



**Mahanagar Gas Limited**  
**Q4 FY'25 Earnings Conference Call**  
**May 07, 2025**

**MANAGEMENT:**    **MR. ASHU SHINGHAL – MANAGING DIRECTOR,  
MAHANAGAR GAS LIMITED**  
**MR. SANJAY SHENDE – DEPUTY MANAGING DIRECTOR,  
MAHANAGAR GAS LIMITED**  
**MR. RAJESH PATEL – CHIEF FINANCIAL OFFICER,  
MAHANAGAR GAS LIMITED**  
**MR. RAJESH WAGLE – SENIOR VICE PRESIDENT  
(MARKETING), MAHANAGAR GAS LIMITED**

**MODERATOR:**    **MR. S. RAMESH – NIRMAL BANG INSTITUTIONAL EQUITIES**



*Mahanagar Gas Limited  
May 07, 2025*

**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 and FY25 Earnings Conference Call of Mahanagar Gas Limited, hosted by Nirmal Bang Institutional Equities Private Limited.

As a reminder, all participant lines will be in listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*”, then “0” on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. S. Ramesh from Nirmal Bang Institutional Equities. Thank you and over to you, sir.

**S. Ramesh:** Good evening, ladies and gentlemen. On behalf of Nirmal Bang Institutional Equities, I have great pleasure in inviting all of you to join the 4th Quarter FY25 Earnings Conference Call with the management of Mahanagar Gas.

Representing the management we have, Mr. Ashu Shinghal – Managing Director; Mr. Sanjay Shende – Deputy Managing Director; Mr. Rajesh Patel – Chief Financial Officer; Mr Rajesh Wagle, Senior Vice President (Marketing).

So before we begin, I would like to mention that some of the statements made in today's discussion may be forward-looking in nature and believe that expectations containing the statement are reasonable. However, these statements involve a number of risks and uncertainties that may lead to different results. We urge you to consider that quarterly numbers are not a reflection of long-term trends or indication of full year results.

With that said, let me hand over the call to the Management. Over to you, Mr. Shinghal.

**Management:** Thank you, Ramesh. On behalf of MGL, a very good afternoon to you, and welcome to the earnings call of Mahanagar Gas Limited for the 4th Quarter of the Financial Year 2024-'25.

I would like to thank all of you for attending the call today. MGL continues to create CGD infrastructure across its business segments in the licensed area.

During this quarter, 1,50,142 domestic households are connected, and thus we have established connectivity for nearly 2.83 million households. We have laid 236.07 kilometers of steel and PE pipelines, taking the total length to over 7,459 kilometers. We also added 24 stations during this quarter. With this, we have overall 385 stations as on 31st March 2025.

We have also added 164 I&C i.e., industrial and commercial customers during this quarter. And therefore, as on 31st March 2025, we have 5,105 industrial and commercial customers. During the year, 40 CNG stations were added taking total to 385 numbers as on 31st March. We added



*Mahanagar Gas Limited  
May 07, 2025*

3,43,000 domestic households and therefore have established connectivity for nearly 2.83 million households.

Steel and PE pipeline laid during the year is in excess of 491 kilometers, taking the total length to 7,459 kilometers. We witnessed addition of 798,215 CNG vehicles, which is the highest numbers of CNG vehicle addition in our areas of operation since inception. And now we have more than 1.1 million CNG vehicles running in our geographies as of 31st March.

In respect of our geographical area, Raigad, up to March 2025 we have connected 95,714 domestic households and 65 CNG stations which are currently under operation. During the quarter, we have laid 21.27 kilometers of pipeline in Raigad, therefore taking the total length to 466.9 per kilometer.

Coming to MGL's overall operation quarter-on-quarter comparison:

Average sales volume of Q4 '25 is 4.194 mmcmd as compared to the previous quarter of 4.116 mmcmd. Such average sales volume of 4.194 mmcmd consists of CNG of 2.934 mmcmd, domestic PNG of 0.59 mmcmd, and industrial and commercial volume of 0.67 mmcmd.

The average sales volume for the year ending 31st March, '25, is 4.045 mmcmd whereas it was 3.609 in the corresponding period last year. Thus, there is an increase of 12.27% in the overall sales volume compared to the previous year. Average sales volume for the year ending 31st March 2025, is 4.052 mmcmd consisting of CNG volume of 2.878 mmcmd, domestic PNG of 0.554 mmcmd, and industrial and commercial volume of 0.621 mmcmd.

Compared to the previous year, sales volume in the case of CNG has increased from 2.591 mmcmd to 2.878 mmcmd, which is an increase of 11.08%. Domestic PNG has increased to 0.554 mmcmd, which is an increase of 6.53%. And the I&C sales have gone up to 0.621 mmcmd, which is an increase of 24.46%.

