



# MAHANAGAR GAS LIMITED

Ref: MGL/CS/SE/2026/681

Date: February 16, 2026

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 – 400 051</b> <b>Symbol: MGL</b>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Dear Sir / Madam,

**Sub: Transcript of Earnings Conference Call for the quarter and nine months ended December 31, 2025**

In continuation to our letter dated February 09, 2026 and pursuant to Regulation 30 and Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the transcript of the Earnings Conference Call held on February 09, 2026 on the Unaudited Standalone and Consolidated Financial Results and operational performance of the Company **for the quarter and nine months ended December 31, 2025**.

The said transcript is also available on the website of the Company at [www.mahanagargas.com](http://www.mahanagargas.com).

You are requested to take the above information on record.

Thanking you,

Yours sincerely,

For **Mahanagar Gas Limited**

**Atul Prabhu**  
**Company Secretary & Compliance Officer**

Encl.: as above



## **Mahanagar Gas Limited**

### **Q3&9MFY26 Earnings Conference Call**

February 09, 2026

**MANAGEMENT:** **MR. ASHU SHINGHAL – MANAGING DIRECTOR**  
**MR. RAJESH PATEL – CHIEF FINANCIAL OFFICER**  
**MR. RAJESH WAGLE – SENIOR VICE PRESIDENT –**  
**MARKETING**

**MODERATOR:** **MR. SUDEEP ANAND – SYSTEMATIX INSTITUTIONAL**  
**EQUITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to Mahanagar Gas Limited Q3 and 9 Months FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sudeep Anand from Systematix Institutional Equities. Thank you, and over to you, sir.

**Sudeep Anand:**

Thank you, Rutuja and a very good afternoon to everyone. Thanks for joining us today for the Q3 and 9 months FY '26 Earnings call of Mahanagar Gas Limited. On behalf of Systematix, I would like to thank the management for giving us the opportunity to host the call and also many congratulations for the great set of numbers.

We have with us the top management represented by Mr. Ashu Shinghal, Managing Director; Mr. Rajesh Patel, Chief Financial Officer; and Mr. Rajesh Wagle, Senior Vice President, Marketing. 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 we believe that expectations contained in the statements are reasonable.

However, these statements involve a number of risks and uncertainties that may lead to a different result. We urge you to consider that quarterly numbers are not a reflection of long-term trends or indication of full year results. Now I would like to hand over the call to Mr. Ashu Shinghal for his opening remarks and then we can move to the question-and-answer session. Over to you, sir.

**Ashu Shinghal:**

Thank you, Rutuja and Sudeep. First of all, a very good afternoon, and welcome to the earnings call of Mahanagar Gas Limited for the third quarter of the financial year '25-'26. I would like to thank all of you for attending this call today.

MGL continues to create CGD infrastructure across its business segment in the licensed areas. During the quarter, 1,24,908 domestic households were connected and thus, we have established connectivity for nearly 3.07 million households. We have laid 120.3 kilometers of steel and PE pipeline, taking the total length to over 8,182 kilometers. We have added 6 CNG stations during this quarter. And with this, we have 491 stations as on 31 December '25. We added 337 industrial and commercial customers during this quarter.

As on 31st December, we have 5,618 industrial and commercial customers. During the quarter, there is addition of 32,315 CNG vehicles. And now we have more than 1.25 million CNG vehicles registered in our geographies as of 31 December, '25.

Coming to MGL's operations during the quarter, we achieved overall average sales volume of 4.62 MMSCMD as against 4.593 in the previous quarter, which is an increase of 0.59%.

Current quarter volume consists of CNG volume of 3.281, DPNG volume of 0.604, and 0.735 MMSCMD of gas was supplied to industrial and commercial segment. Compared to the corresponding quarter of last year, average overall sales volume have increased from 4.31 to 4.62 MMSCMD, which is an increase of 7.19%.

Sales volume of CNG has increased from 3.098 to 3.281 MMSCMD, which is an increase of 5.92%. Sales for domestic PNG have increased from 0.554 to 0.604 MMSCMD which is an increase of 9.04%. In case of industrial and commercial, sales volume has increased from 0.659 to 0.735 MMSCMD, which is an increase of 11.63%.

Average gas sales for 9 months ending 31 December, '25 is 4.556, whereas it was 4.181 MMSCMD in the corresponding previous period of the last year, which is an increase of 8.97%.

Sales volume in the case of CNG has also increased from 3.022 to 3.241 MMSCMD, which is an increase of 7.24%.

In case of industrial and commercial, the volumes has increased from 0.615 to 0.730 MMSCMD, which is an increase of 18.76%. And the volumes for domestic CNG has increased from 0.545 to 0.586 MMSCMD which is an increase of 7.53%. EBITDA from operations for the quarter is INR352 crores as compared to previous quarter EBITDA of INR338 crores.

Net profit after tax for the quarter is INR202 crores as compared to previous quarter net profit after tax of INR193 crores. EBITDA for the 9 months ending December '25 is INR1,191 crores and net PAT is INR715 crores.

During this quarter, MGL's Annual Report 2025 was honored with a Bronze Award at the Public Relations Council of India, Excellence Award 2025.

