAs allotted to both Companies for the amalgamated entity will improve the competitive position of the combined entity;</li> <li>• Improved cash flows and more efficient utilization of capital, human resources and infrastructure to create a stronger base for future growth, enhance future business potential, and achieve greater efficiencies, productivity gains and advantages by pooling of resources of the group Company thereby significantly contributing to the future growth and maximizing shareholder's value; and</li> <li>• Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by Transferor Company, and greater financial strength and flexibility for the Transferee Company, which would result in maximizing overall shareholder value.</li> </ul> <p>In view of the above, the Scheme will be beneficial and not prejudicial to the interests of the shareholders, employees, creditors, customers and other stakeholders of the Transferor Company and the Transferee Company, and there is no likelihood that the interests of any stakeholders would be prejudiced as a result of the Scheme.</p> <p>Accordingly, this Scheme is being presented for amalgamation of the Transferor Company with the Transferee Company and their respective shareholders and for various other matters consequential, incidental, supplemental and / or otherwise integrally connected therewith pursuant to Sections 230 to 232 and other applicable provisions of the Act read with rules &amp; regulations framed thereunder.</p>
5.	In case of cash consideration – amount or otherwise share exchange ratio	Since the proposed merger will be between wholly owned subsidiary Company and the holding Company, no consideration would be involved.
6.	Brief details of change in shareholding pattern (if any) of listed entity.	Since UEPL is a wholly owned subsidiary of MGL, no shares would be issued as consideration for the amalgamation. As a result, there would be no change in shareholding pattern of MGL on account of the amalgamation of UEPL with MGL and the shareholders of MGL will continue to remain beneficial owners of MGL in the same proportion in which they hold shares in MGL prior to the Scheme of Merger / Amalgamation.