EBITDA from operations for the quarter is Rs. 378 crores as compared to the previous year quarter EBITDA of Rs. 314 crores, which is an increase of 20%.

Net profit after tax for the quarter is Rs. 252 crores as compared to the previous PAT of Rs. 225 crores, which is an increase of 12%.

EBITDA from operations for the financial year is Rs. 1,510 crores, as compared to the previous financial year EBITDA of Rs. 1,843 crores, reduction is mainly due to reduction in APM allocation and an increase in gas cost impacting margins adversely.

Net profit after tax for the whole financial year is Rs. 1,045 crores compared to net PAT for the previous year of Rs. 1,289 crores.



*Mahanagar Gas Limited  
May 07, 2025*

Now coming to the Unison Enviro Private Limited operations, which is a wholly owned subsidiary:

The Company has added during the quarter 15 CNG stations, connected 4,997 domestic households, and added 3 industrial and commercial customers. And has laid 61.34 kilometers of steel and PE pipeline. UEPL has added 26 stations during this year, which has taken its total number to 82. The company has also added 12,002 domestic households and established connectivity for nearly 39,000 households and added 9 industrial and commercial customers during the whole financial year.

UEPL has laid 95.63 kilometers of steel and PE pipeline, taking the total length to over 361 kilometers. There was an addition of 13,678 vehicles in the UEPL area. Now UEPL total 54,000 CNG vehicles in the geographical area as on 31st March 2025. During this quarter, UEPL has achieved an overall average sale of 0.208 mmcmd as against 0.192 mmcmd in the previous quarter, which is an increase of 8%. Current quarter volume consists of CNG volume of 0.189 mmcmd and PNG volume of 0.0186 mmcmd.

During this year, UEPL has achieved an overall average sale volume of 0.182 mmcmd against the 0.129 mmcmd in the previous year, which is an increase of 41%. In the year ending this Financial Year 31st March 2025, MGL as a consolidated entity has achieved total sales volume of 4.235 mmcmd.

I am happy to announce that the Board of Directors has approved a total final dividend of Rs. 18 per equity share for this financial year. The total dividend for the year, including interim dividend already paid, is Rs. 30 per share, that is 300% on the face value of Rs. 10 per equity share.

With this, I conclude and would now like to open the floor for the question. Thank you very much for your patient hearing.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Yash Nandwani from IIFL. Please go ahead.

**Yash Nandwani:** Yes. Thanks for the opportunity. Sir, firstly on the sharp increase in OPEX per SCM this quarter, I understand there was some marketing scheme for CNG in 4th Quarter and also CSR expenditure typically gets booked in the last quarter. So could you please share the amount spent on marketing and CSR in 4th Quarter?

**Management:** In the 4th Quarter, marketing is around Rs. 11 crores. And as far as CSR is concerned, roughly Rs. 10 crores is the expenditure on CSR in the last quarter. Apart from that, I think the increase is mainly attributable to, generally maintenance activities are taken up higher in the 4th Quarter compared to all other quarters. So, the balance is attributable to that, somewhat attributable to consultancy and maybe one or two pipeline rents we have added in the last quarter.



*Mahanagar Gas Limited  
May 07, 2025*

**Yash Nandwani:** Okay. And secondly, sir, could you please provide the volume growth separately for each of the geographies, Mumbai, Thane and Raigad?

**Management:** We can separately share it with you because there are some details involved in it.

**Yash Nandwani:** Sir, and last question was, breakdown of 4.2 mmscmd how much came from APM and the RLNG, spot, if any?

**Management:** Out of 4.2 mmscmd, roughly 2 million is APM, that is I am talking about average because there was some increase in January and February, and it kept on changing. So, on average for the quarter it is 2 million. Around 0.5 million is HPHT. Around 1.35 mmscmd to 1.4 mmscmd is term contracts, which includes Brent linked as well as Henry Hub. And balance is through IGX, the majority of IGX is HPHT available on a short-term basis and some small amount of spot. That is the breakup for the quarters, roughly 4.2 million.

**Yash Nandwani:** Sure, sir. And how do you expect these links to evolve in the upcoming quarters?

**Management:** So, now I think the allocation of APM has come down to around 1.67 mmscmd. But correspondingly, there is an increase in the NWG available which is around 0.65 mmscmd, okay. So, bearing the replacement of APM with NWG more or less things should remain same. And whatever the incremental volumes are, that should be initially sourced through IGX on a short term basis. And once it stabilizes, we will enter into further term contracts which could be either HH, Brent or available HPHT in the market as and when it comes up.

**Moderator:** Thank you, sir. We will take our next question from the line of Nirmal Gore from Aditya Birla Sun Life. Please go ahead.

**Nirmal Gore:** Thank you for the opportunity, sir. I just wanted to ask if there is any status on the Bombay High Court led committee on the electric vehicle transition condition.