In the areas related to UEPL, MGL has commissioned 100th CNG station in the month of January at Latur. At the time of acquisition, UEPL geographical areas had 53 CNG outlets. Over the last 23 months, 47 ROs have been added, translating to an average of approximately 2 stations per month.

I'm also happy to announce that Board has approved an interim dividend for the current financial year at the rate of 120%, which is INR12 per equity share. With this, I conclude and would now like to open the floor for the questions. Thank you very much for your patience hearing.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Probal Sen from ICICI Securities.

**Probal Sen:** Three questions from my side. Firstly, in the 4.62 MMSCMD volume, is it possible to bifurcate how much was the UEPL sales volume and to give the corresponding sales in the quarter 3 of last year?

**Rajesh Patel:** Quarter Q3 UEPL average was 0.283 MMSCMD.

**Probal Sen:** And sir, corresponding volume last year for UEPL?

**Rajesh Patel:** One moment. I don't have readily, but I can say it was roughly around 0.2 MMSCMD or so.

**Probal Sen:** 0.2 MMSCMD.

**Rajesh Patel:** Yes, 0.2 MMSCMD.

**Probal Sen:** Got it, sir. Sir, the second question was, has there been any price hikes or changes that has happened?

**Rajesh Patel:** Last year same quarter of UEPL was 0.194.

**Probal Sen:** 0.194. Got it, sir. The second question was, sir, any price changes that have happened in any segment in this quarter or any price changes planned in the fourth quarter? Can you give us any color?

**Rajesh Patel:** If you have noted, I think on 1st of February, we increased our CNG price by INR0.50 per kg.

**Probal Sen:** And third question was, sir, this quarter saw Henry Hub prices actually rising quite sharply and yet we have actually managed to show some improvement in our margins on a sequential basis. Just wanted to understand what measures we have taken or any changes in our sourcing mix in this quarter that has enabled this?

**Rajesh Patel:** So we tried taking as less as possible Henry Hub and replaced it either HPHT or spot. However, if you look at the average Henry Hub Index and the actual cost of Henry Hub, compared to previous quarter has hardly gone up by around \$0.14. As against that, if you see APM, since Brent was lower, has seen a savings of almost \$0.20.

And so is the case with HPHT and NWG, et cetera. So overall, lower Brent has contributed to all the contracts relating to Brent, which is at least more than \$0.20. In case of Henry Hub, the average price was higher by around \$0.14. So net-net, I think there is a reduction in the cost slightly.

And since we took the price increase in the previous quarter, last month, that is in the month of September, the benefit of that price increase has accrued in this quarter fully. So both put together, better sales realization despite, I think, a lower realization in case of industry, our overall company EBITDA per SCM has gone up by around INR0.30 per SCM.

**Probal Sen:** Got it, sir.

**Ashu Shinghal:** Major point maybe which we have in the recent memory is, in January the HH prices have gone up high. So maybe you had that point in reference when you're asking this question.

**Probal Sen:** Right, sir. Sir, last question, if I may. Any change in the guidance for medium- to long-term volume growth? Are we maintaining that 8% to 9% kind of volume growth overall on an annualized basis?

**Ashu Shinghal:** If you see year-on-year, the growth is around 9% -- 9 months year-on-year. But we are expecting that Q4 will be slightly better, so we may touch around double-digit number. And guidance for the future year is, yes, around double-digit number we are planning.

**Moderator:** The next question is from the line of Yash Nandwani from IIFL.

**Yash Nandwani:** First question is on the CNG volume growth. It has moderated to around 6% in this quarter, so could you help us understand the impact of gas supply disruption that was there due to the pipeline damage in Q3?

**Ashu Shinghal:** It was a very small quantity. I mean the production was down for 1 day.

- Rajesh Wagle:** The restoration took about a couple of days in which we had to shut down quite a few CNG outlets in Mumbai and GA-2. So during that time, we made sure that CNG supply was available to BEST and STUs, and a few critical CNG stations, because there was only a limited amount of gas which we could draw from Mahape for use in Mumbai. And not only CNG, the impact of that hit the industrial and commercial sector also pretty hard. So one of the reasons for a drop in industrial volumes is also this thing.
- Yash Nandwani:** Sir, could you quantify that volume?
- Rajesh Wagle:** I think roughly, it is about 1% of CNG volumes. And had that thing not been there, CNG volumes would have been 1% higher.
- Yash Nandwani:** Okay. And secondly, sir, again, on Henry Hub linked volumes. So how should we look at the margins going ahead in Q4 and next year onwards, given that fact we have seen sharp volatility in the Henry prices, and considering a meaningful portion of our volumes are also linked to Henry Hub linked contracts?
- Rajesh Patel:** So within the contract, I think there is a lot of flexibility available. As you are already aware, probably one can go as low as 60% because of the take-or-pay threshold is 60%. Within that also, we can do some amount of lag behind in-taking little less quantity and then recoup it in the subsequent months, because the annual average has to be maintained at 60%.
- So we will do fine-tune management of how do we end up the cheapest gas available and reduce the costliest gas, which is what is done in the Q3 also and our endeavor is there, we will do it in going forward also. And so whichever month it is higher, we will manage it through this mechanism to a certain extent.
- Yash Nandwani:** So you maintain the margin guidance?
- Rajesh Patel:** Yes, to certain level.
- Ashu Shinghal:** Margin guidance, which was answered in the previous question also, we will be around the same -- similar numbers, INR8 to INR8.5. Sorry, volume growth was talked about in the earlier question, but the margin guidance will be in the similar range of, say, INR8 to INR8.5 as we have seen for this. Although 9 months margins are around INR10 and Q3 is INR8.3.
- So slightly lower side. But going forward for FY '26, given that HH prices are slightly higher as we will be doing some readjustment in our procurement strategies and some of the term contracts will be expiring, some we will be entering into different contracts. Also the volume growth, which is coming up, 10%, we have that flexibility to go in with Brent-linked contracts also or other indices. So we do this and HPHT gas will also come on play. There's new well gas also some quantity variation keep on happening. So overall, portfolio management is very critical, which we closely monitor, and we are also looking for some hedging to be done at the right appropriate time to further optimize our procurement costs.
- Rajesh Patel:** And on the sales realization side, if you look at now, Brent has started looking up. So industrial realization should increase slightly, though my APM cost is protected by ceiling. And we have

