

Indraprastha Gas

14 August 2026

Operator: Good day and welcome to the Indraprastha Gas Ltd. Q1 FY27 earnings conference call. At this moment, all participants are in listen-only mode, and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Nitin Tiwari from Phillip Capital Private Limited. Thank you, and over to you, sir.

Nitin Tiwari – Phillip Capital: Thank you, Manab. Good day, ladies and gentlemen. On behalf of Phillip Capital India Limited, I welcome everyone to Indraprastha Gas Ltd.'s first-quarter FY27 earnings call. Today, from the management team, we have with us Mr. Kumar Shankar, who has recently taken charge as MD of IGL. Congratulations to you, sir, and our best wishes for your tenure at IGL. We also have with us Mr. Mohit Bhatia, Director Commercial. It is a pleasure to have you with us, sir. We also have Mr. Mandeep Gulati, who has recently been appointed as CFO at IGL. Congratulations to you as well, sir.

I shall now hand over the floor to the management for their opening remarks, which shall be followed by a question-and-answer session. Over to you, sir.

Kumar Shankar – MD: Thank you, Nitin. Very good evening to all of you. I am Kumar Shankar. As Nitin mentioned, I have recently taken charge as Managing Director of Indraprastha Gas Ltd. On behalf of the IGL management team, it is my pleasure to welcome you all to our earnings call on the financial results for Q1 FY27. Thank you for your continued trust and support and for joining us today.

As you all know, the quarter was challenging due to the ongoing geopolitical situation in West Asia, which impacted global energy markets and created pressure on gas availability as well as prices. Despite these challenges, IGL continued to operate smoothly and ensure uninterrupted gas supplies to all our customer segments. We are happy to note that about half of our gas requirement during this quarter was also met through domestic sources, which helped us maintain gas supply reliability. Our company has continued to demonstrate resilience through disciplined execution and a clear focus on our long-term goals.

Before we begin the Q&A session, let me briefly share some of the key highlights of our performance during this quarter. With our continued efforts, we achieved average daily gas sales volume during this quarter of 9.66 million standard cubic meters per day, as against 9.13 million SCMD in Q1 of the previous year. Our overall sales volume of CNG, net of DTC and DIMTS, increased by around 11%, with an overall 9% increase in CNG sales in Delhi and double-digit growth in all the other three states.

In fact, you will be glad to know that in recent days, we have touched peak sales of up to 58 lakh kg in a single day, which is not only among the highest for IGL in its history but also definitely the highest in the country for any CGD company in the country. You will also be glad to know that during this quarter, we achieved a milestone of the highest-ever quarterly turnover of more than Rs. 5,000 crore.

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As far as our capex is concerned, we continue to invest in expanding and strengthening our PNG infrastructure. Our domestic PNG customer base has already reached around 35 lakh-plus connections, while industrial and commercial connections stand at approximately 17,600 connections. With the planned expansion of our pipeline network and CNG stations through our ongoing capital expenditure, we believe this will support our company's long-term and sustainable growth.

During this quarter, the company reported EBITDA of Rs. 496 crore and profit after tax of Rs. 186 crore, despite higher gas costs and supply challenges arising from the global situation. We remained profitable and continued to maintain stable operations during this quarter.

We believe the long-term fundamentals of the CGD sector remain strong. With our growing infrastructure, expanding customer base, and disciplined approach to our business, we remain committed to creating sustainable value for all our stakeholders.

Now I would like to invite our Director Commercial, Mr. Mohit Bhatia, to share his remarks. Thank you.

Mohit Bhatia – Director Commercial: Thank you, Kumar, the MD. Good evening, everyone. I am Mohit Bhatia, Director Commercial at Indraprastha Gas Ltd. I would first like to welcome all our investors, analysts, and members of the financial community joining us today. Thank you for participating in our earnings conference call for the quarter ended June 30, 2026.

