Management Discussion

Yogesh Patil - Analyst, Dolat Capital
Thank you, Saisha. A very good afternoon and happy Diwali to the management of IGL and to all analysts. I would like to extend a very warm welcome to all the participants and the top management of IGL who are on this call. I would like to especially welcome Mr. Kumar Shankar, Managing Director of IGL, Mr. Mohit Bhatia, Director Commercial, and Mr. Manjeet Gulati, CFO. I will hand over the floor to Mr. Kumar Shankar for their initial remarks. Over to you, sir.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Yeah, thank you, Yogesh. Uh, very good evening and a very happy and safe Deepavali to all of you. I am Kumar Shankar, Managing Director of Indraprastha Gas Limited. On behalf of IGL's management team, it's my pleasure to welcome you all to our earnings call for the financial results of Q2 of FY26-27. At the outset, thank you for your continued trust and support and for joining us today. While the current quarter has been challenging from a financial perspective, let me begin on a positive note. IGL has been conferred with the PNGRB Excellence Award 2026 for the overall performance in the city gas distribution sector.

The continued geopolitical situation in West Asia and its consequent impact on global gas prices and supply chain reliability has directly affected the sector. So at this stage, it would be premature to speculate on the duration or full economic implications of this situation, as we all know, but much of it will depend on how quickly the stability returns and normal shipping movements, particularly across Hormuz, could be restored. Coming to IGL's performance in Q2, we have delivered a robust volume growth with the company registering 8% year-on-year growth on both the CNG and PNG front.

So it's a kind of a balanced positive growth rate in both the services, CNG and PNG services. At the same time, input gas costs have increased considerably during this quarter, which mainly impacted the profitability of the company. The share of spot in our overall gas mix in our overall gas mix has also increased significantly in this Q2 as compared to Q1. This was actually primarily due to the continued force majeure situation with respect to the term LNG contracts, and because of that, the continued curtailments in the long-term LNG supplies.

So of course, because of this, in addition, we have to also procure relatively additional spot gas to meet the increased growth that we are achieving and we have clocked during this second quarter. So we are continuously monitoring the situation and evaluating various measures to manage the input gas cost. All possible options and levers are being considered with a view to restoring margins, of course at the same time sustaining our volume growth. We believe that the situation should improve as supply conditions normalize.

Government also has been taking steps including change in the allocation methodology for the high-pressure, high-temperature HPHT gas under which allocation going forward would be proportionately increased based on the actual gas consumption in the CNGT and PNGD segments being achieved by the individual entities. So we also remain engaged with the evolving gas supply environment and will continue to optimize our gas sourcing mix as well. So during this quarter, another positive development is the release of TERRI report, which was released by a special advisor to the Prime Minister.

And the Chery report had a multi-dimensional factors study, and it covered technical, environmental, economic, social, and geopolitical aspects. And after considering all of these factors together, the

report has actually it finds that CNG currently retains and it will continue to retain a strong position across passenger segments, namely cars, taxis, LCVs, And it concludes that it can serve as an important intermediate pathway towards the year 2050. This is primarily because of the fact that the CNG services is supported by a good existing infrastructure and it's already a good technical readiness, it's a superior environment performance, its user acceptance, and of course the competitive operating costs.

So now let me very briefly share some of the highlights, uh, of the performance during this quarter. So with our continued efforts, uh, for the first time, uh, in IGL's history, uh, we have achieved an average daily gas sales of 10.06 million SCMD. So this is the first time the average daily sales of a quarter has crossed, uh, 10 million SCMD. This is, I think, the first perhaps for the, uh, Uh, for any CGD in the country as well. So this is as compared with the figures of 9.31 million SCMD in Q2 of the previous corresponding year.

Our overall CNG sales volume, of course net of DTC and DAIMTS operations, also increased by approximately 10%. So during this quarter, IGL also touched a peak CNG sale of 59 lakh kg in a single day as well. So we achieved another important milestone during this quarter, recording our highest ever quarterly turnover of more than 5,500 crore. So this half-yearly numbers also correspondingly has already crossed 10,000 crore. So we continue to invest in expanding and strengthening our infrastructure, uh, not only to support government's PNG Drive 2 and 3, but also for our strengthening our own robust infrastructure.

So we incurred capital expenditure of around 712 crore during the first half of this year. And we are planning broadly to invest equivalent levels of CAPEX during the second half as well. So despite the near-term pressures on input gas costs, our focus remains clear, that is to sustain the volume growth momentum, strengthen our infrastructure, optimise our gas sourcing mix, and take appropriate measures to improve margins. So thank you once again for your continued support. I would now like to invite our Director Commercial, Mr.

Mohit Bhatia, To share his opening remarks. Thank you.

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Thank you, Kumar Shankar ji, Managing Director. Good evening all, and the outset, very, very happy Diwali to all of you. I am Mohit Bhatia, Director Commercial at Indraprastha Gas. I would like to welcome all our investors, analysts, and members of the financial community joining us today. I sincerely thank you for your continued interest and confidence in the company and for participating in our earnings conference call for the quarter ended 30th September 26th. We believe that long-term fundamentals of the CGD sector remain strong.

