"Indraprastha Gas Limited
Q1 FY27 Earnings Conference Call"
August 14, 2026

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MODERATOR: **MR. NITIN TIWARI – PHILLIPCAPITAL PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Indraprastha Gas Limited Q1 FY27 Earnings Conference Call, hosted by PhillipCapital Private Limited. As a reminder, all participant lines will be in the 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 an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Nitin Tiwari from PhillipCapital Private Limited. Thank you, and over to you, sir.

Nitin Tiwari: Thanks, Manav. Good day, ladies and gentlemen. On behalf of PhillipCapital India Limited, I welcome everyone to Indraprastha Gas Limited's first quarter FY27 earnings call. Today from the management team, we have with us Mr. Kumar Shanker, who has recently taken the 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. Pleasure to have you with us, sir; and Mr. Manjeet 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 Shanker: Yes. Thanks, Nitin. Very good evening to all of you. I am Kumar Shanker. As Nitin was mentioning, I've recently taken charge of Managing Director of Indraprastha Gas Limited. On behalf of the management team of IGL, it's my pleasure to welcome you all for our earnings call on this financial results of Q1 FY26-'27.

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. But despite these challenges, IGL continued to operate smoothly and ensure uninterrupted gas supplies to all our customer segments.

You'll be happy to note that about half of our gas requirement during this quarter also was met through domestic sources, which helped us maintain gas supply reliability. And our company has continued to demonstrate resilience through disciplined execution and 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 have achieved average daily gas sales volume during this quarter at 9.66 million standard cubic meters per day as against 9.13 million SCMD in the Q1 of the previous year.

Our overall sales volume of CNG net of DTC and DIMTS had actually increased by around 11% with overall 9% increase in CNG sales in Delhi and double-digit growth in all the other remaining 3 states. So, in fact, you'll be glad to know that in recent days, we have touched the peak sale of up to even 58 lakhs 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.

And also, you'll be glad to know that during this quarter, we have achieved a milestone of the highest ever quarterly turnover of more than INR5,000 crores and as far as our capex, we continue to invest in expanding and strengthening our PNG infrastructure and our domestic PNG customer base has already reached around 35 lakh-plus connections, while industrial and commercial connections stand today at approximately around 13,600 connections.

With the planned expansion of our pipeline network and CNG stations through our ongoing capital expenditure, we believe it will support our company's long-term and sustainable growth. During this quarter, the company reported an EBITDA of INR296 crores and a profit after tax of INR186 crores despite higher gas costs and supply challenges arising from the global situation, we remain profitable and continue to maintain stable operations during this quarter.

We believe the long-term fundamentals of CGD sector remains 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: Thank you, Kumar sir, the MD. Good evening, everyone. I'm Mohit Bhatia, Director of Commercial at Indraprastha Gas. I would like to, first of all, welcome all our investors, analysts and the members of the financial community joining us today. Thank you for participating in our earnings conference call for the quarter ended 30th June 2026.

Let me get the opportunity and privilege to share the key business developments during the quarter. So, first and foremost, to secure the proper robust infrastructure in NCR and in particularly Delhi. So, pleased to inform that we have recently commissioned a new, one more city gate station at Rohini, Delhi, which will improve the overall supply network and strengthen the infrastructure.

We have already submitted our consent for the authorization for the remaining areas of Gurugram and Faridabad and have technically started the technical feasibility studies for the development of these -- both the geographical areas.

We have also commenced LNG operations, that is the first and the foremost in NCR region in association with CONCOR and had commissioned the newly operational CNG station at the prestigious Noida International Airport, along with PNG in the forecourt area.

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

As our Managing Director has highlighted some of the points related to geopolitical situation and also financial performance of the company, let me add some perspective from my side on the company's performance. Overall, the sales volume increased to about 6% as compared to the last quarter of the last year.