Let me share the key business developments during the quarter. The first and foremost priority is to secure robust infrastructure in the NCR, particularly in Delhi. I am pleased to inform you that we recently commissioned one additional city gas station at Rohini, Delhi, which will improve the overall supply network and strengthen the infrastructure.

We have already submitted our request for authorization for the remaining areas of Gurgaon and Faridabad and have started technical feasibility studies for the development of both these geographical areas. We have also commenced LNG operations, which is the first such operation in the NCR region, in association with CONCOR. We also commissioned the newly operational CNG station at the prestigious Noida International Airport, along with PNG in the forecast area.

Going forward, we are also pleased to inform you that we have engaged with the Indian Army in a nation-building exercise to explore opportunities to meet its integrated energy requirements in our geographical areas and cantonments.

As our Managing Director has highlighted some points related to the geopolitical situation and the company's financial performance, let me add some perspective from my side on the company's performance. Overall, the sales volume increased by about 6% compared with the last quarter of the previous year. From the perspective of Delhi NCR CNG sales, it grew by 9%, as the Managing Director emphasized. Barring DTC and DIMTS volumes, growth was 9%, whereas healthy growth of around 27% was observed in our new GAs outside Delhi NCR. Overall, almost 50% of incremental sales is coming from the new GAs.

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In terms of infrastructure development, our steel network expanded by approximately 25 kilometers, further taking it to around 2,600 kilometers, while the MDPE pipeline increased by almost 500 kilometers during this quarter. We also added almost 1 lakh-plus PNG customers during the current quarter, along with almost 530 additional industrial and commercial customers, contributing to our robust growth.

On the financial front, I am once again pleased to inform you that we achieved our highest-ever turnover of Rs. 5,028 crores, which is almost 16% higher than in the same quarter last year. While profitability was impacted by higher gas costs during the quarter, our focus remains on volume growth, customer expansion, and operational efficiency.

During the quarter, we also incurred capex of Rs. 327 crores. We are witnessing very healthy growth in the CNG vehicle segment. Over the last 6 months, CNG vehicle additions and conversions have reached almost 27,300 vehicles per month, compared with 18,000 vehicles per month during the same quarter last year. This gives us immense confidence that CNG demand will continue to grow in the coming quarters.

On behalf of the management, I assure you that we remain focused on sustainable growth, expansion of our market presence, and delivering value to our customers and stakeholders while adapting to the changing business environment. With this, I welcome you once again and open the session for questions and answers.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

We have our first question from the line of Probal Sen from ICICI Securities. Please go ahead.

Probal Sen – ICICI Securities: Thank you for the opportunity. Good afternoon, sir. Congratulations on the elevations for both of you to your new roles at the company.

My first question is about the gas mix. If you can kindly give us the mix, in terms of percentage or absolute volume, between the APM allocation, HPHT gas, new well gas, and the mix between long-term and short-term LNG for the quarter.

Mohit Bhatia – Director Commercial: Thank you for the question. In the current scenario, if we look at the breakup for Q1 of this financial year, around 48% is still coming from domestic allocations, whether it is APM, new well gas, or HPHT. Around 52% is coming from imports through our long-term contracts and, to some extent, through the spot market because of the force majeure issues in West Asia.

We are selling around 9.5 million standard cubic meters of gas, of which 48% is coming from domestic sources and around 52% from imports.

Probal Sen – ICICI Securities: Thank you, sir. Is it possible to share, within that 52%, what the mix was between long-term and spot? Also, broadly speaking, what was the effective price at which we

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sourced spot LNG for the quarter?

Mohit Bhatia – Director Commercial: Because of the long-term contracts, 100% of our sourcing is already in place. However, due to the force majeure issues, there have been some cuts. Almost 4 million out of the 5 million of imported sourcing is being done through long-term contracts. Around 3.9 to 4 million is from long-term contracts.

The government supported us during this quarter by providing pooled gas to the CGD sector, particularly as per the government notification. Around 0.6 to 0.7 came through pooled gas. We had to rely on the spot market for around 3%; roughly 0.25 to 0.3 million per day was sourced through spot.