What is particularly encouraging is the consistent and balanced growth across our all business segments. This reflects the strength of our diversified business model, the resilience of our operations, and the focused execution of our strategy. As mentioned earlier, we have witnessed a robust volume growth both in the CNG and PNG segments. It is encouraging to see broad-based growth across both the segments, with CNG volumes growing at around 9% and PNG volumes growing by 8%. Within PNG, the domestic volumes grew by 16%.

Our commercial operations continue to focus on strengthening our market positions, enhancing customer engagement, and driving sustainable business growth. Despite the evolving market environment and prevailing industry challenges, we remain focused on improving our operational efficiency, optimising our commercial performance, and pursuing opportunities for long-term value

creation. Let me now share the few key business developments during the quarter. IGL is proudly Announced, uh, Kidwai Nagar East and West, Nivedita Kunj, and New Motibag as the LPG-free zones with 100% PNG connectivity.

IGL has also initiated an automated vehicle verification system across CNG retail outlets to verify cylinder hydrotest certification and strengthening onboard cylinder safety and compliance. We have also signed MoUs with Delhi, Kent, several universities, institutions, railways, defence, and other government institutions for exclusive PNG supplies, and the and had entered into strategic alliances for technology advancements. In terms of infrastructure development, Our steel pipeline expanded by almost 21 kilometers and our MDPE network by almost 827 kilometers during this quarter.

We added 1 lakh domestic PNG customers and built almost more than 1.32 lakh new connections in this quarter. We have also connected 537 additional industrial and commercial customers and added around 7 new CNG stations in our portfolio. As the Managing Director had highlighted some of the key points relating to geopolitical situation and financial performance of the company, let me add some more perspective on our performance. Overall sales volume increased by almost 8% compared to the same quarter of the last year.

In Delhi-NCR, the CNG sales excluding DTC and dense volume recorded a double-digit growth of almost 10.2%. CNG sales in our other newer geographical areas grew by 34%. On the financial front, we recorded a gross turnover of 5,600 crore during this quarter. Representing an increase of approximately 26% over the same during the last quarter of the previous year. Profitability, however, was impacted due to higher gas costs during the quarter. IGL recorded a negative EBITDA of 31 crores, PBT of 9.5 crores, and PAT of around 24 crores.

Despite higher costs and supply challenges arising from the global situation, we remain committed to our profitable and sustainable operations. We continue to see healthy growth in CNG vehicle segment, as during the last 6 months, CNG vehicle additions and conversions have averaged to around 27,000 vehicles per month. This gives us an immense confidence in the underlying demand of CNG in the coming quarters, which is also demonstrated by the 25% registration of new vehicles into CNG during the month of July itself as a single month.

Considering the increase in the gas costs, appropriate pricing measures have been considered to manage the impact of the prevailing global environment and geo geopolitical issues and support business sustainability, including acceleration in the compressed biogas potential. With the PNG 3.0 launched by Government of India, the continued focus on CGD sector is clearly visible. And we believe these efforts will support the company's long-term and sustainable growth plans. While we remain mindful of the evolving market environment and competitive challenges, we are confident in our ability to respond effectively and capitalise on emerging opportunities, including various diversification strategies.

On behalf of the management team, 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 once again to open the session for question and answer.

Questions & 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 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Prabal Sen from ICICI Securities. Please go ahead.

Probal Sen - Analyst, ICICI Securities Ltd
Thank you for the opportunity. Good afternoon. First question was with respect to the gas sourcing mix. Can we get a detailed breakup in terms of the sourcing mix and the blended cost of each source for this quarter on an overall basis?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Uh, yeah, I think, uh, the first question was very well expected. Uh, because of these sourcing issues. So in an overall, overall, if we see the situation, domestic is still around, around 48 to 50%, whereas in the domestic also APM and the renewable gas is almost around 40%, and 10% in particularly October we got on the HPHT. And while we still rely on the R-LNG part as around 52%, however, in particularly during the last quarter, because of the force majeure issues and all, uh, spot out of this R-LNG was at 15%.

And you are aware that the spot has really Uh, has increased in particularly in the last quarter. It was hovering around $22 and recently now it is $30 plus, uh, uh, dollars per MMBtu.

Probal Sen - Analyst, ICICI Securities Ltd
Got it, sir. So as a follow-up, if I can just ask, you mentioned about obviously mitigating measures that have been considered, but on a very simplistic basis, uh, given that as you mentioned spot has already risen to almost $30 as of now. Uh, if we do not take price increases across segments, uh, is it fair to assume that even Q3 will be as tough a quarter from a margin perspective as Q2 was?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Uh, see, I'll answer this in, uh, 2 ways. Uh, the first and foremost, you must be aware that government has intervened and they had given some mitigation through allocation enhancement allocation of the HPHT gas also, and which is being priced roughly at around $9.8 per MBTU. So that is one part. Uh, certain, certain challenges are beyond control in terms of geopolitical issues and all due to force majeure issues and all. Spot will be there. However, see, price increase we have to be very, very mindful in increasing the prices Uh, because we are envisaging a very, very robust growth in terms of, in particularly, CNG segment.