And if we look from the perspective of Delhi NCR CNG sales, yes, it has grown by 9% as the Managing Director emphasized. And barring DTC and DIMTS volume, that is 9%, whereas a healthy growth of around 27% observed in our new GAs outside Delhi NCR.

On the overall basis, almost there is a 50% incremental sales, which is coming from the new GAs. In terms of infrastructure development, our steel network expanded by approximately 25 kilometers, now further adding to around 2,600 kilometers, while the MDPE pipeline almost increased by 500 kilometers during this quarter. So, we have also added almost 1 lakh-plus PNG customers during the current quarter and almost 530-plus additional industrial and commercial customers, adding to our robust growth.

On the financial front, once again, pleased to inform that we have ever -- achieved the ever highest INR5,028 crores of the turnover, which is almost 16% as compared to the same quarter last year. While the profitability has impacted by higher gas costs during the quarter, our focus remains on volume growth, customer expansion and operational efficiency.

During the quarter, we also had incurred a capex of INR327 crores. We are witnessing a very healthy growth in the CNG vehicle segment. Over the last 6 months in particularly, CNG vehicle additions and conversions have arranged almost to the tune of 27,300 vehicles per month vis-a-vis 18,000 vehicles per month during the same quarter for the last year, which 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 the question and answer.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. We have our first question from the line of Probal Sen from ICICI Securities.

Probal Sen: Congratulations for the elevation for taking the new roles for both of you. I just had first question was with respect to the sourcing mix. If you can kindly give us a mix in terms of percentage or absolute volumes between whatever was the APM allocation, HPHT gas, New Well Gas and the mix between long-term and short-term LNG, whatever it was for the quarter? That was my first.

Mohit Bhatia: Okay. Thanks for the question. So, the current scenario -- in the current scenario, if we see the breakup for the Q1 for the -- this financial year, still we have around 48% coming from the domestic allocations, whether it is APM, New Well or HPHT and around 52% is coming from the imported that is through our long-term contracts and somewhere through the spot also because of the force majeure issues happened in West Asia. So, if you see the around -- we are selling around 9.5 million of standard cubic meters of gas. So 48% is coming from the domestic and around 52% from the imported.

Probal Sen: Is it possible to share of that 52%, what was the mix between long term and spot? And also broadly speaking, what was the effective price for spot LNG for the quarter?

Mohit Bhatia: See, if you see because of the long-term contracts, we already -- we are in place 100% of our sourcing. However, due to the force majeure issues and all, so there has been some cuts. Yes, it is there. So, almost around 4 million out of the 5 million sourcing, which is being done from the imported around 3.9 million to 4 million is from the long-term contracts. And there was a government has supported during this quarter in terms of giving pool gas to the CGD sector, particularly as per the government notification.

So around 0.6 million to 0.7 million came through the pool gas. And spot, we had to rely around 3%, you can say, roughly around 0.25 million to 0.3 million per day was through spot. And market trend, you have -- must have noticed that it varied from around USD17, USD18 to USD21, USD22. As and when it's required, we have to source it.

Probal Sen: Got it, sir. And just in terms of how we are looking at chasing going forward, what is the environment? Have you seen -- since the conflict has once again sort of picked up, have we seen a change in terms of LNG availability? Are we able to get slightly more contracted LNG in the market today? Or does it remain still a fairly tight market? Just your thoughts on this.

Mohit Bhatia: So very, very highly unpredictable and uncertain situation. You are aware of the geopolitical issues. So, we are in constant touch with our suppliers, the promoter companies also and whereas whatever best we could source it from the market. So, we are in constant touch and some indications are there, whatever has been the cuts due to force majeures because as globally, India has also gone to other geographies to source the gas. And it has been there.

So, long term, yes, spot will be there a little bit. But I think if we are able to get the gas from our long-term contracts, our aspiration, our vision is that. So, I think we are taking up with our upstream suppliers and something should be better.

Kumar Shanker: And as we go forward, we are looking at HPHT as well. So, we are hopeful that we will be in a position to improve the overall share of HPHT as well going forward, both RLNG already that commercial has already mentioned.