already taken, as I said earlier, INR0.50 per kg increase in the month of 1st of February. So that will help to a certain extent, to maintain margin.

- Moderator:** The next question is from the line of Mayank Maheswari from Morgan Stanley.
- Mayank Maheswari:** I had 2 questions. One, I think, was related to around the volume growth in the Mumbai area. I think if you look at the CNG growth, definitely has seen a bit of tepidness here. Anything that you can help us around what's driving that and anything you're doing to kind of help that growth up?
- Rajesh Wagle:** Look, in Mumbai, the CNG growth is muted basically because of 2 reasons. One is the BEST CNG fleet is reducing. And they have not yet managed to get more CNG buses. They seem to be going more towards electric. And other big issue in Mumbai is availability of land to open up new CNG stations. We land up opening just single-digit kind of additional stations, whereas GA-2, GA-3, it's much easier to get land and open CNG stations. And these are the 2 main reasons for the flat or muted growth of CNG in Mumbai.
- Mayank Maheswari:** And sir, would you be able to quantify the impact of the shift to electric from the BEST buses?
- Rajesh Wagle:** Well, at its peak, BEST used to run about 3,000 CNG buses. They are down to a few hundred now. So cumulatively, we would have lost about no more than a 1 lakh kgs per day.
- Rajesh Patel:** Just to add to that, the unutilized capacity as BEST is getting used through the Tez scheme where slowly, I think the private vehicles are getting filled. So that also, in a way, adds a number of CNG stations available to other than BEST consumers. And we are also in the process of setting up at least 2, 3 large stations. So in terms of numbers, you may see single-digit numbers getting added in GA-1, but those will be with higher capacity especially in South Mumbai. So that should help going forward.
- Ashu Shinghal:** As we have discussed earlier also, in Sion, that is in Wadala, we have where our CGD City Gate Station there, and we are planning a very big station, maybe the biggest in India, which will have around 60 filling points or around 30 dispensing units. It will be done in phased manner. First phase will be completed somewhere in April, May. And the next phase will be taking another 5, 6 months. So that will be one place where you will be finding CNG filling all the time, most likely without any queuing. So that can be a big support for the queuing issue in the main city.
- Rajesh Wagle:** We'll also be opening two large CNG stations in South Mumbai on Bombay Port Trust land. The first one of them, I think, should be open in a couple of months and the other one in the coming financial year. Plus, in the coming financial year, we are also expecting to have one large CNG station come up on the Western Express Highway in Goregaon. Maybe in a year, 1.5 years' time frame, we'll also be having a very large station coming up on the Eastern Express Highway near Mulund. So the numbers may be small, but as we are saying -- we have said that these will be large stations where the sale will be pretty high.
- Mayank Maheswari:** So sir, if I put it all in context, if you look at growth in terms of CNG now for you outside of Unison, how should we think about that going forward now?

