"Indraprastha Gas Limited Q1 FY '26 Earnings Conference Call"

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MANAGEMENT: **MR. K. K. CHATIWAL – MANAGING DIRECTOR, INDRAPRASTHA GAS LIMITED**
MR. MOHIT BHATIA – DIRECTOR (COMMERCIAL), INDRAPRASTHA GAS LIMITED
MR. SANJAY KUMAR – CHIEF FINANCIAL OFFICER, INDRAPRASTHA GAS LIMITED
MR. MANJEET GULATI – VICE PRESIDENT (FINANCE), INDRAPRASTHA GAS LIMITED

MODERATOR: **MR. NITIN TIWARI – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Indraprastha Gas Limited Q1 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 this conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nitin Tiwari. Thank you. And over to you, sir.

Nitin Tiwari: Thank you, Huda. Good day, ladies, and gentlemen. On behalf of PhillipCapital (India) Limited, I welcome everyone to Indraprastha Gas Limited's 1st Quarter FY '26 Earnings Call.

Today, from the management team of IGL, we have the pleasure of having with us Mr. K. K. Chatiwal – Managing Director of IGL; Mr. Mohit Bhatia – Director (Commercial); Mr. Sanjay Kumar – CFO; and Mr. Manjeet Gulati – VP (Finance).

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.

K. K. Chatiwal: Good evening, ladies, and gentlemen. I am Kamal Kishore Chatiwal, Managing Director of Indraprastha Gas Limited. It is a pleasure to welcome you all to our Q1 FY '25 - '26 earnings call. Thank you for taking the time to join us today.

For the benefit of new participants, I would like to begin with a brief overview of IGL:

Indraprastha Gas Limited is one of India's leading city gas distribution companies with a strong presence in 12 geographical areas across four states. Our mission is rooted in delivering safe, reliable, sustainable energy solutions across industrial, commercial, domestic sector, as well as the urban mobility segment. We operate through a balanced portfolio that spans both mature and emerging geographical areas, providing us with both stable returns and exciting growth opportunities.

On the infrastructure front:

IGL continues to strengthen its network. We now operate a steel pipeline network exceeding 2,400 kilometers, complemented by an MDPE pipeline network of approximately 28,000 kilometers. This infrastructure enables us to supply natural gas to over 3.1 million households, 5,300 industrial units, 7,000 commercial establishments. In addition, we operate more than 955 CNG stations across our area of operations.

Operational and financial highlights for quarter one are as follows:

In Q1 of FY '26, we recorded a healthy 6% year-on-year increase in overall volumes, driven by 6% growth in CNG segment and 10% growth in PNG segment. It is worth noting that CNG volume growth of 6% was achieved despite a reduction in sales in DTC and DIMTS buses, which are gradually transitioning their fleet to EV. If we exclude DTC volumes, our CNG growth stands at around 9% year-on-year, which is highly encouraging considering the high base.

While volumes in Delhi remain stable, we experienced robust double-digit growth in our operations outside Delhi, reaffirming the strength of our expanding geographical footprint. One of the key growth drivers was the rise in CNG vehicle adoption. On a 12 month rolling basis, we saw a 17% increase in new and retrofitted CNG vehicles, with an average addition of 18,500 vehicles per month during the quarter, up from 15,900 a year ago.

On the PNG front:

The total sales volume rose to 2.34 million standard cubic meters per day, up from 2.18 million standard cubic meter per day, with growth evident across all business segments. Domestic PNG sales grew 11%, supported by the addition of 1.81 lakh new connections. For households, the consumption remained steady. Industrial PNG volume rose 8%, backed by 419 new industrial connections, and a 9% increase in the build industrial base. Commercial PNG sales increased by 14%, aided by 909 new commercial connections.

Expansion of our customer base continues to be fundamental lever driving PNG volume growth. I would also like to highlight a significant regulatory development that you may be aware of. The PNGRB has recently notified that the transmission tariff for CNG and domestic PNG segments will now fall under a single zone tariff network. While pricing details are awaited, this structural reform is expected to benefit the CGD sector immensely, especially in the hinterland. We believe this change will positively impact our core structure and margins in the near term.

With this, I now invite Mr. Mohit Bhatia – our Director (Commercial), to share additional remarks.