**Management:** Yes, I think discussions are going on. There were four or five meetings already held. And we cannot disclose much of it, but yes, positive discussions are happening about the directions given by the High Court, which is how to curb the pollution primarily and also to promote CNG and EV adoption in the whole area. The committee was formed two months back. Several meetings have been held, and we will submit our report, maybe, in a month's time to the High Court, and then it will be disclosed to the public.

**Moderator:** Thank you. The next question is from the line of Yogesh Patil from Dolat Capital. Please go ahead.

**Yogesh Patil:** Thanks for an opportunity, sir. Sir, as you just mentioned 1.3 mmscmd is LNG gas sourcing, can you break it down in how much is crude linked and Henry Hub, if possible?



*Mahanagar Gas Limited  
May 07, 2025*

- Management:** Around 1.27 mmscmd is Henry Hub linked and 0.1 mmscmd is Brent linked.
- Yogesh Patil:** Okay. Sir, my second question is related to the current environment, considering the crude prices at \$62 per barrel, and majority of your gas basket is linked to the crude, then the question is, can you guide us on the revised EBITDA margins for FY '26?
- Management:** We are not directly linked to crude. As Rajesh just mentioned, our majority of term contracts are linked to Henry Hub. HPHT is an index which is based on baskets of three indices and the lower of the three is taken. So we cannot say that our majority of term contracts are linked to crude basket. Coming to the other part that the crude has come down, but Henry Hub has remained stable more or less.
- Management:** Maybe you are referring to IBC also linked to in a way indirectly to the Indian crude basket, yes if that comes down.
- Management:** Yes, new well gas is linked to the Indian crude basket, which is at 12%. And APM also. So if \$62 is the current rate and every month average is taken, so again the ceiling is there. So currently the ceiling is \$6.75 per MMBTU. So if the crude remains below \$67.5 per barrel then the APM prices will come down, and similarly 12% to IBC will also be on the lower side, because earlier the crude was trading in the range of \$75 or \$80. So this benefit will lower the procurement cost on the average procurement basis for the total portfolio. And that will be reflected into our better EBITDA margins.
- Coming to your EBITDA margin, this quarter we have earned around Rs. 10. And on the whole for the year is again Rs. 10. So, it depends what the procurement cost is and how much of it we can sustain and how much we can pass on. Depending on that, we can have a guidance of around Rs. 9 to Rs. 11 as EBITDA margin for the whole year coming 2025-26. But you will appreciate that the things are very dynamic in nature. Also, there are geopolitical things which again may result into wide fluctuation in either crude or gas prices. So, let us see how the things roll out and then we will take a call on the EBITDA margins. Because EBITDA margins depend on the alternate fuel price, the procurement cost, our margins and how much we can absorb, how much we can pass on to bring more stability into CNG prices.
- Yogesh Patil:** Let me quickly add on the same side, Henry Hub gas prices, which is the major portion of your LNG-linked gas sourcing, that has also come down. I will not say sharply, but that has also declined by 25% to 30% in the last 1.5 to 2 months period kind of time. So will it help you to improvise your EBITDA margin guidance for FY '26?
- Management:** Yogesh, I think if you look at Henry Hub, whatever \$3 plus or \$3.5 nearly was in last few months, four to five months of last year. But if you take the average, it was still lower. So we will have to watch out for the full year because we will be comparing the average which



*Mahanagar Gas Limited  
May 07, 2025*

prevailed in 2024-25 with the average which will prevail in 2025-26. So I think we will have to wait and watch.

**Management:** EBITDA margins, see, we are better performing than our competitor peer companies. So, I think Rs. 9 to Rs. 11 is a very healthy margin. Previously we were having a margin of around Rs. 7, Rs. 8. So it's not very unhealthy, I would say.

**Yogesh Patil:** Okay. And lastly sir, PNG industrial and the commercial is growing at 20% on the volume side year-on-year basis. Can the same pace of growth be expected from this segment in the coming quarters? And if you could elaborate on the major growth areas of this segment?

**Management:** A large chunk of that growth has come from large industries. We have managed to reach a few new areas and connect a few very large industries who had not been taking gas for a long time. I mean, this rate of growth of 20-plus-percent, has been unprecedented. And sustaining it at this rate may not be possible for too long. However, our current I&C sale, which is between 0.6 mmscmd to 0.7 mmscmd, we can foresee that going up to about 0.9 mmscmd or 1.0 mmscmd in the next couple of years or so. Beyond that, and as things stand today, we will have to find ways to break into the solid fuel market because the addressable potential which we see in the FO and other addressable liquid fuel industry is about 1.0-1.1 million.

**Moderator:** Thank you. The next question is from the line of Kirtan Mehta from Baroda BNP Paribas Mutual Fund. Please go ahead.

