Management Discussion

Nitin Tiwani - Analyst, Philip Capital
Thanks, Manav. Good day. Ladies and gentlemen, on behalf of Philip Capital India Limited I welcome everyone to Indo Prus Gas Limited's first quarter FY27 earnings call. Today from the management team. We have with us Mr. Kumar Shankar 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. Manjit 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 - Managing Director, Indraprastha Gas Limited
Yeah. Thanks Nitin. Very good evening to all of you. I am Kumar Shankar. As Nitin was mentioning, I have recently taken charge of Managing Director of Fingerpress Gas Ltd. 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 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. We'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 and 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 CMB in the Q1 of the previous year. Our overall sales volume of CNG net of BTC 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 three states. So in fact you will be glad to know that in recent days we have touched a peak sale of up to even 58 lakhs kg in a single day which is not only among the highest for IBN in its history but also definitely the highest in the country for any CGB company in the country.

And also you will be glad to know that during this quarter we have achieved a milestone of the highest ever quarterly turnover of more than rupees 5000 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. The plan 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 rupees 296 crore and the profit after tax of rupees 186 crore.

Despite higher gas costs and supply challenges arising from the global situation, we remained profitable and continue to maintain stable operations during this quarter. We believe the long term

fundamentals of CGD structure sector remain strong. With our growing infrastructure, expanding customer base and disciplined approach to our business, we remain committed to creating sustainable value for all our stakeholders. Now I would like to invite Our Director Commercial Mr. Mohit Bhatia to share his remarks.

Mohit Bhatia - Director Commercial, Indraprastha Gas Limited
Thank you. Thank you. Kumar Zwad, the md. Good evening everyone. I am Mohit Bhadya, Director Commercial at Interpret 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 earning conference call for the quarter ended 30 June 2026. Let me get the opportunity and privilege to share the key business developments during the quarter. The first and the 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 concern for the authorization for the remaining areas of Gurgaon 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 Concord and had commissioned the newly operational CNG station at the prestigious Noida International Airport along with PNG in the Foucourt area.

Going forward we are also pleased to inform that we have engaged with Indian army in our nation building exercise to explore the opportunities to meet their integrated energy requirements in our geographical areas in their countries. 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 dims volume that is 9% whereas a healthy growth of around 27% observed in our New Year GIS 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 km now further adding to around 2,600 km while the MDP pipeline almost increased by 500 km 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 5028 crore of the turnover which is almost 16% as compared to the same quarter last year.

While the profitability is impacted by higher gas cost during the quarter, our focus remains on volume growth, customer expansion and operational efficiency. During the quarter we also had incurred a capex of 327 crore. We are witnessing a very healthy growth in the CNG vehicle segment over the last six months. In particularly CNG vehicle additions and conversions have arranged almost to the tune of 27,300 vehicles per month visa with 18,000 vehicles per month during the same quarter for the last year, which gives us an 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 answers.

Questions & Answers

Operator
Thank you very much, sir. We will now begin the question and answer session. [Operator Instructions] We have our first question from liner Prabhal Singh from ICICI Securities. Please go ahead.

Probal Sen - Analyst, ICICI Securities Ltd
Thank you for the opportunity. Good afternoon sir and congratulations for the innovation for both of you. I guess our first question was with respect to the sourcing mix. If you can kindly give us mix in terms of percentage or absolute volumes between whatever, whatever was the ATM allocation, HPHP gas, renewable gas and the mix between long term and short term images whatever it was. Okay.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Okay, thanks for the question. So 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 ABM, 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 fourth major issue you know happened in West Asia. So if you see the around we are selling around 9.5 million of standard cubic meter of gas.

So 48% is coming from the domestic and around 52% from the imported.

Probal Sen - Analyst, ICICI Securities Ltd
Thank you sir. 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 that we should get spotted in this for the quarter?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
See if we if you see because of the long term contracts we already we are in place 100% of our sourcing however due to the fourth major issues and all. So there has been some, 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 to 4 million is the from the long term contracts. And there was a government as supported during this quarter in terms of giving pool gas to the CDD sector particularly as per the government notification.