Probal Sen: One last question, if I may. Given the unpredictability, how should we look at the margin scenario going forward? Is there sort of a floor? Are we looking at further price increases to sort of shore up the margins if prices remain at the higher end, I mean, USD15 to USD16, how are we looking at the margin environment for the next 6 to 9 months?

Mohit Bhatia: So sir, actually, I would like to answer your query in 2 parts. See, point number one is we have been always giving a guidance of a long-term EBITDA around INR7 per SCM. So, yes, there is a geopolitical issue across the globe and margins are under the stress. So, our still long-term guidance is similar. But in the subsequent quarters, it will be difficult viewing because we do not know what is the overall geopolitical impact on the country and in particular, to the CGD sector.

So, that is point number one. Secondly, we have been always like a long-term guidance was there that we want to calibrate in terms of both the sales growth vis-a-vis margin. So, we are trying to maintain a good delta with alternate fuels, particularly petrol and diesel. And still there is a handsome delta with petrol in particularly around INR17.

And with the GST 2.0, it has become really conducive and favorable for the CNG automobile sector and the tremendous growth has been witnessed and to further leverage, I think it is a time to seed the market to further strengthen and capture the volumes also.

Kumar Shanker: See, I would like to add one more thing also. Margins, of course, is a function of the input gas prices, more so the current kind of volatile LNG market. But next 6 months, I believe 4 factors we need to figure out how they will play out. First is, in general, there is a consensus that the U.S. supplies are going to improve.

So, for India, the expectation is that it would be kind of stable. The second part is, of course, geopolitics, nobody is able to predict what is going to happen to the supplies from the Middle East. Then about the kind of consumption pull factor from China, Japan, how it's going to play out, one needs to wait and watch.

But the other aspect is how the European gas storage is going to be there and the kind of winter. In all these things, there are also talks about whether this El Nino is going to become a super El Nino and in case of that, then there could be a moderate winter. So, if you really see today in the wired world, how different factors are going to play out, it's right now quite difficult to predict.

But as our Director, Commercial has just mentioned that -- so what we are focusing on is the segments that we are actually going to cater to, we have a reasonable belief that with the kind of leverage that we have, particularly with respect to petrol, diesel, and all that. So, we should be able to keep it in the balance.

Probal Sen: I appreciate how challenging the environment is and I appreciate your efforts to explain -- to answer as best as you could.

Moderator: We have our next question from the line of Yogesh Patil from Dolat Capital.

Yogesh Patil: As you mentioned earlier that 48% of the gas sourcing is from the domestic fields or domestic side, like APM, NWG, HPHT. To our knowledge, earlier quarters, it was around -- APM around 3.3 MMSCMD, HPHT was 0.8 MMSCMD and NWG was around 0.9 MMSCMD. So, just wanted to have a little bit granular understanding on this. How much -- how much you have received in Q1 FY27 all these 3 types of the gases? And what is the current status of this domestic sourcing part?

Mohit Bhatia: So there has been a little bit, I would say, reshuffling of APM and NWG in the last quarter and going forward also. So, as I mentioned, around 2.6 million last quarter average was APM and 1.26 million was the New Well Gas. As compared to the previous quarter, you are rightly, it was -- NWG was less than 1 million. So, there has been some changes in the proportion because of the geological issues of the wells across the country, and there has been some shift in the New Well Gas. And going forward, also likely to happen in this way only.

Yogesh Patil: HPHT portion remains same, sir, 0.8 MMSCMD during the Q1 FY27?

Mohit Bhatia: So HPHT was around 0.7 -- 0.6 to 0.7 and it's likely to increase because we understand that certain contracts across the country are going to close -- likely to be closed in September, and there will be some bids offerings coming in. So, we'll be also trying to capture it aggressively going forward.

Yogesh Patil: Sir, my next question related to the CNG consumption figures for the DTC buses, DIMTS buses in million kg, if you could provide? And additionally, please provide the total CNG volume for this quarter in million kg.