You must have noticed the market trend, which varied from around 17–18 dollars to 21–22 dollars. Whenever required, we have to source gas at those prices.

Probal Sen – ICICI Securities: Understood, sir. In terms of how we are looking at sourcing going forward, what is the environment as we see it, since the conflict has once again intensified? Have we seen a change in terms of LNG availability? Are we able to obtain slightly more contracted LNG in the market today, or does it remain a fairly tight market? What are your thoughts on this?

Mohit Bhatia – Director Commercial: It is a very highly unpredictable and uncertain situation. You are aware of the geopolitical issues. We are in constant touch with our suppliers and the promoter companies, while sourcing whatever best we can from the market.

Some indications are available regarding the cuts due to force majeure, because India, like other countries globally, has also gone to other geographies to source gas. Long-term gas will continue to be available, and spot gas will also be required to some extent, but I think if we are able to [inaudible]

Management: ...get the gas from our long-term contracts, our aspiration and vision is that we should be able to improve the situation. We are taking this up with our upstream suppliers, and the situation should improve. As we go forward, we are also looking at {? HPHT ?}. We are hopeful that we will be in a position to improve the overall share of HPHT going forward. Regarding RLNG, the Director Commercial has already mentioned it.

Probal Sen – ICICI Securities: Thank you. One last question, if I may. Given the unpredictability, how should we look at the margin scenario going forward? If gas prices remain at the higher end over the coming 6–12 months, how are we looking at further price increases to shore up margins? How are we looking at the margin environment for the next 6–12 months?

Management: I would like to answer your query in two parts. Point number one is that we have always given guidance of long-term EBITDA of around {? 7 rupees per SCM ?}. There is a geopolitical issue across the globe, and margins are under stress. Our long-term guidance is still similar, but in the subsequent quarters, it will be difficult to assess the situation because we do not know the overall geopolitical impact on the country and, in particular, on the CGD sector. That is point number one.

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Secondly, our long-term guidance has always been that we want to calibrate both sales growth and margins. We are trying to maintain a good differential with alternative fuels, particularly petrol and diesel, and there is still a handsome differential with petrol, particularly around {? 17 rupees ?}.

With GST 2.0, the environment has become really conducive and favorable for the CNG automobile sector, and tremendous growth has been witnessed. To further leverage this, I think this is the time to seed the market, further strengthen it, and capture the volumes as well.

Management: Margins are, of course, a function of the input cost of gas. This is particularly relevant in the current volatile LNG market. Over the next 6 months, I believe we need to assess how four factors will play out.

First, in general, there is a consensus that supplies from the US are going to improve. Therefore, the expectation is that Henry Hub will remain relatively stable.

The second factor is geopolitics. Nobody is able to predict what is going to happen to supplies from the Middle East.

Then there is the consumption pull factor from China and Japan. We need to wait and watch how that will play out.

The other aspect is the level of European gas storage and the kind of winter we experience. In all these areas, there are also discussions about whether El Nino will become a super El Nino. In that case, there could be a moderate winter.

If you look at how different factors are going to play out in this volatile world, it is quite difficult to predict at this point. However, as our Director Commercial has just mentioned, for the segments that we are going to cater to, we have reasonable confidence that, with the leverage we have, particularly with respect to petrol and diesel, we should be able to keep the situation balanced.

Probal Sen – ICICI Securities: I appreciate how challenging the environment is, and I appreciate your efforts to explain as much as you could. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. Ladies and gentlemen, to ensure that the management is able to address questions from all participants on the conference, please limit your questions to only two per participant. Should you have a follow-up question, we request you to rejoin the queue.

We have our next question from the line of Yogesh Patil from Dolat Capital. Please go ahead.

Yogesh Patil – Dolat Capital: As you mentioned earlier, 48% of gas sourcing is from domestic fields or domestic sources such as APM, NWG, and HPHT. To our knowledge, in earlier quarters, APM was around {? 3.3 MMSCMD ?}, HPHT was {? 0.8 MMSCMD ?}, and NWG was around {? 0.9 MMSCMD ?}. I wanted to get a more granular understanding of this. How much did you receive in Q1 FY27 from each of these three types of gas, and what is the current status of domestic sourcing?