So around 0.6 to 0.7 came through the pool gas and spot. We had to rely around 3%, you can say roughly around 0.25, 2.3 million per day. Was through spot and market trend, you have must have noticed that it varied from around 17 $18 to 21 $22. As and when it's required, we have to source it.

Probal Sen - Analyst, ICICI Securities Ltd
Got it sir. And just in terms of how we are looking at casing going forward, you know what is the environment? Have you seen since the conflict has once again sort of picked up, have you seen a change in terms of energy 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

Kumar Shanker - Managing Director, Indraprastha Gas Limited
so very very highly unpredictable and uncertain situation. You are aware of the geopolitical issues. So we are in constant, 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 cut due to force measures because as globally India has also gone to other other geographies to force 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. And as we go forward we are looking at HPST as well. So we are hopeful that we will be in a position to improve the overall share of HPST as well going forward. About RLNG already Data Commercial has already mentioned.

Probal Sen - Analyst, ICICI Securities Ltd
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 of us, I mean 15 to $16. How are we looking at the margin environment for the next.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
So sir, actually I would like to answer your query in two parts. See point number one is we have been always giving guidance of a long term EBITDA around 7 rupees per SDM. 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 versus 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 17 rupees. 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 this is time to seed the market to further strengthen and capture the volumes.

Also 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 six months I believe four factors we need to figure out how they will play out. First is in general there is a consensus that the US supplies are going to improve. So the Henriaba 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, you know. So if you really see today in these wired worlds how different factors are going to play out, it's right now quite difficult to predict.

But as our data 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 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 - Analyst, ICICI Securities Ltd
Thank you sir. I appreciate how challenging the environment is and I appreciate your efforts to explain the answer as necessary. Thank you and all the best.

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

Operator
Thank you [Operator Instructions] . We have our next question from the line of Yogesh Patil from Dollar Capital. Please go ahead.

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

Kumar Shanker - Managing Director, Indraprastha Gas Limited
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 was the new oil gas as compared to the previous quarter. You are rightly it was NWG was less than 1 million. So there has been some, some changes in the proportion because of the geological issues of the wells across the country. And there has been some shift in renewable gas and going forward also likely to happen in this way only

Yogesh Patil - Analyst, Dolat Capital
HPHT portion remains same sir, 0.8 mms cmd. During the Q1FY27HPHT

Kumar Shanker - Managing Director, Indraprastha Gas Limited
it was around 0.7, 0.66 to 0.7 and it 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 - Analyst, Dolat Capital
Sir, my next question related to the CNG consumption figures for the DTC buses dims buses in million kilograms. If you could provide and additionally please provide the total CNG volume for this quarter in million kilograms.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Okay. So as we mentioned in our opening remarks also see BIM DTC volumes are now almost zero for last three months. If you see it's almost now zero and the last year same quarter it was on an average of 1.5 lakh kgs per day. So now it is almost zero. However secondly if you see the dense volumes so now as compared to the Q4 of the of the last year 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 - Analyst, Dolat Capital
and CNG volume in million kgs. Sir if possible total CNG volume.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
So. So in terms of million kg it is around 5.31 per day for the quarter ended 30 June.

Yogesh Patil - Analyst, Dolat Capital
Thanks. Thanks a lot sir. All the best.

Operator
Thank you. [Operator Instructions] We have our next question from the line of Amit Murar Ka from Access Capital. Please go ahead.

Amit Murarka - Analyst, AXIS Capital Holdings Limited
Yeah hi, good evening and thanks for the opportunity. So I missed if you've already shared the split of growth between Delhi and outside Delhi that you usually share in earlier quarters.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
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 GS it is 27%.

Amit Murarka - Analyst, AXIS Capital Holdings Limited
Okay, got it. And DTC, you said that now the volume for the buses is stabilized and there's no further decline that you're expecting on that count, right?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
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 as zero now. Btc.

Amit Murarka - Analyst, AXIS Capital Holdings Limited
Okay. 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

Kumar Shanker - Managing Director, Indraprastha Gas Limited
see? Absolutely. See if I tell you recently you must have seen the ad prime news also in particular if I share with you one of the July data. So Almost, almost around 4.6 lakhs passenger vehicles were added in the, 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 GS.