Mohit Bhatia: Okay. So, as we mentioned in our opening remarks also, see DTC volumes are now almost zero. So, last 3 months, if you see, it's almost now 0. And the last year same quarter, it was on an average of 1.5 lakh kgs per day. So, now it is almost 0.

However, secondly, if you see the DIMTS volumes, so now as compared to the Q4 of the last year and in comparison to the Q1 for this year, the volumes are more or less same. It is maintaining at around 1.5 lakh kgs per day.

Yogesh Patil: And CNG volume in million kg, sir, if possible? Total CNG volume in million kg?

Mohit Bhatia: So in terms of million kg, it is around 5.31 per day for the quarter ended 30th June.

Moderator: We have our next question from the line of Amit Murarka from Axis Capital.

Amit Murarka: So I missed if you have already shared the split of growth between Delhi and outside Delhi that you usually share in earlier quarters.

Mohit Bhatia: So I'll just -- for your consumption, I'll just repeat. So, overall growth in CNG is 6% across IGL. If you see Delhi, barring DTC, it is around 9% and barring DTC, entire IGL is 11%. And if you see in particularly the outside or the new GAs, it is 27%...

Amit Murarka: And DTC, you said that now the volume for the buses has stabilized and there's no further decline that you're expecting on that count, right?

Mohit Bhatia: Yes, you are right. It has almost now come down to zero almost, maybe hardly 100, 200 kgs per day. So, for practical purposes, we can take it at zero now, DTC.

Amit Murarka: Now given that the vehicle registration is still going very strong, so then the CNG growth now, can we expect to kind of get close to maybe double digits or go to maybe 12%, 13% rate also in the coming quarters then?

Mohit Bhatia: See, absolutely. See, if I tell you, recently, you must have seen the ET Prime news also, in particularly, if I share with you one of the July data, so almost around 4.6 lakh passenger vehicles were added in the month itself of July. And Maruti in particularly has claimed that out of the new vehicles, which has been added, almost 42% of their vehicles are CNG based. So, yes, you are right, CNG is expected to grow in a very, very aggressive way subsequent to these GST cuts 2.0.

And we are also witnessing the same in our -- outside GAs, it is growing at, say, 27%, very, very healthy. And in Delhi also around 9% to 10%, barring the DTC, although the base is very heavy, so maybe a percentage of growth, you cannot correlate actually, but seems to be otherwise very, very healthy.

Amit Murarka: Understood. Just lastly, also on the various changes which had happened on the gas cost side, like the changes around the transmission zonal tariffs and as well as the change in the Gujarat GST-related changes. So, all those -- the benefits are now in the sourcing mix, right? I mean the current cost that you see on natural gas is reflecting all of that benefit in the numbers.

Kumar Shanker: Yes, there, that's right. But because of this unusual volatility in the light of West Asia crisis, that is a bit kind of what do you say, masked by the current situation, which we expect that once it eases out, the positive effects of that would be more pronounced.

Moderator: We have our next question from the line of Vivekanand from AMBIT Capital.

Vivekanand: Two questions. Number one is on the Delhi EV policy that was recently announced. Now since this impacts aggregators, commercial vehicles, both auto-rickshaws as well as goods carriers and also school buses, how are you looking at the impact of this on your volumes in Delhi?

And secondly, if you could give us some color on the split between these vehicle segments that are impacted or covered by the Delhi EV policy, that will be great. The second question is, if you can just help us with the volume trends year-on-year numbers for MNGL and CUGL and also absolute MMSCMD?

Mohit Bhatia: So coming to the Delhi EV policy, yes, you're right. That mandate has already come. So, effective 1/1/2027, there will be no more 3-wheelers in particularly registration and only EV registrations will happen. But we have evaluated and analyzed although we are doing our advocacy meeting Delhi government and other stakeholders also in revoking or continuing the CNG part.