- Rajesh Wagle:** Outside of Unison, I think we have been growing at around 7% or so. So the base is pretty high in the non-Unison areas. Mumbai and GA-2 put together account for a big chunk. So the overall company is growing at whatever, 8%, 9%, Mumbai will be 2% or below that.
- Mayank Maheswari:** Got it, sir. Very clear. And the second question is around strategy around gas sourcing. You did say that you are looking at alternative sources around Brent-linked contracts. So if I was to think about in 3 years' time, how do you think your mix of gas sourcing will look like in terms of Henry Hub and crude? Obviously, domestic is linked to crude as well. So if you kind of put it on all altogether, how do you see that mix for you, which you think is optimal?
- Ashu Shinghal:** Too early to predict a very ideal mix because things are geopolitically very, I would say, dynamic in nature. And because of small event, the prices go up and down, especially with gas-linked contracts. So what we have found is that we will have a portfolio, which we'll have all these things.
- Second is that APM gas will be also maybe slightly more declining in 3 years' time. So having said that, I mean, Brent is a more stable index if we have to discuss in that manner. And the projections in future about Brent is that it will be slightly on a lower side. Whereas, Henry Hub traditionally has been on the very lower side, but of late, there have been some indications that HH can go slightly up. So we will have a mix of both.
- HPHT gas is also slightly linked to Brent contracts. As of now, APM and NWG is Indian crude basket, which again is Brent. So barring our direct contracts of HH, which is around 1.67 MMSCMD, balance all is, you can say, directly or indirectly linked to Brent.
- So if something change very dramatically, unless that point of time, we have -- we want -- we will be expecting similar or maybe slightly more inclined towards Brent and less towards HH. That is as of now, if we see 3 years down the line. But we can't say if things change very unpredictably in future.
- Rajesh Patel:** Just to add, to take care of current HH volatility, we have already signed and started drawing from January some amount of Brent-linked contracts, new contracts, almost 12,500 MMBtu. And we have already in pipeline another additional maybe 10,000 MMBtu contract from April onwards. But the one which I'm saying we have started drawing is for a period of 1 year. And other, we have tied up for maybe around 2 to 3 years' time line. So we are already on that and I think, hopefully, we should be able to optimize as best as possible.
- Moderator:** The next question is from the line of Yogesh Patil from Dolat Capital.
- Yogesh Patil:** Sir, could you please share the gas sourcing in MMSCMD term, mostly how was the APM, NWG, HH, HPHT and crude fuel during the quarter?
- Rajesh Patel:** Yes. So in case of APM, slightly the percentage went up. But as against that some NWG decrease has happened. So both put together, more or less around 45-odd percent or Q2 was 46% and now it is 45%. I'm saying APM as well as NWG, okay, was there. We have, as I said earlier, reduced our offtake of Henry Hub by around 4% and swapped it with HPHT and spot whenever

it was cheaper than Henry Hub. Otherwise, it has been more or less remained similar to last quarter.

**Yogesh Patil:** If possible, could you please share these numbers in MMSCMD terms, sir, if possible?

**Rajesh Patel:** I'll just share like Henry Hub has come down almost to 1.3 from the earlier offtake in the current quarter. And both APM as well as NWG, it is almost 2.1 MMSCMD in the current quarter and was similar. But between APM and NWG, there is a better improvement. I have got more APM slightly and some reduction in NWG.

**Yogesh Patil:** Okay. Fair enough, sir. Sir, recently, zonal unified tariffs are implemented from the 1st January. How has impacted to our overall gas cost? Can you provide a little bit number in rupees per SCM terms on the gas cost side?

**Rajesh Patel:** So our gas zone-wise earlier before the change, roughly 70% was already in Zone 1 and 30% in Zone 2, okay? But of that 30%, whatever I'm consuming for priority segment, now Zone 1 will be applicable. As you are aware, the Zone 1 rate has gone up from 40 to 54, and zone 2 roughly from 80 to 102.

Now from this month onwards, we have started evaluating, inclusive of transportation tariff, because it matters where I'm getting the gas from and which zone rate is applicable. So if I have to say, even if I manage outside Zone 1, gas for the purpose of industrial commercial, I should be able to manage around 10%.

So my weighted average tariff under Zone 1, at least we will be able to achieve 90% or more. And Zone 2, if at all we take, it should be below 10%. With that, you can work out the weighted average of both. Earlier, I said it was 70%-30%. Now at most, I will have 10% Zone 2 and 90% Zone 1, compared to the volumes and the contracts which we have in place.

**Yogesh Patil:** Really helpful, sir. And the last one, Henry Hub gas cost side, little bit clarity. We wanted to understand the lag effect on the company's gas cost. If today, suppose Henry Hub gas prices close 10% down or 10% up, then how much time it takes to reflect it into our LNG cost? Is it a 1-month lag, 1.5-month lag or 15 days lag?

**Rajesh Patel:** There are multiple contracts, four to five contracts. In some of them, it is with a lag of 2 months and in some of them it is with a lag of 1 month. When I say 1 month, so rate is of the previous month and some contract, it is previous to previous month rate is applicable. So in fact, it evens out the impact to a very large extent, and that is why you don't see much actual impact on the weighted average rate of Henry Hub. And within that we can always do which contract I should bring down more and which contract I should consume full, depending on the other sources available. So we do that fine-tune management to optimize the gas cost.

**Moderator:** The next question is from the line of Vivekanand S from Ambit Capital.

**Vivekanand S:** So my first question is on the volume drivers. So previously, you've spoken about triggering volume growth by acquiring customers who have larger consumption objectives like fleet owners, and you have run CNG Mahotsavs in the past. So is there any update on the schemes

that you are running to acquire customers and improve volume growth in your core areas? That's question one?

And the second one related to volume drivers is the committee that was formed to explore pollution concerns in Mumbai, the pollution concerns have become perhaps even more prolonged, right, in the sense the problem is more severe than before. So do you think that the government mandate to push some of these vehicle segments, particularly LCVs or medium commercial vehicles could come in, say, in FY '27 or '28 since you're part of the panel? That's question one. I'll ask the next one after this?

**Rajesh Wagle:**

Volume growth, if you're looking at the CNG segment and the commercial goods vehicle segment, rather than having a blanket scheme for everyone, we are now trying to target large fleet owners and transporters. We have had some traction with one large transporter in the JNPT area, with whom we are signing for converting about 300 of its trucks on to CNG.