Mohit Bhatia: Thank you, Mr. K. K. Chatiwal, and good evening to all our investors, fund houses and analysts. I am Mohit Bhatia – Director (Commercial) at Indraprastha Gas Limited, and it is a pleasure to speak with all of you today.

So, let me take you through some of the key financial highlights for the quarter:

The total sales volume for quarter one stood at 831 million standard cubic meters, registering a growth of 6% year-over-year. This is translating into an average daily volume of 9.13 million standard cubic meter, which is up from 8.64 million standard cubic meter of last year. The revenue for the quarter reached to Rs. 4,317 crores, with an increase of 11% year-on-year. The

EBITDA stood at Rs. 512 crores, reflecting an 11% decline over last year, primarily due to the reason in the per SCM gas purchase cost. This was largely the result of reduced allocation of APM gas.

The profit after tax (PAT) for the quarter was Rs. 356 crores as compared to Rs. 400 crores of Q1 of the previous year. However, our sequential analysis provides a clear picture. In Q4 of '25, there was a one-time impact of Rs. 114 crores related to settlement with oil marketing companies. Adjusting for that EBITDA per SCM has increased by 33% and currently it stands on Q1 closer that is Rs. 6.16 per SCM.

In terms of sales volume, while our Managing Director mentioned that Delhi was flat, but the NCR region particularly Gautam Buddha Nagar, that is Noida, Greater Noida, and Ghaziabad geographical areas registered 11% growth whereas the other GAs outside Delhi and NCR registered a 23% growth. Our associate Company Central UP Gas Limited has continued its steady growth. During the quarter, CUGL sales volume stood at 0.34 million standard cubic meter per day as compared to 0.3 million standard cubic meter in the corresponding last year with an increase of 13%, reflecting healthy operational performance.

The Company also improved financial outcomes with a profit registering PAT of Rs. 17.6 crores, up from Rs. 15.6 crores in the same quarter of the previous year. Our other associate, Mahanagar Natural Gas Limited, has continued to maintain robust operational performance. During the quarter, MNGL recorded a sales volume of 1.85 million standard cubic meter per day as compared to 1.56 million standard cubic meter during the corresponding quarter of the previous year with an increase of almost 18%, reflecting consistent demand and network expansion.

The profit after tax stood at Rs. 131 crores as compared to Rs. 145 crores in the same period last year. Largely impacted by pricing dynamics, despite this, the Company remains well positioned for sustainable long-term growth. As our Managing Director mentioned, we expect further upside in EBITDA margins for IGL once the tariff rationalization takes full effect.

With this, I would like to conclude the opening commentary and would now request to open the floor for further questions. Thank you.

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

Probal Sen: Thank you for the opportunity. Good afternoon, sir. Two questions from my side. Firstly, in terms of the gas sourcing mix, if you can let us know what was the exact APM gas percentage for this quarter, excluding new well gas for the CNG segment, and also the volumes that we got from Brent linked long-term contracts as well as Henry Hub linked contracts for the quarter?

K. K. Chatiwal: See, APM as of the second fortnight is around 3.08 MMSCMD, so out of the total 6.79 MMSCMD. So, that is close to around 42%.

Probal Sen: Okay. And what about the other sources?

K. K. Chatiwal: Others is that we have got new well gas, then HPHT, even IGL, we have the HPHT priority. So, you can say, two-third we are getting the domestic gas that includes your APM, new well, HPHT, CBM. So, these domestic sources constitute around two-third, one-third is RLNG.

Probal Sen: And the RLNG is primarily on contractual basis, sir? Or do we have any spot as well in our portfolio?

K. K. Chatiwal: We have more than 100% contracts. So, I would say medium-term and long-term is there. There is no spot volume requirement.

Probal Sen: Right. The second question was with respect to the tariff rationalization that you mentioned. Is it possible to get a sense of how much of our volumes today in the domestic and CNG are actually on Zone-2 versus maybe or Zone-3 as the case may be? And what kind of a per SCM --

K. K. Chatiwal: Yes. Total we have around 83% of our volumes are in that zone. So, 83% goes to CNG, transport and domestic. That is the number and around 85% to 87% is in Zone-2, rest 13% - 14% is in Zone-3.

Probal Sen: Got it. So, 87% of our domestic and CNG volumes are in Zone-2, right?

K. K. Chatiwal: Yes.

Probal Sen: And sir, is it possible if you share your estimate of what kind of cost savings will occur if these volumes were to move to Zone-1 tariff?