But we do not see the much larger impact because only 1 lakh autos are there, 3-wheelers in Delhi and viewing the life of 15 years, I think phasing out every year, 5,000 to 6,000 will only happen. And as per our analysis around -- there will be a less than 1% impact in the overall CNG volumes in 2027. And going forward, the impact may be less than 3% by 2030. Similarly, on the commercial vehicles, yes, the new registration again will start from 1/1/2027. And for school buses also, I think the mandate is by 2030, they have to switch over 30%.

So, overall, we have evaluated the scenario of the sales volume being lost vis-a-vis being added through the natural growth in particularly with a very, very strong segment from the passenger car vehicles, the expected growth is coming. So, by 2030, I think there will be an impact of around 2% to 3% on the volumes overall, and we are not viewing any much of the impact.

Kumar Shanker: And to your second question on how CUGL as well as MNGL have been clocking the growth. First, on CUGL, CUGL has corresponding quarter-to-quarter growth in terms of CNG, we have clocked the 8% growth from around 0.23 MMSCMD to 0.25 they have clocked. And PNG almost we have maintained similar volumes of 0.11 to just 0.12. But overall, from 0.34 to 0.36 MMSCMD, we have clocked, which means 6% growth we have witnessed. But when it comes to MNGL, slightly more encouraging numbers have been clocked.

In CNG, MNGL has clocked 13% growth from 1.27 MMSCMD to 1.44. But when it comes to PNG, MNGL has clocked a very healthy, around 29% growth from 0.58 MMSCMD to 0.75. And overall put together, from 1.85 MMSCMD, they have clocked 18% growth to reach 2.19.

This is primarily driven by corresponding quarters previous year and this year, Nashik -- their Nashik GA has started getting direct gas supplies from the commissioned -- newly commissioned Samruddhi pipeline. Earlier, the Nashik GA was completely fed through LNG mode. So, that had given them the good base. And now with the pipeline there in place, the PNG growth is witnessing a very healthy trend. So, yes, so they have clocked around 18% volume growth overall.

Vivekanand: Right. Just one follow-up. As far as the Delhi EV policy goes, there is no impact on the NCR territory outside of the National Capital Delhi, right? Is that very clear?

Mohit Bhatia: Absolutely, it is particularly for Delhi only. So, I don't think so there is any impact on Noida or maybe Gurugram part.

Vivekanand: Right, right. And just one last follow-up.

Mohit Bhatia: As of now -- as of now, exactly. Sorry.

Vivekanand: Okay. So, my last question is CUGL's volumes have been stuck in a rut even in FY24 -- I mean, FY23, '24, '25, the volumes were in the range 0.31 to 0.33 MMSCMD. Why is it that these markets like Kanpur, Bareilly, etcetera, where you would assume that CNG is underpenetrated. Why is -- why are these markets not growing faster?

Kumar Shanker: So CUGL, in fact, they have clocked a reasonable 8% growth. Yes, I agree that they do have potential for this thing. But yes, with the improvement in the overall CNG ecosystem and vehicles improving, right? I guess -- and also they are coming with more stations. I think in the coming quarters, I think we should be able to see more growth there.

Plus the overall input gas cost and the gas price scenario also those kind of places may be a bit more price sensitive when it comes to their industrial and the tax structure also is adding to their woes. So, I think that could be one of the reasons where when it comes to their PNG growth, particularly C&I, the tax structure is not very favorable. But I think CNG going forward should be able to show some more improvement.

Moderator: We have our next question from the line of Gagan Dixit from Elara Capital.

Gagan Dixit: I have a question about -- given the sharp gas cost spike. So, is IGL considering any hedging on long-term contracting strategy, I mean, to reduce this spot LNG exposure going forward?