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 great growth you cannot correlate actually what seems to be otherwise very, very healthy.

Amit Murarka - Analyst, AXIS Capital Holdings Limited
Okay, okay, 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 a 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 - Managing Director, Indraprastha Gas Limited
Yeah, they're there. That's right. But because of this unusual volatility in the light of West Asia crisis that is 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.

Amit Murarka - Analyst, AXIS Capital Holdings Limited
Understood? Sure. That's it for me. Thank you very much and best wishes.

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

Operator
Thank you. We have our next question from the line of Vivek Anand from Ambit Capital, please go ahead

Vivekanand Subbaraman - Analyst, Daishin Securities Co., Ltd
Yeah, thanks for the opportunity. Two questions. Number one is on the Delhi EV policy that was recently announced. Now since this impacts aggregators, commercial vehicles, both autorickshaws as well as goods carriers and also school buses, how are you looking at the impact of 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 mmse. Only one. Thank you.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Okay, so coming to the daily EV policy. Yes, you're right. That mandate has already come. So effective 1127 there will be no more 3 wheelers in particularly registration and only EV registrations will happen. But we are 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 one lakh autos are there three wheelers in Delhi. And viewing the life of 15 years, I think phasing out every year five to six thousand will only happen.

And as per our analysis around there will be 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 start from 1:27. And for school buses also I think the mandate is by 30. By 2030 they have to switch over 30%. So overall we have evaluated the scenario of the sales volume being lost visa 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 impact of around 2 to 3% on the volumes overall and we are not viewing any much of the impact. And your second question on how CUGL as well as MNGL have been clocking the growth. First on CUGL, CUGLs corresponding quarter to quarter growth in terms of CNG they have clogged a 8% growth from around 0.23 mmscnd to 0.25 they have clocked and PNG almost they maintained similar volumes of 0.11 to just 0.12 but overall from 0.34 to 0.36 mmsmb which means 6% growth they witnessed.

But when it comes to MNGL, slightly more encouraging numbers have been clocked in CNG, MNGL

clocked 13% growth from 1.27 mms cmd to 1.44. But when it comes to PNG, MNGL has clogged a very heavy around 29% growth from 0.58 mms to 0.75 on overall put together from 1.85 Ms. CMB they have clocked 18% growth to reach 2.19. This is primarily driven by corresponding quarters the previous year. And this year Nashik, their Nashik GA has started getting direct gas supplies from the commissioned, newly commissioned Samariti pipeline.

Earlier their 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 yeah, so they have clocked around 18% volume growth overall.

Vivekanand Subbaraman - Analyst, Daishin Securities Co., Ltd
Right. Thanks for the color. Just one follow up. As far as the Delhi V policy goes, there is no impact on the NCR territory outside of the national capital Delhi. Right. Is that very clear?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Absolutely. It is particularly for Delhi only. So I don't think so there is any impact on Noida or maybe Gurgaon part.

Vivekanand Subbaraman - Analyst, Daishin Securities Co., Ltd
Right, Right. And just one last follow up. Yeah,

Kumar Shanker - Managing Director, Indraprastha Gas Limited
as of now. Exactly. Sorry.

Vivekanand Subbaraman - Analyst, Daishin Securities Co., Ltd
Okay, 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 0.312, 0.33 mms cmd. Why is it that these markets like Kanpur, Bareilly, etc. Where you would assume that CMG is under penetrated. Why is, why are these markets not going faster?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
In fact they have clocked reasonable 8% growth. Yeah, I agree that you know they do have potential for. But yeah. With the improvement in the overall CNG ecosystem and the vehicles improving. Right. I guess. And also they're coming up more stations. I think in the coming quarters I think we should be able to see more growth there. Plus you know, the overall input gas cost and the gas price scenario also, you know 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 oath.

So I think that could be one of the reasons where when it comes to their PNG growth, particularly cni, the tax structure is not very favorable. But I think CNG going forward should be able to show some more improvement.