So we keep continuously looking at these kind of opportunities and offer them a good upfront discount also through a fuel card or something for getting their economics right. And this works better with large transporters, we observe, because large transporters typically have a set of vehicles, which log in a large number of kilometers.

So it is in that segment where they get the quickest payback for their investment on the conversion to CNG or buying a new CNG truck. And of course, our attempt to open more and more large format CNG stations, which can accommodate these big vehicles, that continues, especially in GA-2 and GA-3 areas.

**Ashu Shinghal:**

Regarding that Bombay High Court committee, we have prepared a draft recommendation, and these are under discussion in the ministry. So they will submit after that consent, we will -- I mean, I'm not exactly aware that when the final report will be submitted to the High Court. But there are not going to be very major knee-jerk reactions, because we have to make sure that not some -- I mean, recommendations are submitted, which are not implementable.

So most likely, the bigger segment, more polluting segment of the vehicles like BS4 and more - - below segment vehicles can have been -- have some span time to be described and other such measures, some routes, description, some other measures will be implemented depending on high court's intervention. And in case High Court suo moto gives some more stringent views, then it will be -- for overall impact will be found as and when it is prescribed with the court or the government.

**Vivekanand S:**

Okay. My second question is on the recent India-U.S. trade deal where India has committed to purchasing more from the U.S. Have you received any communication from the government to perhaps explore purchase of more energy from the U.S. or ink more contracts with GAIL, such that you can downstream the energy -- U.S. energy?

**Ashu Shinghal:**

I think CGDs per se -- I mean, it's such a distributed segment. We have around 40 entities taking all the amount of gas. Obviously, IGL, MGL, Adani and Gujarat Gas are the big players. But having said that, we have a mix of APM also available, which is domestic gas. We have new well gas, HPHT gas.

Then we have a choice to take Henry Hub or Brent-linked contract. So as this macro level discussion about India and U.S., they are not directly linked to the CGD entities. They are done at a government-to-government negotiation or B2B negotiations and discussions. So we don't generally make any impacts towards that direction.

Ours is agnostic to who is the seller, either GAIL or other parties. We are more concerned about what is the likely movement of these indices, whether gas-based indices or Brent-linked or oil-based indices, and how much will be our growth, and which is the right mix. Making sure that under different scenarios, which can unfold in future, we are equipped to handle with minimum disruption in prices and maintaining the procurement cost to the minimum. So those are our targets, not very much directly related to India-U.S. deal.

**Moderator:** The next question is from the line of Daksh Choudhary from Ratnatraya Investment Management LLP.

**Daksh Choudhary:** My question is, if possible could you provide a breakdown of the revenue from CNG by 3-wheeler, commercial vehicles and private vehicles?

**Rajesh Wagle:** In Q3, we had about 6,600 taxis added, about 14,000 private cars, about 9,000 3-wheelers, about 2,200 small commercial vehicles. Total vehicles in the quarter were about 32,000. The remaining 100-odd would be a mix of buses and commercial vehicles.

**Ashu Shinghal:** Maybe he was asking total CNG revenue, with segment 4-wheelers, 3-wheelers, how much is being generated.

**Daksh Choudhary:** Yes, like I'm asking about the revenue from each segment?

**Rajesh Wagle:** Revenue-wise, almost equal chunk will come from private car taxis plus 3-wheelers.

**Daksh Choudhary:** Can you quantify it?

**Rajesh Wagle:** Maybe about 7% or 8% may come from state transport undertakings.

**Management:** Private cars and taxis will be about 35%, 40%; almost a similar number for 3-wheelers; 7%-8% STUs and the remaining will be for commercial good vehicles, private buses etc.

**Daksh Choudhary:** Okay. Thank you so much.

**Moderator:** The next question is from the line of Vikas Jain from CLSA.

**Vikas Jain:** I just wanted to know your guidance or how should we think about margins, say, for the upcoming quarter, where there will be some impact of that zone tariff change and some of those other things, and the recent change in Henry Hub price. And also your longer-term unit margin guidance, how should we think about that, please?

**Rajesh Patel:** I think we've discussed both these points partly, but I'll just repeat. I hope you referred about the zone-wise transportation tariff change first. As I said, at the most, maximum 10% could fall outside Zone 2 because we evaluate now, including the transportation, whether landed cost is

the cheapest. So under that scenario, my transportation cost per SCM may marginally go up from INR0.10 to INR0.20 per SCM, not more than that.

And coming to Henry Hub, yes, Henry Hub, some impact will be there because the February Henry Hub Index has remained high. So some part of it will be impacted in March, and maybe after that. We have already taken INR0.50 price increase per kg in case of CNG from 1st of February, so that partly offsets the impact.

And maybe overall realization in case of industrial commercial is looking better compared to previous quarter, whereas previous quarter had very low Brent and there was a good amount of impact on realization of I&C. So with some improvement in I&C realization, price increase already taken, there could be marginal impact for this quarter specifically.

And as far as possible, we will try and postpone our withdrawal of Henry Hub to subsequent months, because you can always do that fine-tune management and make the 60% threshold over a period of 1 year. And that period has just -- it's a calendar year. So we have balance ones in the calendar year to manage that threshold. Our endeavor will be reduce as much as possible the costlier gas and take it subsequently when indices improve.