Um, uh, the numbers also I shared recently in the month of July itself, around 25% of the new registration vehicles, uh, in our area particularly was from CNG. And unless or until we maintain the delta with petrol and diesel long term will be, long term will be not favorable. And secondly, after, after a long period, including DIMS and DTC also, we are envisaging a growth of around 8% in CNG. And if we debar the DIMS and DTC, it is 10% plus. And our outside GAs are having a very, very handsome growth of around 30%.

So So viewing the overall situation, short term, yes, it will be a pain, but I think if we want to keep as a long-term strategy, uh, volume, uh, unless or until volumes comes, uh, it will be very difficult to sustain.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Uh, I would like to add one more point here. Absolutely, uh, just add one more point that, uh, so our

focus right now is to, you know, how do we reduce, uh, The total proportion of spot, presuming that these spot prices continue to be tight. [Foreign Speech] that spot also prices may soften if super rail union and so many other things as people say. But we are also trying to again take up with our long-term suppliers. So we expect that you know some trying to get some more additional. Long-term volumes as well, which are much more moderately priced.

So that also is expected to give some kind of a relief. So yeah, so pricing is one lever, but these other levers are also available with us. So we will assess it. And as Delta Commercial has rightly said, that you have to strike a balance between, you know, the continuing the growth momentum as well as margin pressure.

Probal Sen - Analyst, ICICI Securities Ltd
Got it, sir. Thank you, that's very helpful. But I mean, just to try and sum it up very clearly, the focus right now is to continue, uh, to sort of, uh, you know, protect or grow the market share that we are, uh, you know, sort of getting in the current environment, particularly in the CNG segment, and live with the losses in the near term to the extent that we can, from what I could understand. Uh,

Kumar Shanker - Managing Director, Indraprastha Gas Limited
thing. That's what, uh, so one way or the other, you know, we would get definitely, uh, more help. And then we do have the levers. It's not that, you know, other levers are not there. So we are just keeping a close watch over how the situation is emanating, because in the past also, uh, even when cargo slightly situation improved, you know, the cartel mind, uh, which was there to 70%, overnight it became to 80% as well. So we, we do believe that there are still, uh, expectations that, you know, things may get, uh, resolved.

And then if that term LNG starts coming in, then, then the whole thing, you know, changes drastically for us. So we are just keeping a close watch.

Probal Sen - Analyst, ICICI Securities Ltd
Got it. Thank you very much. I'll come back.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Thank you.

Operator
Thank you very much. The next question is from the line of Amit Muradga from Axis Capital. Please go ahead.

Amit Murarka - Analyst, Axis Capital
Yeah, yeah, good evening and thanks for the opportunity. So, uh, on this HP-HT chain sourcing, what you mentioned, uh, by when do you think it starts flowing into volume? Because I believe some of these volumes are contracted already for probably a year or longer.

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
so but it has already in fact floated coming into this system on the CC last month particularly October we were priority October we used to used to get on the bidding mechanism and it was disproportionate to our consumption so in the month of October this clarification came from the government and wherein it was allocated on the basis of the consumption. And however, I think there has been one more revision with effect from 1st of November. So it is in a phased way. So 25%

will be there in this quarter, and then going forward next quarter 50%, and then next quarter 75%, and finally next year by September it will be 100 percent based on the consumption so currently around 4 million of HPST is available in the country so going forward if we see after one year, say, because as per the clarification, almost 1 million will be getting in fact last month point for, uh, going forward in this particular quarter.

Amit Murarka - Analyst, Axis Capital
Got it, got it. And, um, just, uh, on CAPEX, like, while the cash flows are weak right now, so will you be kind of looking to go slower on your CAPEX?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Uh, see, uh, as mentioned in our opening remarks also, we, we believe, uh, because this this is the transition period, and if we do not build the build the infrastructure right now, so going forward it will not be that promising. So government thrust is also there, and being the transaction fuel, uh, CNG infrastructure, the PNG infrastructure has to be built up, and then only the volume growth will be there, and ultimately it will convert into the profitability. So we are not at all slowing down on the, on the CAPEX.

We have similar plans. This is a temporary phenomenon, and we'll be spending almost 1,700 to 1,800 CAPEX this year. 710-12 has been already done in the first half, and we will be having a similar pace on this.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
And one more point also I would like to add. Actually, if you see, uh, Government has also given support in terms of pipeline laying. You know, the charges and permission charges have been moderated considerably. So when this weather window is available where the charges are also moderated, I think we must and also, of course, the clearing permissions, the window periods have been reduced and all that. I think it makes every sense to use this time to, you know, build otherwise difficult to do infrastructure also.

So we foresee that when it comes to, you know, investment into creating more pipe infrastructure, I think this is a good opportune time to keep going and keeping up with the momentum.

Amit Murarka - Analyst, Axis Capital
Got it, thanks. And just last question, so on industrial, is it fair to say that you would have made maybe a ballpark 4-5 kind of an EBITDA margin?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Uh, in fact, on industrial, we have done all, uh, Whatever back-to-back we could pass on, and then with some good margins, uh, almost 7 to 8 per SCM we could have the margin on the industrial segment.