K. K. Chatiwal: I think actually final numbers are not there. But whatever is available from various sources, we feel that Rs. 1 per SCM plus minus Rs. 0.30.

Probal Sen: Rs. 0.70 to Rs. 1 roughly range is what we expect.

K. K. Chatiwal: Rs. 0.70 to Rs. 1.30 should be the range.

Probal Sen: One last question if I may squeeze in, sir. Any change in guidance? I believe earlier also you had mentioned that you would try to volume growth would be at around 7% to 8% or 6% to 8%. And EBITDA would be in the range of Rs. 6.5 to Rs. 7. Is that a fair guidance to assume?

K. K. Chatiwal: No. Basically the EBITDA margin should improve, and the long-term guidance has always been Rs. 7 to Rs. 8. So, we should be in that range. I think even some of the tax rationalization discussions are going on with some states. So, we are hopeful that we should be in the upper range of that going forward and we should end the year at around 10 million.

Probal Sen: So, volume growth, sir, any long-term guidance for the next two years to three years on an annualized level?

K. K. Chatiwal: I think 10% to 11% is the guidance for next two years to three years.

Probal Sen: Okay.

K. K. Chatiwal: That includes the GAs that we will be acquiring. And based on that, we are saying that.

Probal Sen: Okay. That is very helpful, sir. Thank you so much. And all the best.

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

Yogesh Patil: Thanks for taking my question, sir. Sir, again, can you give us a detailed breakout in terms of MMSCMD of our gas sourcing volumes like APM, you have already mentioned 3.08 MMSCMD, but could you please give us a NWG, HPHT, Henry Hub, Crude linked and the spot, if you have that handy.

K. K. Chatiwal: NWG, right now is at 0.9 kind of numbers, 0.9. And HPHT, you can say, I mean some of the volumes are on a very short-term basis. On a monthly basis, we are getting on the exchange. But long-term if you say it is 0.43 long-term one-year contract, but every month they come out with some volumes. So, as you know, the CNG transport segment is on priority list. So, we get the first priority and whatever we bid, so 15% to 20% of that we definitely get. So, 0.3 to 0.4 from there. And CBM volume is 0.12.

Yogesh Patil: Henry Hub, any idea sir?

K. K. Chatiwal: So, Henry Hub, we have contracted around I mean 67% of our 4.22 million portfolio, two-third of that is Henry Hub linked.

Yogesh Patil: Okay. Sir, second question again related to volume growth, you have been guiding a volume growth of 8% to 10%, 10% in FY '26, while reported volume growth is in the range of 6% on year-on-year side. What would be the key drivers which will drive our volume growth to the 10% in the remaining nine months, can you just throw some lights on that side?

K. K. Chatiwal: Actually some of our new GAs even in the existing GAs we see a strong growth in the OEM car space, passenger vehicle space which is growing at around 37% as we speak. The last month's numbers were out and petrol has come down below 50% first time and 37% is CNG. So, that is a very healthy growth. And we are also augmenting our stations not only outside of Delhi. But even in Delhi, we are augmenting stations very aggressively and wherever we find space even in the existing stations, we are increasing that. So, with that what we plan to do is increase the customer experience which should aid us in our conversion.

Yogesh Patil: Sir, how many CNG DTC buses are right now flying inside Delhi? And how much is their consumption --

K. K. Chatiwal: And second is, maybe some of the GAs, I mean, we may do some acquisition and all. So, those volumes will also come in.

Yogesh Patil: Okay. So, sir, next question is related to number of CNG DTC buses inside Delhi as of now. And how much is the CNG sales volume nowadays?

K. K. Chatiwal: See, DTC is around 87,000 is remaining. So, you can say, 1.7% of the total volume. So, that is that, not a significant number. And our sales are exceeding, currently we are exceeding 51 lakhs to 52 lakhs kg per day.

Yogesh Patil: Okay. This is 85,000 kgs per day. Is that a correct understanding, sir?

K. K. Chatiwal: Yes. This is all on kgs because we sell it in kg and then we convert it into SCM.

Yogesh Patil: Okay. And how much time it will take to completely phase out of all the CNG DTC buses?

K. K. Chatiwal: It is dependent on the Delhi Transport Corporation how quickly they can deploy the electric buses. So, in next two years, we are expecting those buses to go out. Whatever is remaining, very less buses are there.