**Ashu Shinghal:**

And regarding the guidance for margins, I think we discussed earlier around INR10.20 for this year we have got EBITDA per SCM. And going forward, maybe INR8 to INR9 margins would be -- the numbers which we can look at. Because many of these impacts, which Rajesh just mentioned, have been already impacted -- started impacting Q3 also.

So with more portfolio management and things like hedging and procurement at a different point of time with different indices, we should be able to handle different type of scenarios unfolding in future. And going forward, it seems that gas will be available. It is only a matter of time that which gas will be available.

Some of the Russian gas will find its market in some other areas like China and some other places. So there will be obviously supplies coming from different countries, like Qatar is also increasing their supply, and some supplies from U.S. will also be added. And there will be some shift in rearrangement in Europe also. So we expect that there will be not much of a disruption happening in gas or Brent market, at least for next near future.

**Vikas Jain:**

Just one more thing. Could you also provide the breakup of APM and new well gas? You said both together where APM share increased and new well decreased a little bit in that mix?

**Rajesh Patel:**

Total APM available was roughly 39% and 6% was NWG.

**Moderator:**

The next question is from the line of Sabri Hazarika from Emkay Global Financial Services.

**Sabri Hazarika:**

Yes. So just one clarification. You mentioned the EBITDA per SCM for 9 months is around how much? Around INR10.4, right?

**Ashu Shinghal:**

No, it is INR9.5 -- sorry, I correct myself. INR9.5 is for this 9 months, and INR10.2 was for the last financial year 9-months.

- Sabri Hazarika:** Okay. INR9.5. And your guidance for this year would be how much and next year? Next year would be how much?
- Ashu Shinghal:** I mean, this year, for 9 months, it is INR9.5, right? So maybe Q4 will be coming. So we will be in the range between, again, maybe slightly more than INR9 or in that range. For next year, it is INR8 to INR9, which we were talking about.
- Sabri Hazarika:** INR8 to INR9. Okay, fair enough. So INR8 to INR9 versus INR9.5?
- Ashu Shinghal:** Again, it is -- I mean, it depends on so many situations as you might have seen that some years, it has gone in double digit, then it has come down slightly. And if you look back 3, 4 years back, it was in the range of INR6, INR7 also. So these keep on changing depending on our procurement cost as well as alternate fuel cost, industrial, commercial, Brent movement, and our optimization in procurement and operational efficiencies and so on and so forth.
- So we have also been increasing a lot of our assets to upgrade it, like we have gone for SAP upgradation, customer relationship management, we have had Salesforce. Some of our older assets have been shifted. We are also going for more carbon neutrality, and maybe by 2036, we will have net-zero Scope 1 and 2.
- We are importing green energy also for greenification of our electric-driven compressors in Mumbai region and nearby areas. So all these things, I mean, somewhere or other reflect on the margins for a temporary reason, temporary space. But over a long period of time, they will be taking the company in the right strait.
- Sabri Hazarika:** Got it. Secondly, what was the capex for the 9 months?
- Rajesh Patel:** Roughly INR760 crores.
- Sabri Hazarika:** Okay. So you'll be ending at INR1,100 crores, INR1,200 crores for the full year?
- Rajesh Patel:** Yes, in that range. Yes.
- Sabri Hazarika:** Okay, yes. And I'm not sure whether you have answered this before, but can you give us a breakup of volume between the various GAs?
- Ashu Shinghal:** Maybe around 50% will go to GA-1 or slightly less than that if we include SBU also. And GA-2 is similar around 45%. And then GA-3, which is Raigarh will be around 0.3 MMSCMD, so which is 7%, 8%. And SBU, whole, together is around 0.3. So it is again 7% to 8%.
- Rajesh Patel:** GA-1, GA-2, both roughly 2 million, 2 million each. That makes 4. Raigarh and UEPL will be around 0.6, 0.65. Yes.
- Sabri Hazarika:** Okay, 0.6, 0.65. Yes.
- Moderator:** The next question is from the line of Nitin Tiwari from PhillipCapital (India) Limited.

**Nitin Tiwari:** Pardon me for a very naive line of questioning. I just wanted to understand that how does the gas pricing of the contract works? I mean, when you -- suppose -- when you're importing HH-linked gas, and if the price of gas changes in the transit, so at what point in time, I mean, is the gas price fixed? When it leaves the port in the U.S. or when it lands in India? And how does entire dynamic work?

**Rajesh Patel:** So the question, Nitin, which you are asking, I think, is applicable more to the person who is directly importing the gas, okay? So we don't import RLNG, whether Henry Hub or Brent-linked directly. We enter into contract with the suppliers, who gives us aggregators like GAIL or Shell or any of these OMCs.

So we typically have a contract where pricing formula is, one part is linked to the benchmark. It could be Henry Hub, it could be Brent, okay? Other part is either fixed or some portion linked to variation. But the change in the high sea and all that is -- because we are not importing any cargoes directly. This is not fully applicable right now.

**Ashu Shinghal:** Yes. Just to further add on to what Rajesh has mentioned, these are different contracts entered at different points of time. So if HH contracts are there, we have the liberty to some extent that which index we are choosing. Some of the conditions we can, and some are the standard conditions.