Amit Murarka - Analyst, Axis Capital
Got it. So the entire losses are not on CNG because domestic I mean, DPNG is anyways on domestic gas.

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Yes, you can take that way.

correct see it all depends

upon how gas costs allocated among different segments so dilution

That goes to CNG and some dialogues goes going to INC so it all depends upon what part of gases be shifted to which of the segment

Amit Murarka - Analyst, Axis Capital
understood thanks thanks

Operator
a Thank you very much. The next question is from the line of Sabri Hazarika from MK Global Financial Services. Please go ahead.

Sabri Hazarika - Analyst, Emkay Global Financial
Yeah, good afternoon. So, so my question is again like just to get some more granular view on the sourcing. So especially CNG in Q2, uh, you mentioned what exactly was the mix for CNG in Q2 versus what it is Expected in Q3?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Exact numbers, just just give a moment. We'll just give you the exact. See CNG. See the mix remains almost the same if we compare from Q1 to Q2. Only thing the price prices have gone up. Of the spot, uh, point number one. Um, yes, R-LNG spot has also changed. It was 3% in Q1 and now around 15% in Q2. So otherwise, if we see the domestic allocation and all, more or less it remains the same. Only thing, the pricing of the LNG, that is the R-LNG, uh, with the Spot has gone up though, that is giving a hit that you can take it like that way.

Otherwise, in terms of domestic allocation, seems to be more or less same.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
So, so the value comes also sorry, I would like to add, in value terms also, uh, what our Director Commercial is saying is right. So the moment, uh, we start getting back the, you know, contracted term LNG, I think, uh, things would again normalize. So that's again the same point we are coming to. So the replacement of the, you know, contracted terminal LNG with spot is, uh, what is, you know, uh, having the difficulty. And Q3, it's very difficult to say, you know. So suppose kind of these measures we are as I already told you also, with some more suppliers we are anyway taking up.

So even under these difficult circumstances, we to hope that we get some additional volumes of terminal LNG. And in case if West Asia crisis, uh, kind of cools down, or if more cargoes start coming in, so that also would make a big change. So it is basically the proportion of R-LNG within that, the spot, that actually is the one that actually so it's very difficult to say that what will happen on Q3, but Q2 versus Q1 Exactly, it's only the additional, uh, spot R-LNG which are currently quite tight and, uh, highly priced.

So that's the source of difficulty right now.

Sabri Hazarika - Analyst, Emkay Global Financial
No, so, so Q1 you had pool gas which was not there, that's why the spot LNG share went up from 3% to 15%, is that right?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Exactly, exactly.

Sabri Hazarika - Analyst, Emkay Global Financial
And Q2

to Q3, now you have said that you've got HPHT of around 0.4 MMSCMD. This is incremental HPHT? So that's like 4%. So this 15% goes down to around 10-11% spot share?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
So it is not the incremental. We were getting around 0.15 to 0.2 HPHT earlier. Only October month was an exceptional case wherein this full 100%, you can say around 1 million we got. But going forward, October, say November and December in particularly, There will be a delta incremental of around 2.2 to 2.25, uh, in terms of the HPHT. So, so it is expected that spot, uh, considering on the same volumes, if we, if we leave the growth part, something on the same volume, from 15% it will get reduced to maybe around 12% or 11%.

Sabri Hazarika - Analyst, Emkay Global Financial
Okay, got it. And, and Okay fair enough and lastly how many CNG stations you have now right so we have one one

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
0311 0311 as on 30th of September

Sabri Hazarika - Analyst, Emkay Global Financial
Right and and your volume and EBITDA per SCM guidance for FY27 and FY28 if possible

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
okay So next year again next on similar, around 6 to 7 maybe. Particularly, uh, we believe that geopolitical things will ease out, uh, things will be normal. And because we already had our long-term contracts in place 100%, only because of the force majeure issues we had to go for this spot and all. And the government has also discontinued this pooled gas mechanism. But with HPST coming into our fold, I think it will be better. So we our guidance is still there, and we will try to balance it with the volume growth as well as the EBITDA margins.

Sabri Hazarika - Analyst, Emkay Global Financial
Right. And 7 to 8% volume growth is sustainable according to you? No,

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
no, no, no, it is more than that. Now we are growing at around 8%, and DTC volume Being fully going and all, and with the newer Gs contributing fantastically. So our aspiration, our is double digit, ten percent. We we have plans for ten percent. Currently, we are achieving nine percent in this quarter. So we are very confident to grow beyond ten percent. Double digit growth

Kumar Shanker - Managing Director, Indraprastha Gas Limited
is what we are aspiring.

Sabri Hazarika - Analyst, Emkay Global Financial
Double digit growth. Fair enough. Thank you so much and all the best.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Thank you.

Operator
Thank you very much. Ladies and gentlemen, in order to ask a question, please press star and 1 on your touchtone telephone. I repeat, in order to ask a question, please press star and 1 on your touchtone telephone. The next question is from the line of Navdeep Arora from Dollar Capital. Please go ahead.