Management: There has been some reshuffling of APM and NWG in the last quarter, and this is likely to continue going forward. As I mentioned, the average APM volume last quarter was around

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{? 2.6 million ?}, while new well gas was {? 1.26 ?}. Compared with the previous quarter, you are right that NWG was less than 1 million. There have been some changes in the proportion because of geological issues with wells across the country, and there has been some shift in new well gas. This is also likely to continue going forward.

Yogesh Patil – Dolat Capital: The HPHT portion remains the same, at 0.8 MMSCMD during Q1 FY27?

Management: HPHT was around {? 0.7, 0.66 to 0.7 ?}, and it is likely to increase because we understand that certain contracts across the country are likely to close in September, after which some bids will be offered. We will also try to capture this aggressively going forward.

Yogesh Patil – Dolat Capital: My next question is related to the CNG consumption figures for DTC and DIMTS buses. If you could provide them in million kg, and additionally provide the total CNG volume for this quarter in million kg.

Management: As we mentioned in our opening remarks, DTC volumes are now almost zero. Over the last 3 months, they have been almost zero. In the same quarter last year, the average was {? 1.5 lakh kg ?} per day, whereas now it is almost zero.

However, if you look at DIMTS volumes, compared with Q4 of last year and Q1 of this year, the volumes are more or less the same. They are being maintained at around 1.5 lakh kg per day.

Yogesh Patil – Dolat Capital: And the CNG volume in million kg, sir, if possible? Total CNG volume in million kg?

Management: In terms of million kg, it is around {? 5.31 ?} per day for the quarter ended June 30.

Yogesh Patil – Dolat Capital: Thank you very much, sir. All the best.

Operator: Thank you. A reminder to all participants: if you wish to ask any questions, you may press star and one on your touchtone phone.

We have our next question from the line of Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka – Axis Capital: Good evening, and thank you for the opportunity. I missed whether you have already shared the split of growth between Delhi and outside Delhi, which you usually share in earlier quarters.

Management: For your information, I will repeat it. Overall CNG growth across IGL is 6%. In Delhi, barring DTC, it is around 9%, and for the entire IGL, barring DTC, it is 11%. In the outside or new GAs, it is 27%.

Amit Murarka – Axis Capital: Understood. Regarding DTC, you said that the volumes for the buses have stabilized and that you are not expecting any further decline on that front?

Management: Yes, you are right. Volumes have almost come down to zero. There may be hardly 100 to 200 kg per day. For practical purposes, we can now take DTC volumes as zero.

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Amit Murarka – Axis Capital: Given that vehicle registrations are still very strong, can we expect CNG growth to get close to double digits or even reach a rate of 12–13% in the coming quarters?

Management: You must have seen the recent ET Prime news. If I share the July data with you, almost {? 4.6 lakhs ?} passenger vehicles were added in the month of July itself. Maruti has claimed that, out of the new vehicles added, almost {? 42% ?} of its vehicles are CNG-based.

So yes, you are right. CNG is expected to grow very aggressively following the GST 2.0 cuts. We are also witnessing the same trend in our outside GAs, where growth is 27%, which is very healthy. In Delhi also, growth is around 9% to 10%, barring DTC. Although the base is very large, so the percentage growth cannot actually be correlated in the same way, the overall trend otherwise appears very healthy.

Amit Murarka – Axis Capital: Understood. Lastly, regarding the various changes on the gas cost side, such as the changes in transmission zonal tariffs and the changes related to Gujarat GST, all those benefits are now reflected in the sourcing mix, correct? Is the current cost of natural gas reflecting all those benefits in the numbers?

Management: Yes, those benefits are there. That is right. However, because of the unusual volatility resulting from the West Asia crisis, the benefits are somewhat masked by the current situation. We expect that once the situation eases, the positive effects will become more pronounced.