**Kirtan Mehta:** Thank you, sir, for the opportunity. In terms of the CNG promotion scheme that we have run through FY '25, how was that sort of taken by the consumers, how much we spent and how much vehicles got added under different categories during the FY '25?

**Management:** In the current year, the scheme which we ran from October '24 to March '25, a total of 624 vehicles were added through the scheme, which were primarily medium and large commercial vehicles with a gross vehicle weight of more than 3.5 tons and about 30-odd buses. And the spend which was there was about Rs. 2-3 lakh per vehicle.

**Management:** Overall, in this we have spent around Rs. 32-34 crores on the promotional schemes for vehicles. And for the quarter it was Rs. 11 crores.

**Management:** Considering that these are, the per capita CNG consumption of these vehicle classes are slightly on the higher side, we get a pretty good payback. And since the method of incentive is through CNG sales card, which can only be used at our CNG stations, we are ensuring that we get all the associated volume out also from these vehicles at our stations.

**Management:** And if you see overall conversion for the year, this is highest in the history of MGL, that is 98,215 number of conversions happened during the year against around 77,000 the last year. So,



*Mahanagar Gas Limited  
May 07, 2025*

this is a result of all these things, the scheme, the consistency in the CNG prices and the infrastructure improvement which is happening in our geographical areas.

**Kirtan Mehta:** Do you plan to continue this in FY '26 as well?

**Management:** We are keeping a close eye on the market and also in constant discussion with the OEs. Look, we ran this last year, we ran this this year. Again, we need to make sure that it is a marketing scheme which gives a push to the volumes and not something which customers anyway will wait and say, okay, every year this is going to come or something. So we will watch the market in time our schemes accordingly. And especially in the schemes where the paybacks are relatively high, like for these large commercial vehicles, we will incentivize them. Similarly, we have we are also looking at incentivizing any customer or anybody who comes as a bulk customer to us, like bus fleet operator or a very large transporter. Then we can do one-on-one MOUs with them also to incentivize them to or nudge them towards CNG.

**Kirtan Mehta:** Right. Could you also give us a break-up of the 98,000 vehicles that have been added during the year?

**Management:** Around 55,000 is private car, 7,000 is taxis, 25,000 is three wheelers, small commercial and other commercial vehicles is around 7,000, and 3,000 is two-wheeler also. And around 450 is around the buses both MSRTC and some NMMT busses are there.

**Kirtan Mehta:** Thank you. Just the last question from my side. We have entered into two JVs, basically we invested into two companies, 3EV and the battery JV, could you give us the progress on them?

**Management:** We have 3EV we have already committed for 32% equity and then with the capital of around Rs. 96 crores. So that was linked with certain progress to be made. So we have paid three tranches, and around Rs. 23 crores is balance. So they have started making progress. It is a startup company, so it takes some time for the company to pick up. But the signs are good, their market is now getting established. They have produced around 850 vehicles during this financial year.

With respect to the International Battery Company, IBC, we have committed for 1 gigawatt in the first two phases and following it up to scale up to maximum 5 gigawatts. Currently the company has been formed, we have got the land, and the site work has started. So maybe within 12 to 14, 15 months the plant should be in place. We have already given them the initial equity and 40% commitment of equity is there from our side. 60% will be contributed from IBC USA.

**Management:** In terms of their marketing efforts, IBC has already started seeding the market by importing the battery Cells and making battery packs in India from South Korea. So we have line of customers which is getting built up, and their response is quite good in terms of vehicle performance using the battery packs manufactured by IBC.



*Mahanagar Gas Limited  
May 07, 2025*

**Kirtan Mehta:** Right. And in terms of the 3EV, what would be sort of the milestones that we will be looking for in FY '26?

**Management:** Currently they are producing around 200 vehicles a month, okay. So on an average 2,400 vehicles, maybe that will be ramped up by a few hundred more vehicles. There is another plot which has been taken to add the capacity. So once that starts we will be in a better position to tell you their annual capacity on vehicle production.

**Moderator:** Thank you. The next question is from the line of Maulik Patel from Equirus Securities. Please go ahead.

**Management:** Hi, thanks for the opportunity. Just one question, you mentioned that you have almost 1.27 mmscmd of Henry Hub linked volume, and that number has gone up over the last two quarters. And if you look at from your basket of close to 4 mmscmd, which adds more than almost 30% of the volume which comes from Henry Hub. And sir, do you have any strategy that you want to have a both mixture of Henry Hub and oil link? Given that oil link on the spot is very low in the current supply mix, are you comfortable with this kind of ratio and as the volume increases you will keep increasing the Henry Hub volume?

**Management:** You are right in terms of the proportion of Henry Hub currently in our total portfolio of term contract is higher. I think in further needs we will evaluate and definitely we will be inducting Brent linked if it is available at good index for next five to six years term contract, we are open to that. Certainly, we will balance out in next term contract whenever we tie up.