Snehdeep Arora - Analyst, Dolat Capital
Hello, hi, uh,

Operator
Yes, sir.

Snehdeep Arora - Analyst, Dolat Capital
Oh, okay. So I had two questions. First was, so how many CNG, DTC, and DIMS buses are currently in operation, and what is the kind of CNG volume that is coming from them?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
First question was not clear.

Snehdeep Arora - Analyst, Dolat Capital
Oh, okay. Let me repeat. Yeah, DTC and DIMS buses that are in operation currently, and what is the kind of CNG volume that is coming from them.

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Okay, so DTC is almost now, uh, zero, you can say. Uh, September average per day was hardly 50 kgs, so the DTC is all gone. Uh, we, uh, let us close that, let us close that chapter now. Uh, so DTC is all finished. For DIMS, we have the current volumes for the First half of this financial year, 1.34 lakh average, averaging out 1.34. Last year the average was for the full year, it was 1.47 lakhs kg per day. So it is, it is, it is degrowing. Yes, it is degrowing. But currently, uh, how many vehicles we have?

1,700.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
1,700,

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
uh, DIMS vehicles are into this system.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Okay okay thank you [Foreign Speech]

Snehdeep Arora - Analyst, Dolat Capital
[Foreign Speech] and

Kumar Shanker - Managing Director, Indraprastha Gas Limited
also the other good point is some of the stations actually are now converted as for retail one you know, so that's also helping our kind of retail sales growth. so although on one hand the DTC buses are out of the way, but the stations at least 15 stations Mainly from the passenger and the taxi vehicles and so on.

Snehdeep Arora - Analyst, Dolat Capital
Oh, so the second question was to do with this recent recommendation, that CFQM recommendation that came, you know, moving towards zero tailpipe emissions in Delhi-NCR and phasing out of BS-IV vehicles by 2030, they are recommending. So assuming this comes into force, what is the kind of volume impact that we are seeing from this?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
So you are right, uh, this CAQM, uh, notification has already come. So, uh, in fact, it started with all the EV policy of Delhi government, and they are going to phase it out. First phase, first of January, the CNG 3-wheelers new registration will be not there, and then N1 N1 vehicles also, they are switching over to EV, and with a mitigation plan by 2030 on the school buses converting 30% to EV. So we, viewing the entire scenario, we have also tried to calculate by 2030 almost, I think, 2 lakh kgs per day of volume will be, will be, will be going off in a phased manner, but this is a cumulative by 2030, 2 lakh will be going.

But however, viewing the growth pattern and the addition of the new vehicles, in particularly the passenger vehicles in the 4-wheeler segment, car segment, uh, we still envisage that double-digit growth seems to be very, very promising.

Snehdeep Arora - Analyst, Dolat Capital
Okay, thank you, sir. Thanks a lot.

Operator
Thank you very much. The next question is from the line of Mayank Maheshwari from Morgan Stanley. Please go ahead.

Mayank Maheshwari - Analyst, Morgan Stanley
Hi sir, thank you for the call. I had a bit of a big picture question around your gas sourcing. I think now we have gone through almost 2 years of, uh, supply challenges, especially on the domestic side. Is there a big picture thinking around whether you want to now improve your long-term sourcing of LNG in a much better fashion because your peers have reported much better quality of margins as well? And I think the second question was related to a similar point around beyond the near term and considering the growth outlook that you're giving, would you kind of think about sourcing and even trading of natural gas at some point of time considering the losses you have reported for this quarter?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
So, uh, yes, we are mindful, uh, that we need to, uh, look on to some different sourcing strategies. And during the recent, uh, GasTech and the previous GasTech also, we have had great deliberations with some of the global giants of LNG supplies, including ExxonMobil, including Chevron, including BP. And since our volumes are also very, very handsome, I would say almost we are selling 10 million per day. And if we see on the R-LNG sourcing also, it is 5 MMSCMD per day. So we are also looking on the alternatives to source a full cargo also going future, how we can be more efficient in our sourcing strategies.

We are mindful. We are also having long-term discussions with the Indian suppliers also, our parents also, and maybe other companies operating operating in the country. So that also, the discussions and deliberations are on, uh, since the molecule will be available post, uh, 25 sorry, post 29 or 30 onwards. So we are evaluating and to go going forward to get the best offers and all that we'll be

seeing. Uh, secondly, your question on trading. Yes, we have already gone into various deliberations and all, and, uh, this proposal is being put up for the trading, and I think soon we'll be starting this trading of the gas also.

Mayank Maheshwari - Analyst, Morgan Stanley
So just to follow up on that, so if, uh, is there a target percentage of R-LNG long term that you want to have in your overall gas mix, including domestic plus HPHT plus everything put together by 2030, since you're trying to grow at 10-11%, is there a target LNG mix that you want to have by then?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Okay, see, you see, it all depends. Like, we know that Indian demand of natural gas is going up, and with the diminishing geological considerations of the Indian wells and all. So gas, domestic gas is going to be, uh, going to be a strain. And already around 5 to 7% APM allocation has to go down year-on-year basis. So that will happen. So ultimately it will result in sourcing more and more on R-LNG part. So it will be there and we need to be very, very mindful how we do our long-term contracts, how efficient we do our long-term sourcing of R-LNG, because going forward the dependence will be there.