Vivekanand Subbaraman - Analyst, Daishin Securities Co., Ltd
Okay, thank you so much. All the very best.

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

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

Ahead.

Gagan Dixit - Analyst, Elara Capital
Yeah, yeah, thanks. Thanks for taking my question. Sir, I have the question this about given the sharp gas cost Spike, so is IGL considering any hedging or long term contacting FedG? I mean to reduce this spot LNG exposure going forward?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Yeah, of course, you know, like any other entity we are looking at it and then yeah, we are in fact looking at hedging options as well. Particularly because Henry, you know, now provides us with the opportunity. It's a bit stable right now. So yeah, 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 yeah, we will be continuing to do that.

Gagan Dixit - Analyst, Elara Capital
Thanks. My second question is as the new geographies outside the Delhi and CRR they are still ramping up. So typically are they EBITDA per SEM slightly dilutive versus the mature geographies, Delhi, NCR and broadly what is the typical difference between the new developees and the mature developees in broadly in the EBITDA per se as well

Kumar Shanker - Managing Director, Indraprastha Gas Limited
EBITA per SEM. If we see the major geographies we are getting a slightly better beta persimmon because of concentrated sales and better volumes in terms of new geographical areas. Actually more depends upon the taxation structure also to some extent. And as and when they get matured and the sales get started increasing, we find that economies of scales of benefit is coming to those areas. So those new GA's which have started maturing like the body, we are getting a better EBITDA there and there's a continuous process.

The more the sales is, the better the beta will be.

Gagan Dixit - Analyst, Elara Capital
Yes, that's my answer. All the best. Yeah, thanks.

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

Operator
Thank you. We have our next question from the line of Sourav Handa from Citigroup. Please go ahead.

Saurabh Handa - Analyst, Citigroup Inc
Yeah, thank you for the opportunity. 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, etc.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Yeah, yeah. So I'll give you just a second. Yeah. So from the, 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%. Three 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 - Analyst, Citigroup Inc
Okay, got it. 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?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
So. No, no, I, 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, but the phasing out will happen because there will be a change of the permits also. So every year like 5 to 5000 something vehicles will go back, they'll 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 five years, maybe 2 to 3% it will be like that.

Saurabh Handa - Analyst, Citigroup Inc
Okay, and so the 7 to 8%, would you have an idea how much actually is just the daily portion of it versus primarily

Kumar Shanker - Managing Director, Indraprastha Gas Limited
it is Delhi only. Primarily you can say around 70 to 80% it will be Delhi only.

Saurabh Handa - Analyst, Citigroup Inc
Okay, got it. Thank you. And my second question was on, on this Gurgaon 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?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
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 pipe natural gas or cng. So that internally the company has taken a call to conditionally accept and develop going forward.

Saurabh Handa - Analyst, Citigroup Inc
Okay, so just to clarify, even the areas that are not say in Gurgaon, 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?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
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 pipe natural gas as well, 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 - Analyst, Citigroup Inc
Okay, so that means in the entire Gurgaon region now you would be

Kumar Shanker - Managing Director, Indraprastha Gas Limited
clear, actually see within the entire gurugram, part of the area was already here not only for LPL earlier, that part portion was also since entirely our claim was that the entire gurugram is for igl. The part portions, the services were not commenced but now given the situation right now and then why to deprive 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 - Analyst, Citigroup Inc
Okay, that's clear. And then Faridabad then.

Operator
Sorry to interrupt you Saurabh maybe requested to rejoin the team.

Saurabh Handa - Analyst, Citigroup Inc
Sorry, it's just the same question. I'm just clarifying. So in Faridabad there was no part authorization, Right? And Faridabad it was completely out of IGs.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Yes, yes. So we'll be developing that partly is with us and partly and majorly it is with somebody else.

Saurabh Handa - Analyst, Citigroup Inc
Right. So nothing very different from what the situation was earlier. So just wanted to confirm that. I got it. Thank you sir.

Operator
Thank you. [Operator Instructions] Next question is from the line of Mayank Maheshwari from Morden Stanley. Please go ahead.