Amit Murarka – Axis Capital: Understood. That is all from me. Thank you very much, and best wishes.

Management: Thank you.

Operator: Thank you. We have our next question from the line of Vivekanand from Ambit Capital. Please go ahead.

Vivekanand – Ambit Capital: Thank you for the opportunity. I have two questions. The first is on the Delhi EV policy that was recently announced. Since this impacts aggregators, commercial vehicles, auto-rickshaws, goods carriers, and school buses, how are you looking at the impact on our volumes in Delhi? Secondly, if you could provide some color on the split between these vehicle segments that are impacted or covered by the Delhi EV policy, that would be helpful.

My second question is whether you can help us with the volume trends and year-on-year numbers for HCNG and CNG, as well as the absolute MMSCMD volume for PNG. Thank you.

Management: Regarding the Delhi EV policy, you are right that the mandate has already been introduced. Effective January 1, 2027, there will be no new registrations of three-wheelers, and only EV registrations will take place. We have evaluated and analyzed the situation. Although we are holding advocacy meetings with the Delhi government and other stakeholders to seek the revocation or continuation of the CNG provision, we do not see a very large impact.

There are only 1 lakh three-wheeler autos in Delhi, and considering a life of 15 years, only 5,000 to 6,000 will be phased out each year. As per our analysis, there will be less than a 1% impact on overall CNG volume in 2027. Going forward, the impact may be less than 3% by 2030.

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Similarly, for commercial vehicles, the new registrations will again start from January 1, 2027. For school buses also, I think the mandate is that by 2030 they have to switch over 30%.

Overall, we have evaluated the sales volume that could be lost against the volume that could be added through natural growth, particularly given the very strong growth expected from passenger cars. By 2030, I think there will be an overall impact of around 2% to 3% on volumes, and we are not seeing any significant impact.

Regarding your second question on how CUGL and MNGL have been recording growth, first, in CUGL, the corresponding quarter-on-quarter growth in CNG was 8%, from around 0.23 MMSCMD to 0.25 MMSCMD. PNG volumes were broadly maintained at similar levels, from 0.11 to 0.12 MMSCMD. Overall, volumes increased from 0.34 to 0.36 MMSCMD, representing 6% growth.

For MNGL, the numbers were slightly more encouraging. In CNG, MNGL recorded 13% growth, from 1.27 MMSCMD to 1.44 MMSCMD. In PNG, MNGL recorded very healthy growth of around 29%, from 0.58 MMSCMD to 0.75 MMSCMD. Overall, volumes increased from 1.85 MMSCMD by 18% to reach 2.19 MMSCMD.

This was primarily driven by the comparison between the corresponding quarters of the previous year and the current year. In Nashik, their Nashik GA has started receiving direct gas supplies from the newly commissioned Samriddhi pipeline. Earlier, the Nashik GA was completely supplied through LNG mode. This provided a good boost, and now that the pipeline is in place, PNG growth is witnessing a very healthy trend. Overall, they have recorded around 18% volume growth there.

Vivekanand – Ambit Capital: Thank you for that comment. As far as the Delhi EV policy is concerned, there is no impact on the NCR territory outside the national capital, Delhi, correct? Is that very clear?

Management: Absolutely. It applies particularly to Delhi only. I do not think there will be any impact on Noida or the Gurgaon area.

Vivekanand – Ambit Capital: Understood. One last follow-up: CUGL's volumes have been stuck in a rut, even in FY24—I mean FY23, FY24, and FY25. The volumes were in the range of 0.31 to 0.33 MMSCMD. Why are markets such as Kanpur and Bareilly, where one would assume CUGL is under-penetrated, not growing faster?

Management: CUGL has, in fact, recorded reasonable growth of 8%. I agree that there is potential for further growth. With improvement in the overall CNG ecosystem, an increase in the number of vehicles, and the addition of more stations, I believe we should be able to see more growth there in the coming quarters.