Yogesh Patil: Thanks a lot, sir. This was really helpful.

Moderator: Thank you. The next question is from the line of Sabri Hazarika from Emkay Global. Please go ahead.

Sabri Hazarika: Yes. Good afternoon. So, two questions. Firstly, what was the CAPEX for Q1 FY '26 and how many CNG stations did you add?

Mohit Bhatia: So, see, we have taken like on the core business for the annual, the financial year around Rs. 1,400 crores to Rs. 1,500 crores for this year. So, we had incurred around Rs. 290 crores during the Q1 on the CAPEX --

Sabri Hazarika: Rs. 290 crores?

Mohit Bhatia: Yes. Rs. 290 crores. So, on the CAPEX incurred was Rs. 290 crores. So, as you know, that like in the 1st Quarter, normally we plan to put up the CNG stations and all. So, we have a plan for commissioning of 102 stations during the entire year. So, 1st Quarter, it is all in the execution stage. So, number, not much numbers get commissioned during the 1st Quarter. But for the entire year we have a plan of 102 target for commissioning.

Sabri Hazarika: Okay. Second question is what is the industrial and commercial PNG realizations for Q1 and also the average for FY '25 last year?

Mohit Bhatia: Yes. So, for Q1, we had the double-digit growth basically in industrial and commercial sector also. So, industrial sector grew by around 8% to 10%, roughly 8% you can take. And the commercial grew by 14%. It is slightly better than the last year average. Now we are clogging a daily average volume of around the 0.86 million per day in case of industries. And in terms of commercial sale, we are clogging around 0.24 million SCM per day. So, almost around 170 commercial customers and around 100 industrial customers during this quarter we have added also.

Sabri Hazarika: So, yes, thanks for that. But I also wanted to know the realizations. The pricing, pricing, sir?

Mohit Bhatia: Pricing?

Sabri Hazarika: Yes. Industrial and commercial price for Q1 as well as FY '25.

Management: So, for Q1, our average price if you see is around Rs. 49 to Rs. 50 in case of industrial and around Rs. 60 for commercial.

Sabri Hazarika: And last year also, it was like this only?

K. K. Chatiwal: No, we have increased the prices slightly Rs. 1 in domestic and Rs. 1 or Rs. 2 in industrial and commercial. Industrial is a very dynamic thing based on the alternate fuel. So, we have to somehow, sometimes compete with that. So, that is a very dynamic space, but commercial is stable at Rs. 60 and domestic at Rs. 50. So, we had increased prices there.

Sabri Hazarika: Got it, sir. Thank you so much. And all the best.

Moderator: Thank you. The next question is from the line of Lokesh Manik from Vallum Capital. Please go ahead.

Lokesh Manik: Sir, my query was we have seen significant increase in O&M expenses specifically in power and fuel in the last couple of years and we have not seen a throughput in sales to that extent. So, any color on what is the nature of this power and fuel expense? And what is driving this increase?

K. K. Chatiwal: I think we will be happy to share with you that your concern is right and we have been working on this. So, this quarter we have in fact reduced the power and fuel cost per SCM. So, there has been as compared to say quarter-on-quarter also or sequential also, from one point there is a Rs. 0.05 to Rs. 0.06 improvement in power and fuel cost and we continue to work on that to reduce it further. Second area is the repair and maintenance cost also. There also we have improved by Rs. 0.08 per SCM from Rs. 1.5 per SCM to Rs. 1.42.

Lokesh Manik: Sir, but why is this cost going up? We are laying the pipelines, is it the duration, yes.

K. K. Chatiwal: It is going down. Cost is not going.

Lokesh Manik: I am asking why did it go up because the GAs were developing so you had to transport through road. Is that the reason this cost was going up or there was some other reasons?

K. K. Chatiwal: No. Actually, power and fuel, those GAs, that is a separate head. What happens is when you commission a station, so initially the capacity utilization is slightly less than what you would normally want. So, it takes time to the full capacity utilization to take effect. So, there is some bit of operational inefficiency to begin with. But then if you rationalize, once you are scheduling and all those things, there are a few strategies we have deployed to reduce that. Even the sourcing of power is one issue that we are aggressively working on to source a renewable power because in some places the cost of power is also very high. In addition to that, the fuel cost also, the gas, because now RLNG is the major component of the fuel. So, sourcing that also is important.