So HH is maybe one particular month rate is there, which is all across the industry, similar practice is being followed. On that day, particular, whatever is the HH rate is taken the rate for the next month. Brent is average for the month. So generally, these are the traditional practices, which are the contracts available in the market, and we follow on similar, I mean, practices -- and practices in the contract which we have. Although some fine-tune adjustments will be there from contract to contract, depending on the market.

**Nitin Tiwari:** Got it, sir. So the flexibility that you mentioned is between you and GAIL in terms of how much drawdown you want to take from the contract? Is that the right understanding?

**Ashu Shinghal:** Again, contract to contract it can vary. Like there can be contracts which have more take-or-pay, there can be contracts which have got less take and pay. And this is an evolving market, like it is again a demand/supply or a buyer/seller arrangement. So some of the instruments every time economics or dynamics changes, so sellers are more flexible. Sometimes they are not very flexible.

So we have to go with what is available in the market at that point of time. Obviously, we can't dictate everything from the buyer side. So market keeps on changing. But more or less, from the rigid contracts, which were there available maybe 5 years back, now the things have started shifting to more of a buyer market than the seller market, because multiple buyers are coming into the market and with multiple flexibilities are being offered to the sellers -- by the sellers to the buyers.

So buyers can tailor some of these conditions in the contract. And accordingly, the buyers sell the gas and may mark their rates at which those gas is sold. So it's a very flexible, dynamic

situation, and we have to make sure that whatever type of contracts we are choosing or the terms and conditions which we are choosing is beneficial for the company in the long run.

- Moderator:** The next question is from the line of Bineet Banka from Nomura.
- Bineet Banka:** Just one question on CBG blending. So I understand there was some exemption on excise duty in this budget. So what could be the impact on EBITDA per SCM on MGL? And what is the current volume of CBG blending for the company?
- Ashu Shinghal:** Right now, it is not very significant. At two-three places, we are doing some CBG blending. Maybe you can give exact numbers in case you have.
- Rajesh Patel:** It's below 1% actually.
- Ashu Shinghal:** Very small number.
- Rajesh Patel:** And we are operating three stations on CBG.
- Ashu Shinghal:** So EBITDA per SCM will be?
- Rajesh Wagle:** 14,000 kgs a day.
- Ashu Shinghal:** Yes, 14,000 kg per day in the overall sale of how much 20?
- Rajesh Wagle:** 22 lakh -- 23 lakh kg.
- Ashu Shinghal:** 23 lakh kg per day. So it's very small amount. And this excise duty impact will be over a period of time. Right now, all the CBG players, they find it difficult to make an economically viable proposition at several places, because the feedstock availability is one issue, the quality of feedstock, the rate at which it is available.
- So to promote CBG promotion as a big macro level policy, the government has included this benefit for CBG producers. And that will make CBG production more viable, rather than having a very big impact on the CGD entities as such. But if you see 5 years down the line, maybe CBG will have a very significant production level. And then we can see that these type of incentives and promotions by the government will overall benefit the greenification of the CGD grid as well as for betterment of the environment, and the viability of CBG plant as a whole.
- Bineet Banka:** What is the current cost of CBG that you procure compared to, say, your gas procurement cost? Any number you can share?
- Ashu Shinghal:** There are three schemes, I would say. One is that CBG producer is free to sell its gas at its own price to anybody. Second is they can accept SATAT scheme, which is the ongoing scheme at which some discount price is available. And third is synchronization scheme at which a tripartite agreement is signed between CBG producers, CGD entity, and GAIL, which is the coordinating agency for this type of arrangement under the synchronization scheme.

The better output or the input, which is available to both CGD and the CBG entity is under synchronization scheme. So several of those CBG players are coming up with synchronization scheme in which they get a price, which is determined by, I mean, government from time to time, and the returns are much better.

They are on discount to slightly on CNG and with excise duty exemption, that return to the CBG player will further improve as well as it will become beneficial for CGD entity also. Yes. The CNG or CGD entity gets the cost of whatever quantity of CBG, which is inserted into the grid at APM prices. So that is the advantage for the CGD entity, whereas the CBG producer gets the price at CNG relevant prices at that place. So that is the advantage of CBG. So in net, whatever is the cost of CBG is getting distributed on unified blending price mechanism of APM.

**Rajesh Patel:** Yes. So if you look at if APM price without blending is say \$6.75. Overall, at the country level, APM price blended with CBG is in the range of, say, \$6.95 or so. So it's around \$0.18, \$0.20 are added on account of CBG blending that is the current impact on all CGD entities in the country.

**Moderator:** The next question is from the line of Somaiah V from Avendus Spark.

**Somaiah V:** Sir, the first question is initial remarks, you did mention about one of the contracts that you have signed for 1 year in MMBtu terms. So this is equivalent to 0.3x, 0.4x MMSCMD for this year? And is it a take-or-pay contract?

**Rajesh Patel:** Every contract has take-or-pay. So these contract also has take-or-pay, okay?

**Ashu Shinghal:** I think he is referring to the Brent contract, which you mentioned.

**Rajesh Patel:** Brent contract, yes. But this has more than one contracts. The contract which we have signed through IGX, there it is 100% you have to take, but that is a smaller quantity. Because through IGX, it's a firm price and full quantity you have to draw. But the other contract, which is one-on-one with the party, there is a threshold of take-or-pay, and it can be adjusted over a year's time.