Manjeet Gulati - Chief Financial Officer, Indraprastha Gas Limited
But just to add on one more point, like gradually this HPHT long-term contracts with other non-priority customers, in future I think gradually they will come into the priority segment. So this is a big pool of gas which if being diverted to priority segments, and we being one of the largest CGD, we are going to have a large share from that portfolio.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
So one thing is there, that's why it's very difficult to put a finger on, I know, what's going to happen in 2030, but directionally HPST, more HPST is, uh, is what we believe would come into the priority sector. And IGL, by virtue of having its big share in the CNGT and, uh, and contribution in the PNGD, so we are expected to get, uh, good considerable volume from HPST. But the other point is also that within, um, your R-LNG sourcing portfolio also, we are looking at, you know, how do we, uh, kind of balance out the indexation also between, you know, because today it's today's position is very difficult.

Even crude is very high, but Brent-linked versus HH-linked, you know, there are several levers available. So we are looking at all of them closely. So sometimes it's a bit of temporary thing, you know, one quarter is something favors, the other quarter something else goes in a different way. So, but, but you're right, the larger picture is that what already our Director Commercial has said, that we are having a kind of relook because in a scenario where and there are also, uh, still, uh, things are there that, uh, even spot, uh, every 28, 29 [Foreign Speech] so it's not that very easy to say today that you know we should never have spot and then you should have only all the contractual volumes.

so what happens to that when spot sometimes I go below ten as well, [Foreign Speech] clearly an option for us to, you know, independently also source and also do the trading.

Manjeet Gulati - Chief Financial Officer, Indraprastha Gas Limited
In fact, uh, to a certain extent, we keep an option in our existing contracts to have a good flexibility on intake or pay basis, so that whenever any opportunity is there on spot side, we procure spot volumes and moderate our existing supplies from midterm contracts. So such scenarios can also

come in future, and for which our contracts are already having that kind of provision.

Mayank Maheshwari - Analyst, Morgan Stanley
Thank you. Very helpful. Thank you.

Operator
Thank you very much. The next question is from the line of Vikas Jain from CLSA. Please go ahead.

Vikash Jain - Analyst, CLSA
Hi, thanks for taking my question. Uh, just to come back on the sourcing bit, you said that you have about 15% from spot LNG in this quarter. That That is on the total volume, that's about 1.5 MMSCMD of supply was spot LNG. Is that how I should think about that 15% number, or is it 15% of CNG? What is the number that you're talking about?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
So you are right, it is 1.5 MMSCMD of the total volume.

Vikash Jain - Analyst, CLSA
And this number even in last quarter was, uh, how much? I mean, was it similar, 15%, or 0.3?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Around 0.3.

Vikash Jain - Analyst, CLSA
So 0.3 has grown to 1.5 MMSCMD, and the remaining, basically the 1.2 and the others, was from pooled gas, is it?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
That's right, the pooled gas. And the other is also the term R-LNG, which is, you know, because of this unexpected continued prolonging, uh, we'll say. Sure. So,

Vikash Jain - Analyst, CLSA
so, sir, the term R-LNG that you had, just to kind of get that clarity before you make the clarification on the one for the hedge, and which is the other contract that you have for that, and how much is total volume which is there which you are not being able to get?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
See,

uh, the Qatar volume, right?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
It will be, it will be difficult to comment like that. Uh, yes, there has been a cut of almost 1.2 MMSCMD vis--vis previous quarter, and that is primarily due to the pooled gas allocation, whereas the other other force majeure issues which is there on [Foreign Speech] multiple suppliers yes it is there it is there in all sort of contracts 100 percent we have not been able to get so it is across all the contracts no

Vikash Jain - Analyst, CLSA
sorry sir I was just wanting to know that when you had the c The long-term LNG volume contract that you have, how much MMSCMD was it?

Manjeet Gulati - Chief Financial Officer, Indraprastha Gas Limited
See, traditionally, like the Qatar volume, what, what we used to get was close to 0.6.

Vikash Jain - Analyst, CLSA
Okay.

Manjeet Gulati - Chief Financial Officer, Indraprastha Gas Limited
Yeah, and there have been some contracts which have multiple sources

Kumar Shanker - Managing Director, Indraprastha Gas Limited
actually,

Manjeet Gulati - Chief Financial Officer, Indraprastha Gas Limited
so some flexibility. Only contracts

Kumar Shanker - Managing Director, Indraprastha Gas Limited
have moved from one particular source specific to portfolio, say, who suppliers are giving.