The overall input gas cost and gas price scenario also matter. Such locations may be somewhat more price-sensitive when it comes to industrial customers, and the tax structure is also adding to their difficulties. That could be one of the reasons why the tax structure is not very favorable for their PNG growth, particularly in the C&I segment. However, CNG should be able to show further improvement going forward.

Vivekanand – Ambit Capital: Thank you very much, and all the very best.

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Management: Thank you.

Operator: Thank you. We have our next question from the line of Gagandeep Dixit from Elara Capital. Please go ahead.

Gagandeep Dixit – Elara Capital: Thank you for taking my question. Given the sharp increase in gas costs, is IGL considering any hedging or long-term contracting strategy to reduce spot LNG exposure going forward?

Management: Of course. Like any other entity, we are looking at it. We are also looking at hedging options, particularly because Henry Hub now provides us with an opportunity and is relatively stable at present. We are looking at hedging as an important tool and as part of our overall strategy.

In fact, in May, we had some opportunities available within a reasonable price band, and we started doing this. We will continue to do so.

Gagandeep Dixit – Elara Capital: Understood, sir. My second question is about the new geographies outside Delhi NCR, which are still in the initial stages. Are they typically slightly dilutive in terms of EBITDA per SCM compared with mature geographies such as Delhi NCR? Broadly, what is the typical difference in EBITDA per SCM between new and mature geographies?

Management: EBITDA per SCM is slightly better in mature geographies because of concentrated sales and better volumes. In the new geographical areas, it depends to some extent on the infrastructure as well. As these areas mature and sales start increasing, we see the benefits of economies of scale emerging.

For new GAs that have started maturing, such as Rewari, we are getting better EBITDA there. It is a constant process: the higher the sales, the better the EBITDA will be.

Gagandeep Dixit – Elara Capital: That is all from my side. All the best, and thank you.

Management: Thank you.

Operator: Thank you. We have our next question from the line of Saurabh Handa from City Group. Please go ahead.

Saurabh Handa – City Group: Thank you for the opportunity. This is a follow-up to a question from one of the other participants. Could you provide a rough breakup of your vehicle-wise CNG sales—how much comes from buses, private cars, autos, and so on?

Management: I will provide that in a moment. From buses, our volume is around 12% overall. Commercial vehicles account for around 19%, taxis account for around 14%, and three-wheeler autos account for around 7% to 8%. Primarily, the balance comes from passenger cars, which account for around 48% to 50% of our {? seven million ?} CNG sales.

Saurabh Handa – City Group: Understood. When you said autos account for 7% to 8%, would the Delhi portion be around 3%?

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Management: No. I was saying that phasing out will happen over a period of 15 years. There will be no new registrations, but the existing vehicles will be phased out because the permits will also change. Every year, around 5 to 5,000 vehicles or so will leave the system. By 2030, we expect the impact on auto sales to be less than 1%. Therefore, this 6% to 7% will continue to reduce after every 5 years, perhaps to 2% to 3%. It will happen in that manner.

Saurabh Handa – City Group: Do you have an idea of how much of the 7% to 8% is actually from Delhi compared with the NCR?

Management: It is primarily Delhi. You can say that around 70% to 80% is from Delhi.

Saurabh Handa – City Group: Understood. Thank you. My second question is about Gurgaon and Faridabad. I think you made a comment initially on the areas that are not authorized to you, which I missed. Could you elaborate on that?

Management: There has been litigation, and we have been contesting the matter. However, we have accepted the portion of the area that has been conditionally given to us by the regulator and will proceed with its development. In the interest of consumers, we do not want to deprive them of natural gas, whether piped natural gas or CNG. Therefore, the company has internally decided to conditionally accept and develop that area going forward.

Saurabh Handa – City Group: To clarify, even in the areas of Gurgaon that are not authorized to IGL, you have received some conditional approval to expand your network. Is that correct?