Kumar Shanker: Yes, of course, like any other entity, we are looking at it. And then, yes, we are, in fact, looking at hedging options as well, particularly because Henry Hub now provides us with the opportunity. It's a bit stable right now. So, yes, we are looking at hedging as an important tool as a part of our overall strategy. In fact, in the month of May, we have already started -- because in the month of May, we did have some opportunity with reasonable price band available. So, we have started doing that. And yes, we will be continuing to do that.

Gagan Dixit: And sir, my second question is, as the new geographies outside the Delhi NCR, they are still ramping up. So typically, are the EBITDA per SCM slightly dilutive versus the mature geographies with Delhi NCR? And broadly, what is the typical difference between the new geographies and the mature geographies broadly the EBITDA per SCM sir?

Mohit Bhatia: No, EBITDA per SCM, we -- if we see the mature geographies, we are getting slightly better EBITDA per SCM because of consolidated sales and better volumes. In terms of new geographical areas, actually, it more depends upon the taxation structure also to some extent.

And as and when they get matured and the sales get start increasing, we find that economies of scale of benefit is coming to those areas. So those new GAs which have started maturing like Rewari, we are getting a better EBITDA there. And it's a conscious process. The more the sales is, the better the EBITDA will be.

Moderator: We have our next question from the line of Saurabh Handa from Citigroup.

Saurabh Handa: This is a follow-up from a question by one of the other participants. If you can just give a breakup of your vehicle-wise sales of CNG roughly like how much comes from buses, private cars, autos, etcetera?

Mohit Bhatia: Yes, yes. So I'll give you, just a second. So from the buses, okay? So buses, our volume is coming around overall around 12%. Then commercial vehicles, it is around 19%. Taxis, it is around 14%. 3-wheelers auto is around 7% to 8%. And primarily, it is from the passenger car vehicles to the tune of around 48% to 50% out of our 7 million, you can say, the CNG sales that way.

Saurabh Handa: So on autos, when you said 7% to 8%, so the Delhi portion of this will be like 3%. Is that what you were trying to imply?

Mohit Bhatia: So no, no. I was trying to say that because the phasing out will happen in a span of 15 years. So no more new registrations will happen, but the phasing out will happen because there will be a change of the permits also. So every year, like 5,000-something vehicles will go back, but they will be out of the system. So by 2030, we are expecting around maybe less than 1% in particularly the auto sales. So this 6% to 7% will keep on reducing after every 5 years, maybe 2% to 3%. It will be like that.

Saurabh Handa: And so the 7% to 8%, would you have an idea how much actually is just the Delhi portion of it versus...?

Mohit Bhatia: Primarily, it is Delhi only. Primarily, you can say around 70% to 80%, it will be Delhi only.

Saurabh Handa: And my second question was on this Gurugram and Faridabad, you made some comments initially on the areas that are not authorized to you that you -- I have sort of missed that. Could you just elaborate on that?

Mohit Bhatia: So we have been contesting. There is a litigation going on, but conditional part of the area, which has been given to us by the regulator, we have already accepted and going forward for developing because in the interest of the consumers, why to deprive them from the natural gas, whether it is piped natural gas or CNG. So that internally, the company has taken a call to conditionally accept and develop going forward.

Saurabh Handa: So just to clarify, even the areas that are not -- say, in Gurugram, the areas that are not authorized to IGL, but you have got some conditional approval to even expand your network in these areas. Is that correct?

Mohit Bhatia: They were authorized to IGL, but we have not accepted in the past because of our litigation going on, and we have been contesting at various forums. But now being -- viewing the push in the natural gas, particularly in the piped natural gas as well as growth anticipated in the CNG because NCR is also -- it's a very, very growth potential area. So conscious call has been taken, and we have accepted conditionally to move forward.

Saurabh Handa: So that means in the entire Gurugram region now, you would be...

Mohit Bhatia: Not entire Gurugram...

Kumar Shanker: I'll make it clear. Actually, see, within the entire Gurugram, part of the area was already earmarked only for IGL. Earlier that portion was also -- since entire -- our claim was that the entire Gurugram is for IGL. So the part portion, the services were not commenced. But now given the situation right now and then plight of the people who are there in those part portions for their share of gas. So that part portion, we have started commencing the services, but not the entire one.

