

**CITY GAS JOINT VENTURE OF BPCL, GAIL AND IGL**

# MNGL Likely to List on Bourses Next Fiscal

**Kalpana Pathak**

**Mumbai:** State-run Bharat Petroleum Corporation (BPCL), GAIL India, and Indraprastha Gas (IGL) are planning to list their joint venture city gas distribution company, Maharashtra Natural Gas (MNGL) in the coming financial year, said people aware of the development.

IGL currently owns 50% of MNGL with BPCL and GAIL holding 22.5% each. The Maharashtra government has remaining 5% stake through Maharashtra Industrial Development Corporation (MIDC).

The over ₹1,000 crore initial public offering will comprise an offer for sale (OFS) and a fresh issue. Through the OFS component, IGL—the largest shareholder—will partly offload its shareholding, the people said.

“The MNGL board has given in-principle approval to list the company. It will now begin the process to shortlist the book-running lead managers,” said an official aware of the developments, adding that “the details are yet to be worked out.”

MNGL caters to Pune, Pimpri-Chinchwad, and surrounding areas. It is also expanding into other districts in Maharashtra, Karnataka, and Telangana. The company sells compressed natural gas (CNG) for the transportation sector and piped natural gas (PNG) for domestic, commercial, and industrial use.

BPCL, GAIL, and IGL did not respond to ET’s queries.

“It is the most profitable joint venture we

have, and we plan to unlock value for investors. MNGL will raise over ₹1,000 crore. The proceeds will be used to expand operations,” said an official from one of the companies mentioned above.

MNGL clocked highest-ever revenue of ₹3,001.88 crore in the last financial year. Ebitda grew 41% to ₹961.53 crore, and net profit jumped 45% to ₹610.12 crore. Earnings per share (EPS) was at ₹61.01.

MNGL had installed 246 CNG stations, and set up 846 industrial and commercial connections

and 858,000 domestic piped natural gas connections as of FY24-end. MNGL would become the sixth pure-play city gas distribution player to get listed.

Currently, Adani Total Gas is the largest CGD company by market capitalisation at ₹79,983 crore, followed by Gujarat Gas at ₹35,386 crore and Delhi-based Indraprastha Gas at ₹30,884 crore.

MNGL’s IPO plans come at a time when the city gas distribution sector is reeling under a 20% gas supply cut under the administered price mechanism (APM). CGDs receive gas from older fields which are seeing a natural decline.

Subsequently, the Centre has been reducing APM gas allocation to CGD companies. This has led to city gas retailers hiking CNG prices by Rs 2-3 per kg as they had to replace the supply with more expensive non-APM gas or imported liquefied natural gas (LNG).



**IGL will offload part of its stake in IPO, which will also raise over ₹1,000 crore, sources said**