Management: Just to add one more clarification here, this power and fuel cost is mainly for the operation of compressors which we have to utilize for dispensing the gas, CNG to the vehicle. So, this is power and fuel is mainly on that account.

Lokesh Manik: Understood, sir. Sir, second question was a clarification. You mentioned realization in industrial is Rs. 49 to Rs. 50 and commercial is Rs. 60. This is per SCM or per kg?

K. K. Chatiwal: No, all these are per SCM except for CNG. All other sales are on per SCM basis.

Lokesh Manik: Great. That is it from my side. Sir, thank you so much.

Moderator: Thank you. The next question is from the line of S. Ramesh from IGL. Please go ahead.

S. Ramesh: Hello. Good evening, and thank you very much. So, when you are talking about this exit rate of 10 MMSCMD from the current 9 MMSCMD. Can you share what is the actual volume in

MMSCMD from the new GAs and how you see that by the end of the year? And what is the volume you expect from the existing areas for this 10 million cubic meter setting?

Mohit Bhatia: So, thanks, I think it is a great question. But I would like to give you a comfort in a different direction. See, if we see the incremental volumes in terms of MMSCMD per day for this quarter which ended in the Q1, so there has been an incremental volume of 0.5 MMSCMD, right? So, if we break up that, so almost around now 15% of the incremental volume is coming from Delhi, whereas around 42% - 43% is coming from Noida part and Ghaziabad, whereas around 40% incremental volume is coming from the newer GAs.

S. Ramesh: So, this 0.5 MMSCMD is based on the March quarter or the last year 1st Quarter?

Mohit Bhatia: Yes, yes, quarter-over-quarter.

K. K. Chatiwal: Last year.

Mohit Bhatia: Yes, last year. This Q1 versus last year Q1.

S. Ramesh: Okay. The second thing is when you talk about growth in CNG, this quarter you have done 5%, we keep talking about very healthy vehicle additions. We also see 37% from our CNG passenger vehicles. But we do not see that getting translated into volume growth for your Company. And we all know that you have done a wonderful job in the last two years. So, what exactly is happening and how do you see that volume growth go to that 8% - 9% because that Delhi thing is more or less in the numbers. So, on a sustainable basis, on a base, how do we see that translate into that 8% to 9% growth?

Mohit Bhatia: Yes. Absolutely. I think fantastic. See if you just recall our Managing Director also in his opening remarks said, if we exclude the DTC sales of the DTC buses, CNG segment is almost growing at 8% to 9%. So, you can say that now we are almost in the last leg of the DTC volumes, it has been almost phased out. And in coming time, I think, the base is going to be almost zero, and then the natural growth as well as the whatever the newer GAs additional volumes is coming. So, we are quite confident and hopeful that around 8% to 10% CNG traction will happen.

S. Ramesh: If I may squeeze in just one last question on this shift towards Zone-1 tariff, how much of that would you have to pass on and how much of that can you retain in terms of market improvement?

K. K. Chatiwal: I think we have been postponing our price rise in anticipation of this tariff, because public consultation was done in March. So, we are expecting that by this 1st Quarter it will be notified, but I think the calculation is taking some time. So, we will see that once we are in the range of 7% to 8%, we will then review the situation.

S. Ramesh: Thank you very much, and wish you all the best. I will rejoin the queue.

Moderator: Thank you. The next question is from the line of Somaiah V from Avendus Spark. Please go ahead.

Somaiah V: Yes. Thanks for the opportunity, sir. Sir, two questions. Sir, one, you mentioned about discussions regarding state taxation, so if you could just elaborate currently what is the level of taxations? And what do we expect there and what could be the potential savings that we can get from there?

K. K. Chatiwal: See, there are two states that are, I mean, first was Rajasthan where 14% VAT was there, that has come down to 7.5%, and further there are some representations for rationalizing it to 5% in line with the other neighboring states. The second is the UP, where you have 10% input, 12.5% on the output, so total 23% - 24% impact is there. So, there 5% - 5%, so maybe 10% - 11% we are thinking from 23.5% to 10%. So, some of them, we would like to pass on to the customer. Because, I mean, the state government has done so much. So, we would like to increase our conversions in those areas by reducing the prices.

Somaiah V: Sir, would it be possible to, I mean, what level of cost savings at the consolidated level it can bring for us in case the number goes on the way that you say or if you can help us with the volumetric in these regions?