Saurabh Handa: That's clear. And in Faridabad...

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

Saurabh Handa: Sorry, it's just the same question. I'm just clarifying. So in Faridabad, there was no part authorization, right? In Faridabad, it was completely out of IGL.

Mohit Bhatia: Yes, yes. So we'll be developing that. Partly is with us and partly -- and majorly, it is with somebody else.

Saurabh Handa: Right. So nothing very different from what the situation was earlier. So just wanted to confirm that.

Moderator: Next question is from the line of Mayank Maheshwari from Morgan Stanley.

Mayank Maheshwari: The question I had was more related to your growth strategy around inorganic growth. Considering the Delhi EV policy and increasingly more focus on the EVs, how are you kind of thinking about inorganic growth opportunities to consolidate the entire market?

Kumar Shanker: See, inorganic growth, right now, CGD sector in terms of newer authorizations also, it's relatively new. So as and when opportunity presents, we would be able to look at those other areas as well. But the general policy framework is still evolving related to how they will open up the other areas. One remains to see.

But at this stage, we believe that even in our own newer GAs, there is a good scope, as you can see in our -- the kind of growth that we have been achieving in our newer GAs. So progressively, their share is already improving. So we are right now focusing on to expand our operations in newer...

Mayank Maheshwari: So sir, in terms of capex now going forward, if you can give us a guidance, is there a step change increase in capex because of this focus on natural gas and PNG? Or you think the current run rate will kind of sustain?

Mohit Bhatia: So you are right. I think first quarter, we have spent around INR327 crores and our plan or the aspiration, there has been certain changes definitely because of the thrust on the PNG infrastructure development and going forward. So around -- roughly around INR1,800 crores to INR2,000 crores still our aim is like that only and spending around INR1,200 crores to INR1,300 crores or maybe maximum INR1,500 crores on the core. And if we get some other opportunities for the business development diversification, so we'll have another INR500 crores, INR600 crores there also.

Moderator: We have a next question from the line of E. A. Sundaram from BugleRock Capital.

E. A. Sundaram: My first question is, there have been a couple of major developments initiated by the Delhi government, and that has caused some sort of apprehension in the mind of the investment. One is the lack of registration for auto-rickshaws going forward. And the second one was the moving of the DTC buses from CNG to electric.

So my question, sir, is there any indication or any move that you are aware of that the Delhi government may employ a similar policy on 4-wheelers also? And do you see any indication of that? And the follow-up question on the first question is, sir, what is the proportion of CNG vehicles in the new 4-wheeler registrations in the Delhi area, the recent months? Can you throw some light on that?

Mohit Bhatia: Yes, yes. So I will answer your question first, the second part. See, what data what we have or what we have analyzed, so the new registrations, which are happening, particularly in Delhi, almost passenger vehicle -- 42% of the passenger vehicles are being registered on CNG. This is in the current scenario. You can see -- you can take it in the last 6 months or so.

That is point number one. So overall, what data we have, if we see the entire vehicle population of Delhi and NCR, so it is around 24% to 25% on CNG. Secondly, see, we have been advocating at various forums and what we understand whether it is at the ARAI level, whether it is at ICAT level, whether it is at CAQM level or whether it is with Delhi government. See, going forward, all the fuels are going to coexist in the current scenario, viewing the geopolitical situations and all energy security remains topmost priority.

And there will not be a shift on a single energy fuel, whether it is conventional fuels, whether it is a CNG as a transition fuel or it will be EV. So it will be a mix of all the fuels. And going forward, we are anticipating a very, very robust growth from CNG, particularly on the basis of the information or data which we shared with you.

E. A. Sundaram: The second question is, yes, of course, this war in the West Asia has caused some disturbance in your margin profile. But we are also seeing that after June, there has been a sharp fall in global natural gas prices. So can you share with us what is the average cost of gas per cubic meter that you had in the first 3 months of this financial year? And what does it mean in July? What is the cost of gas that you're having in July?