Management: No. Those areas were authorized to IGL, but we had not accepted them in the past because litigation was ongoing and we had been contesting the matter at various forums. Now, given the push toward natural gas, particularly piped natural gas, and the anticipated growth in CNG, we have taken a conscious decision to move forward conditionally. NCR is also an area with significant growth potential.

Saurabh Handa – City Group: So that means that in the entire Gurgaon region now you would be—

Management: No, not the entire Gurgaon region. Let me clarify. Within the entire Gurugram area, a portion had already been earmarked only for HGL. Earlier, that portion was also not being served because our claim was that the entire Gurugram area belonged to IGL, and services had not commenced in those portions.

Given the current situation, we did not want to deprive the people in those portions of their share of gas. Therefore, we have started commencing services in that portion, but not across the entire area.

Saurabh Handa – City Group: That is clear. And in Faridabad, did you say that—

Operator: Sorry to interrupt you, Saurabh. May we request you to rejoin the queue?

Saurabh Handa – City Group: Sorry, just the same question regarding Faridabad. In Faridabad, there was no partial authorization, correct? Faridabad was completely outside IGL.

Management: Yes. We will be developing that area. Part of it is with us, while the remaining and larger portion is with somebody else.

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Saurabh Handa – City Group: So there is nothing materially different from the earlier situation. I just wanted to confirm that. Understood. Thank you, sir.

Management: Thank you.

Operator: Thank you. A reminder to all participants: please restrict yourself to only two questions per participant. Should you have a follow-up question, we request you to rejoin the queue.

Our next question is from the line of Mayank Maheshwari from Morgan Stanley. Please go ahead.

Mayank Maheshwari – Morgan Stanley: Thank you for taking the call. My question is related to your growth strategy around inorganic growth. Considering the Delhi EV policy and the increasing focus on EVs, how are you thinking about inorganic growth opportunities to consolidate the entire market?

Management: Regarding inorganic growth, the CGD sector is still relatively new in terms of newer authorizations. As and when an opportunity presents itself, we will be able to look at those other areas as well. However, the general policy framework is still evolving, and how other areas will be opened up remains to be seen.

At this stage, we believe that there is good scope even in our own newer GAs, as can be seen from the kind of growth we have been achieving in those areas. Their share is progressively improving. We are currently focusing on expanding our operations in the newer GAs.

Mayank Maheshwari – Morgan Stanley: In terms of capex going forward, can you provide guidance? Will there be a step-change increase in capex because of the focus on natural gas and PNG, or do you think the current run rate will be sustained?

Management: You are right. In the first quarter, we spent around 327 crores. Our plan and aspiration have undergone certain changes.

Management: This is definitely because of the thrust on PNG infrastructure development going forward. Our aim is roughly 1,800 to 2,000 in steel. We plan to spend around 1,200 to 1,300 crores, or a maximum of 1,500 crores, on the core business. If we get other opportunities for business development or diversification, we will have another 5-600 crores for those as well.

Operator: Thank you. We have our next question from the line of {? P.S. Sundaram ?} from Deutsche Capital. Please go ahead.

P.S. Sundaram – Deutsche Capital: Good afternoon, sir, and thank you for the opportunity. There have been a couple of major development initiatives by the Delhi government that have caused some apprehension among investors. One is the lack of registration for auto-rickshaws going forward, and the second is the conversion of DTC buses from CNG to electric.

My question is whether there is any indication or move that you are aware of suggesting that the Delhi government may introduce a similar policy for four-wheelers. Do you see any indication of that?

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My follow-up question is about the proportion of CNG vehicles among new four-wheeler registrations in the Delhi area in recent months. Can you provide some insight into that?

Management: I will answer the second part of your question first. Based on the data we have analyzed, almost 42% of passenger vehicles among new registrations in Delhi are being registered as CNG vehicles. This is the current scenario, and you can consider the last 6 months or so.

That is point number one. If we look at the entire vehicle population of Delhi, around 24% to 25% is on CNG.