K. K. Chatiwal: I think 10% would translate to around Rs. 8 per kg. So, per SCM would be around, you can say, Rs. 5.50 to Rs. 6 per SCM.

Somaiah V: But this is in those regions, I am more looking into at the consolidated level.

K. K. Chatiwal: You can say 20% of our volumes are from UP. So, to that extent, I mean, the overall impact would be in the range of Rs. 1 - Rs. 1.50 per SCM.

Somaiah V: Got it, sir. Sir, second question from me, I mean you referred to acquisition opportunities, I mean in case we identify one or choose one, what would be the criteria for us. And second, are we seeing more opportunities currently, in the next one year or two years you expect some kind of consolidation here, if you could just help us on this?

K. K. Chatiwal: See our criteria is very simple that if we come in, if we acquire something, is there a potential to maybe increase by the sale, in how many years can we double the sale. So, that would be our criteria. And what is balance for growth, as well as in case the sourcing inefficiency is there, because right now, unlike earlier cases where it was fully dependent on the APM, now we have to source gas. So, what is the sourcing efficiency we can bring in, what is the infrastructure efficiency that we can bring in and what is the CAPEX efficiency.

So, all these factors combined will evaluate the GA. And second is not many GAs are online, simply because all of them have a minimum of program and lot of penalties are there. So, while evaluating, I think, that is a major bottleneck that the penalty levels of each GA would add on to the valuation.

Somaiah V: Got it, sir. Sir, one last question on the margins. So, our medium-term as you said Rs. 7 to Rs. 8 is something that we look out for. So, in general, how do we approach this for instance, I mean there is a risk of APM deallocation, so we think in case, if there is some cut, we are in a quite comfortable position to take a price hike. And then we can get to that Rs. 7 to Rs. 8, so that is how we will approach it. Because currently, we are at Rs. 6 and as you mentioned probably the tariff thing is something that you are waiting for. So, are we quite comfortable taking price hikes at where spreads are today, in case if there is any cost led impact for us?

K. K. Chatiwal: So, once everything is in place then we will be able to know what is our EBITDA level, because right now we do not know the numbers. We are at Rs. 6.16 in the 1st Quarter, average is Rs. 6.16. And may be if we take the full effect of whatever increase we have taken in the 1st Quarter, it may increase to Rs. 6.2 - Rs. 6.3 levels. So, any increase in this or reduction in transmission tariff as well as the state taxes, as well as some other taxes also are rationalized. The total effect we will evaluate and then see that how do we mitigate the risk of APM going down Rs. 7 to Rs. 8 annually.

So, all those factors we will see, but we will try to keep the long-term in the range of Rs. 7 to Rs. 8. In case, if it is in the upper end, then we may try to think of, I mean, giving some benefit to the consumer. And in case of lower end, we may try to take some price hike because we have the headroom to take a price hike.

Somaiah V: Got it, sir. Sir, just one clarification, this excise duty on CNG, do we see or is there any representation from our side asking for a reduction or any thoughts on that, would that be a kind of a lever for the industry in terms of addressing in case if there is any APM price cut?

K. K. Chatiwal: No, that the industry has already represented that one is the sector under GST, second is the rationalization of excise duty. Then third one would be your Gujarat VAT, is there a way that we can reduce that. So, these are the three factors that we have represented.

Somaiah V: Is there any timeline that we are looking at, sir, or it is still open?

K. K. Chatiwal: No, I think, I mean, three months to four months something should happen.

Somaiah V: Got it, sir. Thank you. Thanks a lot.

Moderator: Thank you. The next question is from the line of S. Ramesh from IGL. Please go ahead.

S. Ramesh: Yes. Thank you. I am from Nirmal Bang, just a correction there. So, thank you very much for the follow-up. So, if you talk about the Henry Hub sourcing, it is about two-thirds. So, is not there a risk because Henry Hub prices have gone up by about $1. So, how do you manage that risk in your overall gas cost?

K. K. Chatiwal: No, I do not know which index you are tracking right now because Henry Hub has come down, I would say. Currently, it is at $3, earlier, it was at $3.94. Currently, it is at $3.

S. Ramesh: No, no. The reason why I asked that is --

K. K. Chatiwal: You are right. If you look at it, our overall portfolio, only one-third is linked to Henry Hub, rest two-thirds is linked to Brent, because APM, new well, HPHT, all are linked to, they have a major share of Crude Brent linked and Henry Hub is one-third. But still, we will try to balance our portfolio and try to source some more crude linked, so that the RLNG that we source is balanced to 50 - 50, both the Brent, Henry Hub, and Crude.