Mohit Bhatia: See, I think it will be very, very difficult because these are some of the commercial terms and all. But just as a guidance and all, it is hovering around first quarter around INR40 to INR45 per SCM, you can say. July onwards, still the turbulence is there and there has been some increase. Yes, it is. But it will be difficult to get into the nitty gritties. We are viewing the commercial proposition, so a little bit.

E. A. Sundaram: I'm asking this because you are confident of returning to the EBITDA per SCM of about -- between INR7 to INR8. That is the reason I'm asking.

Mohit Bhatia: So sir, I had already -- see, we had already mentioned and I think it was a guidance for a long term for the -- going forward. It is not in the immediate quarter or maybe like that. Yes, our aspiration guidance is always there to be there. But in such an unpredictable and volatile situation of the geopolitics, it will be very, very difficult to comment for the quarter.

E. A. Sundaram: My other question, sir, is, is there -- there is -- we saw one report by PNGRB where one of the recommendations of that report was that natural gas should be brought under the ambit of the GST. Is there any such move that you are aware of, which you can share with us?

Kumar Shanker: So actually, the Ministry of Petroleum and Natural Gas has consistently been supporting. So within the government setup, when the administrative Ministry is strongly supporting for a particular cause, that's a good sign. But GST, as you would say, it also -- it's both central as well as a state kind of subject. So it would be very difficult to make any second guessing on whether anything would come up. It's very difficult to say because it's kind of within the GST Council's prerogative...

E. A. Sundaram: Yes, yes, I understand that. But I just want to know...

Kumar Shanker: There is no such kind of available evidence to suggest that any big change is happening there.

E. A. Sundaram: My final question, sir, is about one of the points made in a previous question, which is made by the management some time ago...

Moderator: Sorry to interrupt you, sir. Due to shortness of time...

Kumar Shanker: Nitin, we can just have this last question.

Nitin Tiwari: Yeah, complete your question, please.

E. A. Sundaram: See, my question is, it was mentioned that there is -- originally, the entire Gurugram was awarded to IGL, but then it went into some litigation. If I remember correctly, it was because of some valuation issues that it went into litigation. But now IGL has been awarded one-third of Gurugram. Is there -- the other 2 parts of Gurugram, are they still under litigation? Or is there any chance that, that part will come into IGL's ambit in the future? Is there any possibility of that?

Mohit Bhatia: Yes. You see, it is like that, that still it is under litigation, and we are contesting because initially, as per the central government authorization, it was to IGL and we are contesting forward. We have not at all surrendered as such.

Kumar Shanker: See, but one point, what we need to remember is even the portion where right now is disputed and the other party is operating, but the gas is still in a bulk basis, we are procuring it from IGL only. So to that extent, the molecules actually still are going through us only. So we need to understand that. But in future from a strategic point of view, you start owning that retail consumer base, that's the thing that's going on. But you need to keep that also in your mind.

E. A. Sundaram: Yes. But there's nothing like having the final...

Kumar Shanker: Yes. You're right. But I'm just adding that point that -- so that's how it is.

Moderator: Ladies and gentlemen, due to time constraint, that was the last question of the participants. Whose questions have remained unanswered, may approach the management. I now hand the conference over to the management for closing comments. Over to you, sir.

Kumar Shanker: Good evening to all of you. I, on behalf of the IGL management, like to thank all of you for participating in the earnings call for Q1 '27. A special thanks to PhillipCapital and Nitin for organizing this for IGL. We'll see you soon shortly somewhere in the next conference or maybe in person. So thank you all of you for joining.

Moderator: Thank you, sir. On behalf of PhillipCapital Private Limited, that concludes the conference. Thank you for joining us. You may now disconnect your lines.

Kumar Shanker: Thank you.

Mohit Bhatia: Thank you.