Secondly, we have been advocating at various forums. Whether it is at the ARAI level, ICAT level, CAQM level, or with the Delhi government, our understanding is that both fuels will coexist in the current scenario. Considering the geopolitical situation, energy security remains a top priority.

There will not be a shift to a single energy fuel, whether conventional fuels, CNG as a transition fuel, or EVs. It will be a mix of all fuels. Going forward, we anticipate very robust growth from CNG, particularly based on the information and data we have shared with you.

P.S. Sundaram – Deutsche Capital: My second question is about the impact of the war in West Asia on your margin profile. We have also seen a sharp fall in global natural gas prices after June. Can you share the average cost of gas per cubic meter during the first 3 months of this financial year? What did it mean in July? What was the cost of gas in July?

Management: It would be very difficult to provide that because these are commercial terms. However, as a broad indication, it was hovering around 40 to 45 rupees per SCM during the first quarter. From July onwards, the turbulence is still present, and there has been some increase. It would be difficult to discuss the details beyond that, considering the commercial proposition.

P.S. Sundaram – Deutsche Capital: I am asking because you were confident of returning to EBITDA per SCM of about 7 to 8 rupees. That is the reason for my question.

Management: I had already mentioned that this was long-term guidance for the future. It is not guidance for the immediate quarter or anything similar. Our aspiration and guidance remain the same. However, in such an unpredictable and volatile geopolitical situation, it would be very difficult to comment on the quarter.

P.S. Sundaram – Deutsche Capital: My other question is about a report by PNGRB. One of the recommendations was that natural gas should be brought under the ambit of GST. Are you aware of any such move, and can you share anything with us?

Management: The Ministry of Petroleum and Natural Gas has consistently been supportive. Within the government structure, when the administrative ministry strongly supports a particular cause, that is a positive sign.

However, GST is both a central and state subject. Therefore, it would be very difficult to speculate on whether anything will be introduced. It is difficult to say because the matter falls within the prerogative of the GST Council.

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P.S. Sundaram – Deutsche Capital: I understand that, but I wanted to know whether there is any available evidence suggesting that a major change is taking place in this area.

Management: No, nothing so far.

P.S. Sundaram – Deutsche Capital: One final question is about a point made by the management in an earlier question.

Operator: Due to the shortage of time, this will be the last question.

Management: May we have this last question? Now, please ask the question, sir.

P.S. Sundaram – Deutsche Capital: Thank you. It was mentioned that the entire Gurgaon area was originally awarded to IGL, but the matter subsequently went into litigation. If I remember correctly, this was due to valuation issues. IGL has now been awarded one-third of Gurgaon. Are the other two parts of Gurgaon still under litigation, or is there any possibility that they may come under IGL's ambit in the future?

Management: It is still under litigation, and we are contesting the matter. Initially, as per the Central Government authorization, it was awarded to IGL, and we continue to contest it. We have not surrendered our claim.

However, one point to remember is that, even in the portions that are currently disputed and where the other party is operating, the gas is still being procured from IGL on a bulk basis. To that extent, the molecules are still going through us.

From a strategic point of view, we need to understand that the process of establishing ownership of the retail consumer base is ongoing. You should keep that aspect in mind as well.

P.S. Sundaram – Deutsche Capital: There is nothing like having the final—

Management: You are right, but I am just adding that point. That is how the situation stands.

P.S. Sundaram – Deutsche Capital: Understood. Thank you. For reasons of time, I will stop here and allow the others to ask questions.

Operator: Thank you, ladies and gentlemen. Due to time constraints, that was the last question of the day. Participants whose questions have remained unanswered may approach investor relations at the management. I now hand the conference over to the management for closing comments. Over to you, sir.

Management: Good evening to all of you. On behalf of the IGL management, I would like to thank all of you for participating in the earnings call for Q1 FY27. Special thanks to Phillip Capital and Nitin for organizing this call for IGL.

We will see you soon, perhaps at the next conference or maybe in person. Thank you all for joining.

Operator: Thank you, sir. On behalf of Phillip Capital Private Limited, that concludes the conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

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