**Management:** But overall portfolio, if you see, Henry Hub is there, but we have HPHT of around 0.6 mmscmd which primarily indirectly is linked to crude. And NWG is again Indian crude basket, and even APM is Indian crude basket. So, it is not that we are overly dependent, I mean, our portfolio is inclined to Henry Hub, it is a balanced portfolio I would say.

**Maulik Patel:** Okay. And how much of the NWG have you got in Q4 and currently you are getting?

**Management:** In the Q4, roughly 0.1 mmscmd of NWG was available and currently we have around 0.65 mmscmd of NWG, in the month of April I am referring to.

**Maulik Patel:** The industrial growth has been very strong like in the last couple of quarters you have been reporting about 20% kind of volume growth on the industrial side. What's driving this growth, and your assessment will this kind of, on a growth profile will continue in this FY '26, what's that you want?

**Management:** We have partially answered this question some time back, however, just to repeat. There are two main drivers to this growth, one is the call which we took that we will guarantee the customer a 3% or 10% discount on this alternate fuel without any floor. That has helped many customers to



*Mahanagar Gas Limited  
May 07, 2025*

get onboarded. Second is, we have managed to physically reach out to quite a lot of large customers and lay our pipelines right up to their premises, which has also led to this increase in volume. So we made our terms and conditions more favorable, and we can back that up by physical connectivity, which has led to this growth in volume. Expecting similar growth to continue for some time, but not very long. Of course, the last point is, if there is any environmental related upside in terms of air quality and something happening to solid fuels etc., then this can grow exponentially.

**Maulik Patel:**

Got it. And the last question on the regulatory side, a high-powered committee has been set by PNGRB to look at the open access CGD, network open access. What's your view on that side? And let's say it's come that network is getting open for third party to access, where do you see MGL in terms of benefiting from that particular policy or going to see some competition in the working areas?

**Management:**

The committee is still to give their recommendation. It's an internal committee constituted by PNGRB. Further, you must appreciate that the matter is sub-judice under Delhi High Court and the discussions are going on. So PNGRB, when they constituted this committee, they mentioned about infrastructure exclusivity, they have categorically mentioned that all this consultation is being done. And this will be subject to the final decision taken by the Delhi High Court.

Now, having said that, if the exclusivity has to end, there are two parts to it, infrastructure exclusivity and marketing exclusivity. The infrastructure exclusivity, there is a provision in the regulation itself to increase in the bracket of 10 years after completion of 25 years. So in two of our areas we have already applied, and it can get, I mean, PNGRB is considering for extension of that. And word over what we have found is that infrastructure exclusivity is generally available to the entity which is working in that area.

Coming to the marketing exclusivity, it has a mix thing because we will be getting paid for the utilization of our assets as and when the areas get opened up. And we can also go to other geographies and other entities to trade our volumes. So it's a mix of things. We will be getting returns on our investments and we will have an opportunity to work in other places also, and others will also have an opportunity to work in our area. But all that is subject to the Delhi High Court decision, the high-powered committee as you mentioned, and the way PNGRB opens up this sector, and the way the whole thing rolls up.

Because there are a lot of finer details about how the things will be rolled out, the regulations, the mechanism and the way who will be allowed to come in different areas and so on and so forth. So we have to watch because it will be a mixed bag for us. It will be an opportunity for us also to go in other geographies, and at the same time other people to come in our geography. So it's either win-win or loss-loss for both the parties. But we think it is a step in the right direction as far as the marketing exclusivity is concerned. But let us wait for the Delhi High Court decision before coming to any conclusion on this.



*Mahanagar Gas Limited  
May 07, 2025*

**Moderator:** Thank you. We will take our next question from the line of Mayank Maheshwari from Morgan Stanley. Please go ahead.

**Mayank Maheshwari:** Thanks, sir. My question was related to LNG and how has LNG trucking kind of picked up in the GAs for you, and what are you seeing in terms of trends or any incentives that you are kind of giving around the entire LNG market for trucking. Thank you.

**Management:** Mayank, already in case of MGL we have our running station at Savroli, which is presently selling around 4 tons of LNG every day. Our JV company, MLPL, has already started one station in Aurangabad. And the second station at Seoni in MP near Nagpur was commissioned in this year mechanically, which will start selling the LNG by end of Quarter 1. Two more stations, one in Amravati, Amravati has already started construction, and JNPT station will also be completed in this financial year, probably by Q3 of this year.

We see a very good potential. As we keep on adding the stations we are getting the customer. Presently we have three main customers, one is Concor and GreenLine, as well as some other company. And going forward, we see that at least another 10 to 12 stations in Maharashtra itself will be required to cater to the demand from trucking. On the supply side, not only Ashok Leyland but Volvo Eicher is also very committed on providing the various models of LNG and we see the demand coming from that side also.