Vikash Jain - Analyst, CLSA
[Foreign Speech]

Kumar Shanker - Managing Director, Indraprastha Gas Limited
you know long

Vikash Jain - Analyst, CLSA
term LNG supply that you are not getting all of them put together is how much MMSCMD that's the question that I am asking

Kumar Shanker - Managing Director, Indraprastha Gas Limited
it is almost 1.5 that is 1.4

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
that is the spot on 1.6

Kumar Shanker - Managing Director, Indraprastha Gas Limited
otherwise spot at least They have contracted out, but because of this, uh, crisis, uh, that we are not getting either through the pool or from the other contracts or from the other suppliers as well. So exactly it's that quantity that is getting affected and that is getting replaced by costlier spot.

Vikash Jain - Analyst, CLSA
Okay, sure. So you see, all of us are of course hoping that, you know, the geopolitical risk kind of end and we get to a more normal market, but clearly not, not something that any of us can predict. And, uh, you know, there is obviously a risk that this may continue as well. So 2 problems to address. Number one is that anyways you'll be if you're saying that you can grow by about 10%, that's an increase of almost 1 MMSCMD or so even as early as next year. Uh, so where are we going to get that extra volume from?

Is it going to be largely spot-fed till the time we get, you know, sign because if we sign a long-term LNG contract, many a times that may not start immediately. So are we going to be more and more spot-fed till that happens?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
So, so, so there are 3 answers to your question. See, point number one, we have already done our 100% contracts in line with the envisaged volumes Up to 27 and, and up to 28 also made, right? So with the takeoff pay of 60 to 70%, all those things are there. So now due to this cut and all, uh, in the current, uh, as per the current overconsumption, so there is a shortfall of 1.5 MMSCMD. However, our, our total contracted volume is more than 1.5. Supply. The second thing is we have also, uh, recently sold some additional in the existing contracts with our upstream suppliers and all, wherever they could give us on the existing long-term contract some volume, that whatever volume we could get.

So that is there. And the third one, we get the additional HPHT also, which we have already mentioned and clarified in the previous questions. So I think these 3 levers are there, uh, going forward.

Manjeet Gulati - Chief Financial Officer, Indraprastha Gas Limited
And just to add on to this, like some of our contracts already there is a provision on calendar year basis. The volume is, uh, is already being signed in a graded fashion, so it is increasing, uh, over a period of time. So that provision also there.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
So from calendar year '27 onwards, as such also Uh, we are expecting to have additional volumes. That's what the first point our Director Commercial mentioned, that we have covered. So this, we still see that, you know, it's a bit of a temporary phenomenon of, you know, the, the almost getting stopped and the normal volumes are not at all coming. So I think, uh, so let's not be so pessimistic. Let's see how it turns out.

Vikash Jain - Analyst, CLSA
No, sure, sir. No, no, I'd like to be optimistic whether but, you know, in the case of a risk scenario, uh, how, how well are we protected? That's what I'm trying to kind of get a sense of.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
But currently,

Vikash Jain - Analyst, CLSA
currently in the current quarter, uh, as things have progressed, other than the extra, uh, HPHT that you talked about we might be getting, we will get from this month, uh, this, you know, this, this sourcing mix hasn't really changed much, right?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
The sourcing mix has changed with Q2 or Q3, or you are telling about Q2 and

Vikash Jain - Analyst, CLSA
Q3? Q3 versus Q2, as you see Q3 right now.

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Yes, yes, you are right. Current situation, the only the HPHT thing is additional, some

Kumar Shanker - Managing Director, Indraprastha Gas Limited
more term, more term, more volume also.

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
We Yes, yes, yes, yes.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
are talking to suppliers, we will be getting additional,

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
correct?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Even in this Q3 also. Of course, Q4 even more will come. So we are taking steps.

Vikash Jain - Analyst, CLSA
Okay, okay. But at this juncture, even if this, this is kind of, uh, for the next few months, you are not in a rush to take a price hike is how you are looking at things? Because you'd like to know that's

Kumar Shanker - Managing Director, Indraprastha Gas Limited
not the right way to conclude. So we, we are looking at it. So it's not that that lever is not there with us, it's available with us.

Vikash Jain - Analyst, CLSA
Okay, thank you, sir. Thanks a lot.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Thank you.

Operator
Thank you very much. Ladies and gentlemen, in order to ensure that the management is able to address all questions, kindly limit your questions to one per participant. Thank you. The next question is from the line of Vineet Banka from Nomura. Please go ahead.

Bineet Banka - Analyst, Nomura
hi sir thanks for the opportunity can you please share the MNGL CGL volume and margin for this quarter

Kumar Shanker - Managing Director, Indraprastha Gas Limited
volumes roughly I think they have clocked 20 no you're talking about the volumes clocked by MNGL, right?

Bineet Banka - Analyst, Nomura
volumes of MNGL and CAGL and

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
margin 2.3, 2.3 MMSCMD and 0.37, uh, was for CUGL. Okay, CUGL is growing at 11%, MNGL is growing at around 20-22%. So margins, uh, MNGL margin was EBITDA was around, uh, 8 to 9 rupees And CUGL was around, around 5 to 6.