**Ashu Shinghal:** It is on a year's annual quantity take-off basis.

**Somaiah V:** Got it, sir. So you were referring to one that has started from January, the other one will start from April. So these are the two contracts.

**Rajesh Patel:** So already two contracts have started from January, where smaller quantity is through IGX, and larger part of the contract is one-on-one bilateral contract, and some more contracts are starting from April bilateral. Those bilateral contracts will always have take-or-pay thresholds.

**Somaiah V:** Got sir. Sir, also, any update on the battery cell manufacturing project?

**Ashu Shinghal:** I mean, as we have mentioned, maybe discussed in last earnings call also, the land is in our position, but there has been some changes in overall global scenarios related to the prices at which the battery is being sold. So everything is in place in terms of technology availability.

We have got some of those batteries in India, and testing in with different users, and we are getting a very positive feedback, except for the fact that the last 6 months or so, the price of the battery has come down significantly. Much of it is to the fact also that the price of procurement of materials, primarily the cathode material, which has come down. So it has impacted the battery cell overall prices to come down significantly.

Now we are slightly reassessing the situation, trying to find a mechanism and the proposition, which is best suited for all the parties involved. And therefore, we are putting it in a maybe few months hold to finalize this contractual arrangement, wherein we can survive in different scenarios when the prices of the battery are maintained at a lower level for a significantly longer period of time. And we are also looking at some of the strategic partners to make it run and maybe mitigate some of the risk.

**Somaiah V:** Got it. Sir, also, for the next 12 months, the capex outlook that we have, how much are we considering as a capex for this project or investments for this project from our side?

**Rajesh Patel:** On battery project you mean?

**Somaiah V:** Yes, sir.

**Rajesh Patel:** We have in our hand approval of roughly INR380 crores for 2 phases, okay. So that's the maximum, but I think next 12 months to 18 months.

**Ashu Shinghal:** This is readjustment, which I said, maybe this can be slightly lower than the number which Rajesh just mentioned. Because if we bring some more equity partner, obviously, it will be intimated to the exchange as and when it happens. Right now, it is on a very preliminary stage of discussion. So we can't just declare anything as of now. But yes, the higher limit is what Rajesh has mentioned, which has been declared to the exchange 12 months back.

**Moderator:** The next question is from the line of Tanay Kotecha from Nuvama.

**Tanay Kotecha:** Just a bookkeeping question from my side. Can you please specify what was the share of HPHT in your sourcing like?

**Rajesh Patel:** HPHT contracted quantity, we had roughly 0.6, and we have been buying HPHT through IGX also. So in the last quarter, we bought a little amount of IGX HPHT.

**Moderator:** The next question is from the line of Aditya Welekar from Axis Securities.

**Aditya Welekar:** Sir, just one question. What is our capex guidance for FY '27?

**Ashu Shinghal:** Capex should be in the range of around INR1,200 crores.

**Aditya Welekar:** And that will be towards which geographical area?

**Ashu Shinghal:** Mainly GA-2, GA-3, larger amount. Maybe slightly lesser amount only on CNG in GA-1. And all 3 Unison acquired areas, roughly INR200 crores.

- Moderator:** The next question is from the line of Lokesh Manik from Vallum Capital.
- Lokesh Manik:** Sir, just one clarification. Under the CBG schemes that you mentioned, the synchronization scheme is the one that benefits CBGs. The clarification here was that in the synchronization CBG scheme, even the HPHT gas will be available at APM price if it gets blended with CBG?
- Ashu Shinghal:** No, no, it is not like that. It is only this scheme -- the synchronization scheme is only for CBG production. It is not for HPHT.
- Rajesh Patel:** HPHT is available to CGD on priority basis. If CGD company and other sectors bid for that gas, CGD gets the first priority if the price quoted by the CGD and other companies is similar. That's only priority allocation during bidding of HPHT gas.
- Lokesh Manik:** Sir, the blending benefit will be in which source of gas?
- Rajesh Patel:** APM and CBG.
- Ashu Shinghal:** CBG is loaded to the overall consumption of APM in the country by CGD entities. And beneficiary is the CBG producers, and also the CGD entities to the extent in whichever entity is using that CBG. Like if we are taking, say, 20,000 kg of CBG in our area, 20,000 kg of APM will be allocated to us over and above our APM allocation, which traditionally happens. This will benefit by 20,000 to the extent APM prices. And this 20,000 will be rationalized over the overall consumption of APM in the whole country.
- Lokesh Manik:** Understood.
- Moderator:** Ladies and gentlemen, due to time constraints, that was the last question for today. I would now like to hand the conference over to the management of Mahanagar Gas Limited for closing comments.
- Ashu Shinghal:** Thank you so much to all our shareholders and stakeholders for posing confidence on the company. And I hope that the same enthu, the investment is maintained in the company. Thank you so much for joining for the earnings call today.
- Moderator:** Thank you. On behalf of Systematix Institutional Equities, 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*  
*February 09, 2026*

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