**Moderator:** Thank you, sir. The next question is from the line of Hardik Solanki from ICICI Securities. Please go ahead.

**Hardik Solanki:** Yes, sir. As you mentioned allocation, just want to check what was the allocation, the APM allocation and new gas allocation for the Q4, and what is in April so far? Can you break down that?

**Management:** As I said APM for Q4 was 2 million, and very small quantity of NWG around 0.1 mmscmd.

**Hardik Solanki:** And what is for the April so far, for APM and new gas?

**Management:** Right now we are getting APM of around 1.67 mmscmd and 0.65 mmscmd of new well.

**Hardik Solanki:** Okay. So whatever the additional growth we come up or whatever the additional requirement would be for the CNG segment that will be fulfilled by the new gas well, right, is that understanding correct?

**Management:** So APM after using for domestic whatever is remaining, then NWG, then we have HPHT contracts, and if there is any shortfall that gets catered through Henry Hub or we buy it from IGX on a spot basis also HPHT.



*Mahanagar Gas Limited  
May 07, 2025*

**Hardik Solanki:** So, sorry, just getting confused. The new gas well of 0.65 mmscmd, that will be a constant for certain time frame or it will get increased as the volume will get increased?

**Management:** No, let me just clarify, their APM quantity is not getting reduced. What is happening is the APM overall kitty is same. Some of the APM which is getting reduced is reclassified as new well gas. In fact, the APM reduction was lower and the new well gas addition was more in April. But overall if we see, the quantity of gas remains the same, except that the reclassification of APM which is at ceiling of 6.75 mmscmd, will be sold at a higher price, but the quantity of gas remains the same.

So as Rajesh was mentioning that if we have to increase the CNG volumes with 10% growth, so maybe we have to source gas from other sources also like Henry Hub or HPHT. Because see, the overall CGD consumption in the country is growing, whereas APM is stagnant or may increase slightly. So whatever the growth is happening, the shortfall needs to be met through other sources, be it HPHT or term contract. The same will be situation for MGL also that APM kitty either NWG and APM put together, if the requirement is more for the industry, then we have to source it through other sources.

**Hardik Solanki:** Okay. That's really helpful. Thank you.

**Moderator:** Thank you, sir. The next question is from the line of Nitin Tiwari from PhillipCapital. Please go ahead.

**Nitin Tiwari:** Good evening. Thanks for the call. Just bookkeeping ones from my end. So what was the CNG in kg in this quarter? And also if you can update the industry and commercial volumes down, please.

**Management:** In terms of kg, it was 2.16 million kg per day, in terms of kg, 2.161 million kg.

**Nitin Tiwari:** Understood, sir. And the breakup of industrial commercial volumes in respective industry and commercial segments?

**Management:** Out of total I&C volume around 0.14 mmscmd is the commercial volume.

**Nitin Tiwari:** 0.14 mmscmd per day?

**Management:** Yes, 0.14 mmscmd, and rest is industry.

**Moderator:** Thank you. We will take our next question from the line of Kartik from CLSA. Please go ahead.

**Kartik:** Hello sir. Thank you for taking my question. I just wanted to ask about OPEX, so I can see that OPEX on a year-on-year basis has gone up 22% to Rs. 8.1 billion, which is roughly Rs. 18,018



*Mahanagar Gas Limited  
May 07, 2025*

crores, and gross profit has been down 6%. So, just wanted to get a sense on how we should be thinking about OPEX from here on.

**Management:**

As far as OPEX linked to volume is concerned, mainly CNG volume, certainly it will go up because most of the expenses, even gas is linked then power and fuel the dispensing charges, the LCV transportation in case of transportation of gas through non-online Station or the daughter booster station from mother station. So all those expenses are volume-inclusive and certainly they have gone up.

And apart from that, some of the one-time expenses, like sales promotion, we have taken up in this Q4 mainly the drive to do lot of maintenance of the old pipeline, old equipments, etc. And as I earlier said, this year CSR expenditure on a yearly basis is also more because average profit of last three-years was up. So what we were spending around Rs. 16 crores, Rs. 17 crores has gone up to around Rs. 22 crores to 23 crores, okay. And sales promotion is another addition which is added in the OPEX to push the CNG volume or CNG vehicle adoption.

**Kartik:**

So could you please give a breakdown, so like Rs. 22 crores is the CSR expense, Rs. 32 crores is the marketing expense. So beyond that, everything else is CNG like volume linked expenses or is there anything else in that mix?

**Management:**

No, no, other than that mostly volume linked things are there. And as I said, some part of its mainly Q4 numbers you referred to, there is some increase in maintenance of around Rs. 15 crores to Rs. 17 crores in Q4 mainly.

**Kartik:**

So how do you think of this, like as in terms of guidance for FY '26 and '27?