Bineet Banka - Analyst, Nomura
Okay. And sir, last quarter I think you gave a breakup of vehicle-wise CNG consumption or sales for your GAs. So is there any change, major change? I think buses were 12%, commercial 19%, taxi 14%,

PV was around 50%, and 3-wheeler was around 8%. So is this something

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
mostly it is same mostly

Kumar Shanker - Managing Director, Indraprastha Gas Limited
it percentages broadly it's the same only thing is the average monthly arabs has slightly gone up now last quarter it was say around 22,000 and now 27 the previous quarter

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
previous quarter was 26 20

Kumar Shanker - Managing Director, Indraprastha Gas Limited
25 26 it was and then now average monthly Only in absolute numbers, numbers have increased, but the proportion, the numbers are more or less same. There is no major change in the segmental percentages.

Bineet Banka - Analyst, Nomura
On the taxi side, I think 14%, what is the aggregator share in that? Because I think aggregator will have to move to complete EV by 2030. What will be the risk on that 14% volume?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
It is not there, it is not there. No, no, it is not there like that. [Foreign Speech] see it was earlier around three years back some discussions were going on for the aggregator switching over, but in the draft EV policy and the final EV policy also as far as

Bineet Banka - Analyst, Nomura
there is no mandate. okay so just try to understand the impact of EV policy. 3W DIMS will be around 2% of total CNG volume, so that will go away completely. And any other volume risk in the bus side? I think school bus, what would be the proportion there?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
So school, see, uh, that is what I mentioned earlier also, around 2 lakh per kg. That will be the total volume which is expected to go by 2030, uh, including N1 category school buses and CNG 3-wheelers. Yes, so that is the expected because CNG vehicle also new registrations will not happen. So phasing out of CNG vehicles will be 15 years, so roughly around 5,000 to 6,000 per year will be phased out. So we have 1 lakh CNG autos running into the system in Delhi. So it is like that.

Bineet Banka - Analyst, Nomura
And sir, are you seeing any incremental additional buying of 3-wheelers ahead of this Jan cutoff?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
No, there's a cap. See, there is a cap. If anything increase also happens, I don't think so. It will be more or less on EV part only, unless or until some other cap actually. Yeah,

Kumar Shanker - Managing Director, Indraprastha Gas Limited
back end of the year, it's very difficult to see how suddenly some additional vehicles, particularly three-wheeler category, how will they come. So the cap what

Manjeet Gulati - Chief Financial Officer, Indraprastha Gas Limited
we're talking about is. Is being enforced on Delhi because it's permit-based. But in other GSAs it can happen, but yes, in Delhi it is strictly not allowed.

Bineet Banka - Analyst, Nomura
Okay, so lastly on CNG pricing, so just based on current numbers, what will be the price hike required to break even? Any number you can share? That, that being a very commercial subject We might not be answering in this forum on this question, please. Fair enough. Thank you, sir. I'll get back.

Operator
Thank you very much. The last question is from the line of Varadharanjam from Antique Stockbroking. Please go ahead.

Varatharajan - Analyst, Antique Stockbroking
Uh, thank you for the opportunity, sir. If you can give us a breakup in terms of the number of vehicles added during the quarter, and secondly, if you Have the exact volume of APM procured as well as separately each of them, please share. Thanks.

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Okay, so number of vehicles added, I'll tell you monthly basis if it is okay, average monthly during the last, uh, half of this financial year. So additional buses added around 428, then the goods carrier, that is the commercial vehicles, around 3,097. Taxis, 3,036. Uh, then your 3-wheelers and autos, but it keeps on phasing out and adding, so 2,112. Then cars was 11,566, and the retrofitment is also also happening around 6,800. So in nutshell, overall it is 27,000. This is the average one.

Varatharajan - Analyst, Antique Stockbroking
Thanks, sir. In case if you have the exact volume of the APM procured as well as, uh, APM

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
procured, so October figure you can take, it was around 2.63 APM and UL was 1.67.

Varatharajan - Analyst, Antique Stockbroking
Thanks, sir. In case you have the quarter also, it will be useful. Otherwise, so Q2, the APM

Manjeet Gulati - Chief Financial Officer, Indraprastha Gas Limited
plus NWG put together was 3.88. That was the allocation to us, which we have consumed in full.

Varatharajan - Analyst, Antique Stockbroking
Would you have the breakup between APM and NWG?

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
breakup [Foreign Speech]

Manjeet Gulati - Chief Financial Officer, Indraprastha Gas Limited
[Foreign Speech]

Varatharajan - Analyst, Antique Stockbroking
breakup

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
[Foreign Speech] just find out for the I think quarter it will be difficult but for October I shared with you.

Varatharajan - Analyst, Antique Stockbroking
no that is I consider thank

Operator
you. thank you very much, ladies and gentlemen, that was the last question. I would now like to hand the conference

Manjeet Gulati - Chief Financial Officer, Indraprastha Gas Limited
Thank you all for taking the time to join us today. We sincerely appreciate your continued interest in IGL and the valuable interaction we have during the call today. Thank you once again to the Capital for arranging and facilitating this earning call. On behalf of IGL, I wish you and your family a very happy and prosperous Diwali. Thank you.

Operator
Thank you very much. On behalf of Indraprastha Gas Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.