S. Ramesh: Okay. Fair enough. So, if I may just squeeze in a thought on your adjacencies like the JV with ACME, solar and your gas power meter. Do we see any material progress in terms of the capitalization and addition to your top line and bottom line in the next two to three years or will it take four years to five years?

K. K. Chatiwal: The meter manufacturing IGTL, that is started the commercial production. I mean it is in trial phase right now, but it has been commissioned. And we are awaiting all the approvals. Various approvals are needed. So, we are awaiting approvals. So, by August end, the Company should be selling the meters in the open market. And they have got some orders also, so that is in operation. The JV with ACME, I think it was not with ACME, it was with RVUNL, Rajasthan Vidyut Utpadan Nigam, the state DISCOM and that was an MoU right now and with an intent to form a JV. So, things are progressing on that front.

S. Ramesh: So, you do not have a JV with ACME Solar, that is what I remember seeing some filings, that is why I asked.

Management: It is not there. I think some misunderstanding is there.

K. K. Chatiwal: I think we were looking at acquisition of some of the assets of ACME earlier, so we had done a due diligence also.

S. Ramesh: And then LNG retailing, any thoughts?

K. K. Chatiwal: Yes. On that front also, we are commissioning three stations, hopefully in this quarter they should be commissioned. One is by August end, it will be commissioned in Delhi, NCR. And two more, one in Rewari, and one in Greater Noida. So, they will be commissioned in next three, four months. So, with this we will be having four stations operational and we are planning for five stations - six more stations strategically along the highways and we see a potential there.

S. Ramesh: Thank you very much. And wish you all the best.

Moderator: Thank you. The next question is from the line of Siddhesh Ramachandra Jain from Axis Capital. Please go ahead.

Siddhesh R. Jain: Sir, my main question is regarding the strategic diversification against solar plant which you mentioned in last call, can you give some light on that?

Mohit Bhatia: So, we already had a Memorandum of Understanding with Rajasthan Vidyut Utpadan Nigam Limited, that is the DISCOM of Rajasthan. And the discussions are going on for further acquisition of the land and other formation of the JV, as a JV. So, that is under progress and hopefully, something will be catching up.

Siddhesh R. Jain: Also, last time there was an EV policy, some draft was there with Delhi Government EV policy. Is there any progress on that front?

Mohit Bhatia: So, I think it was spelled out somewhere in media and all, nothing concrete development of the draft policy happened with Delhi Government. And after that I think subsequent some developments happened and this commission of air quality management has also come out with two notifications - three notifications, wherein they have included CNG in particularly as a clean energy fuel along with EV and other biofuels. So, this is the thing. But nothing as such in concrete it has come out regarding the EV policy of Delhi Government.

K. K. Chatiwal: Just to add to that, Delhi Government has extended the present policy up to March '26 to enable more consultation with all the stakeholders.

Siddhesh R. Jain: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Nilesh Ghuge from HDFC Securities. Please go ahead.

Nilesh Ghuge: Yes. Hi. Good afternoon, sir. Sir, do we get any kind of concession on transmission tariff on domestic PNG and CNG from GAIL?

K. K. Chatiwal: No. Actually, right now, there are three tariff zones as far as transmission is concerned Zone-1, Zone-2, Zone-3. Now with the new tariff order, what PNGRB has done is that for this priority sector only one zone will be applicable. So, to that extent --

Nilesh Ghuge: But currently, we are not getting --

K. K. Chatiwal: We are not getting currently any benefit.

Nilesh Ghuge: Currently, we are not. So, currently, we are paying as you mentioned that around 85% - 87% we paid Zone-2 tariff, and remaining Zone-3 tariff on the remaining world right?

K. K. Chatiwal: Yes.

Nilesh Ghuge: Okay. Thanks. Thanks a lot.

Moderator: Thank you. Due to time constraints, we will take this as the last question for today. I now hand over the conference to management for closing remarks.

Management: Hi. So, thank you everybody for joining this earnings call for IGL for quarter one. And I also thank Mr. Nitin from PhillipCapital for arranging this call and hope to see you all next time. Thank you.

Moderator: On behalf of PhillipCapital, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.