**Management:**

On an annual basis I think the expenses will remain except one-time expenses like sales promotion, depending on how much we roll out next year, maybe in the similar quarter or something, it should remain.

Some amount of variable expenses like transportation of gas from mother station to daughter booster going forward will reduce in a way, because today we have only one CGS in our Raigad GA, we are already in the process of setting up other GAs. So once you have a CGS there, the transportation which is happening from little far will reduce, and that will reduce the cost, okay. And even in GA2 I have lot of daughter booster stations. So if those stations get slowly connected through pipeline, that will also save on the transportation costs etc.

**Kartik:**

Sir, one last thing, do you still have the similar guidance on volume and margin for FY '26-'27, which is like 10% volume growth and Rs. 10 to Rs. 12 of unit scm?

**Management:**

Yes. I think volume growth will be in the range of 10%, (+/-1%), maybe it can be more than 10% also. Because you see the momentum has come on CNG part, as well as industrial



*Mahanagar Gas Limited  
May 07, 2025*

commercial this year also we have some scope to increase. DPNG we have been steadily growing and again 7%, 8% DPNG growth can come up. So volume side, similar numbers are expected this financial year also. With respect to the margins, we have just discussed maybe Rs. 9 to Rs. 11 is the right guidance for the next financial year. This year we have got Rs. 10. But one correction is there so we may come down to Rs. 9.5 if that correction is taken into place. Otherwise, Rs. 9.5, Rs. 10, Rs. 10.5, Rs. 11, that range would be our expectations.

**Moderator:** Thank you. The next question is from the line of Kirtan Mehta from Baroda BNP Paribas Mutual Fund. Please go ahead.

**Kirtan Mehta:** Thank you, sir, for one more opportunity. In terms of the CAPEX, what is our guidance for the FY '26 and what will be the broad breakup?

**Management:** We are expecting around Rs. 1,300 crores CAPEX for FY '26, and again around Rs. 150 crores will be in UEPL. And we are also in the process of merging UEPL back to MGL. So collectively putting together, Rs. 1,300 crores will be the number expected this financial year.

**Kirtan Mehta:** Broad breakup between the CNG and pipeline, if it's possible to share?

**Management:** CNG should be in the range of Rs. 200 crores odd in MGL. And maybe Rs. 50 crores to Rs. 75 crores, depending on how many stations and sites you get in case of UEPL as well.

**Management:** Balance is both a mix of PNG, steel pipeline, PE pipeline and operational CAPEX. So, as Rajesh mentioned, around Rs. 300 crores will be for CNG, around Rs. 500 crores will be for PNG, including pipelines. Pipelines will be another Rs. 200 crores and OPEX will be around Rs. 100 crores. Replacement CAPEX, around that number broadly.

**Kirtan Mehta:** Thank you, sir. And in terms of, there has been sort of clarity on that we will have two quarter clarity on the allocation of APM. So has it already been implemented or when is it likely to get implemented?

**Management:** No, the allocation of APM happens from time to time, but typically based on certain triggers, because this gas is being produced locally by ONGC, mainly by ONGC and GAIL does the balancing act. So there are certain minor adjustments. But some trigger points do happen like year-on-year reduction of APM and reclassification in NWG as Kirit Parikh Committee and DGS recommendation is done by ministry and implemented by GAIL. So, those things happen on regular interval basis.

**Management:** But also to just reply to what you asked, the government recommendation that we will get guidance two quarters ahead that is not yet formulated.

**Management:** Yes, we get some notice, but not two quarter notice, if that was your question.



*Mahanagar Gas Limited  
May 07, 2025*

- Kirtan Mehta:** Sure, sir. Thank you.
- Moderator:** Thank you.
- Management:** I think there was a question earlier on GA wise volume breakup. 1.93 mmcmd was sale for GA 1. 1.88 mmcmd is volume for GA-2. And balance around 0.25 mmcmd or 2,50,000 scmd is for GA 3.
- Moderator:** Okay. Thank you, sir. The next question is from the line of Hardik Solanki from ICICI Securities. Please go ahead.
- Hardik Solanki:** Sir, as you said that the CAPEX guidance would be around Rs. 1,300 crores, so can you just break down these GA wise how much would be to the new GA and basically in GA-3 and how much would be in the GA-1 and GA-2?
- Management:** See, very, very strict breakdown cannot be given because depending on availability of site the CAPEX will be done. But broadly, around 30% could go to GA-3, rest I think almost 60%, 65% will be in GA-1 and GA-2. And Rs. 1,300 also includes around 15%, 20% in UEPL.
- Moderator:** Thank you. The next question is from the line of Karti, who is an investor. Please go ahead.
- Karti:** Sir, with respect to the reduction in the APM gas already, is there any discussion on a CGD basis, industry basis, for either reduction of excise or inclusion of NG in the GST regime with the government? Because I seem to understand that at present the volume of APM is at 40% and gradually it may be phased out to 0%. So considering the parameter whether any discussion is there as a CGD industry as a whole to include either reduction in excise or maybe inclusion of NG in GST wherein it will promote more usage of NG and will align with the government's vision also for increasing the gas volumes from 6% to 15%? Is there any discussion going on, I just wanted to know on that.
- Management:** A lot of discussion is going on. In fact, our regulator PNGRB has also been following it up with ministry for, one, elimination of excise duty on the CNG, as well as LCNG also. And second is the inclusion of gas in the GST. So, we were hoping that something positive should come out at least in next GST Council meeting as well as in the next budget. But the discussions are going on for both these items, one is GST as well as excise duty.
- Management:** Discussions always have happened within the industry also as an industry association also with things are getting discussed. And they have been put up in right perspective to both MOPNG and regulator and other ministries, because final decision will either come from GST Council or from the Finance Ministry regarding excise duty. So everything is not in control of the association or the CGD industry. But yes, we keep on pressing our views to the right forums.



*Mahanagar Gas Limited  
May 07, 2025*

**Karti:** And my second question is related to the I&C volumes. So if we see in Q4 FY '25 the volumes from I&C are at 0.59 mmscmd. So, wherever areas where MDP and steel network is charged, with the connection of further prospective I&C customers, what is the outlook for the I&C volumes over the next three years, maybe medium term we can consider?

**Management:** I think we answered this question some time back. Currently our I&C volume is between 0.6 mmscmd and 0.7 mmscmd. And we are looking to take it up to about 1 mmscmd, 1.1 mmscmd in a couple of years.

**Moderator:** Thank you. We will take our last question from the line of Mr. S Ramesh from Nirmal Bang Institutional Equities. Please go ahead.

**S. Ramesh:** Hello. So before we close the call I just had a couple of thoughts. One is, if you look at the slowdown in the auto sector, they are growing in at 2% to 3%, what is the kind of run rate one can expect in terms of CNG vehicle additions, what are you seeing this month?

And secondly, if you look at the price increases you have taken between December and April and the kind of stabilization in the input gas cost, are we now there in terms of having passed on most of the gas cost changes? And eventually will we see volume growth and the price increase helping you improve the top line growth and margins? How do you read that situation over the next one, two years?

**Management:** There were multiple questions, Ramesh, on that, but going one by one. See, the procurement cost has gone up as APM has come down substantially for CNG. As far as DPNG is concerned, we are getting 100% APM allocation, so there is no problem. Coming to CNG, yes, it is a very dynamic situation. Currently we are getting around 36% APM and balance is sourced through multiple bases, HPHT, new well gas, Henry Hub, and a mix of plus some balancing spot gas also. So, since the crude has come down substantially in the last few months, we think that we will be able to manage with the current prices. But again, it is a very dynamic situation depending on the alternate fuel prices and our cost to procurement. How it looks like in the next few months we will take a call on final whether to increase or decrease the prices.

With respect to margins, yes, we are comfortable, as has already been answered. The volume growth, again, has been addressed at around 10% volume growth is expected. With respect to CNG vehicle additions, we are adding around 98,000 this year, which is a huge number as far as year-on-year growth is also concerned. The auto sector, I mean, again, all the fuels are working closely, like it cannot be said that CNG volumes over the country is growing up. If you see some of the report, CNG was the highest sale in terms of percentage growth, around 46% year-on-year, whereas EV has come down slightly. So it again keeps on changing year on year and also push is there for promoting EV and CNG vehicles even in Mumbai and Delhi, given that Mumbai High Court Committee has been constituted. So we see that as an upside, if pollution is to take into consideration, so we may get some upside from the High Court



*Mahanagar Gas Limited*  
*May 07, 2025*

Committee recommendations and acceptance by the High Court. So overall, we see it as a mixed bag where we have some positives and some adverse things to deal with, some challenges to deal with.

**S. Ramesh:** Thank you very much. With that, we shall close the call. We shall thank all the investors and analysts for joining the call with some insightful questions. And we thank the MGL management for giving us this opportunity to host the call and for answering all the questions patiently. Thank you very much, sir. Have a good day. Thanks a lot.

**Management:** Thank you everyone for joining for today's investor call.

**Moderator:** Thank you. On behalf of Nirmal Bang Institutional Equities Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.

---

(This transcript has been edited, without altering the content, to ensure clarity and improve readability.)



*Mahanagar Gas Limited  
May 07, 2025*

Registered Address: MGL House, G-33 Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai – 400051, Maharashtra

Contact details: [investorrelations@mahanagargas.com](mailto:investorrelations@mahanagargas.com)

Website: [www.mahanagargas.com](http://www.mahanagargas.com)

CIN: L40200MH1995PLC088133