Mayank Maheshwari - Analyst, Morgan Stanley
Hi sir, thanks for doing the calls for 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 - Managing Director, Indraprastha Gas Limited
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'll open up the other areas one remains to see but at this stage we believe that even in our own newer GS you know there is a good scope as you can see in our the kind of growth that we have been achieving in our newer GS. So progressively their share is already improving.

So we are right now focusing on to expand our operations in newer years.

Mayank Maheshwari - Analyst, Morgan Stanley
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.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
So you are right. I think first quarter we have spent around 327 crore 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 1800-2000 still our aim is like that only and spending around 1200 to 1300 or maybe maximum 1500 on the core and if we get some other opportunities for the business development diversification so we'll have another 5, 600 there also.

Operator
Got it. Thank you. Thank you. We have a next question from the line of E.A. Sundara from Virgil Rock Capital. Please go ahead.

Unidentified Participant
Yeah, good afternoon sir and thanks for the opportunity. My first question is, you know, 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 business. 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 is there any indication or any move that you are aware of that the Delhi government may employ a similar policy on four wheelers also?

And do you see any, any indication of that? And the follow up question on the first question is what is the proportion of PNG vehicles in the new four wheeler registrations

in the Delhi area

the recent months? Can you, can you throw some light on that? Yeah,

Kumar Shanker - Managing Director, Indraprastha Gas Limited
yeah. So, so, 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 six months or so. That is point number one. So overall what data we have, if we see the entire vehicle population of Delhi and Nano, so it is on 24 to 25% on PNG.

Secondly, see, we have been advocating at various forums and what we understand, whether it is at the ARI 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 fuel, whether it is a CNG as a transition fuel or it will be easy.

So it will be a mix of all these fields. And going forward we are anticipating a very, very robust growth from png particularly on the basis of the information or data which we shared with you.

Unidentified Participant
Okay, the second question is, you know, 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, in the first three months of the financial year? And what does it mean in July? What is the cost of gas that you are having in July?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
See the. 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 40 to 45 rupees per SEM. 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 little bit

Unidentified Participant
But I'm asking, I'm asking this because you are confident of returning to the EBITDA for SPM of about seven to between seven to eight rupees. That is the reason I'm asking.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
So, so sir, I had already. See we had already mentioned and I think was a guidance for a long term for the going forward. It is not in the immediate quarter or maybe like that. Yes, our expiration guidance is always there to be there. But in a such a. In unpredictable and volatile situation of the geopolitics it will be very very difficult to comment for the quarter.

Unidentified Participant
Okay. Okay. My, my other question sir is is there. We saw one report by PNGRD 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 that you can share with us?

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

Yeah,

Unidentified Participant
yeah, I understand that but I just want to know

Kumar Shanker - Managing Director, Indraprastha Gas Limited
such a kind of kind of available evidence to suggest that there's any big change is happening there.

Unidentified Participant
Okay. See my final question sir is about one of the points made in. In a previous system. This is made by the management some time ago.

Operator
Sorry to interrupt you sir. Due to shortness of time.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
We can just have this last question. Okay.

Unidentified Participant
Okay, thank you. See my question is, you know it was mentioned that there is the. Originally the

entire program was awarded to Ideal but then it went into some mitigation.

I,

I. If I remember correct it was because of some valuation issues that it went into. But now IGL has been Awarded one third of Gurugram. Is there, is there the other two parts of Guru, are they still under litigation or is there any chance that that part will come into Iglit in the future? Is there, is there any possibility of that?

Kumar Shanker - Managing Director, Indraprastha Gas Limited
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 too ideal and we are contesting forward. We have not at all surrendered at such. See, but one point what we need to remember is even the portions where right now is disputed and you know, the other party is operating but the gas is still in a bulk places. We are procuring it from ideal only. So to that extent the molecules actually still are going through us only.

So we need to understand that, that the future from a strategic point of view, you know, 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.

Unidentified Participant
Yeah, but it's nothing like having the final.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Yeah, you are right. But just adding that point that you know, so that's how it is.

Unidentified Participant
Okay. Okay. Thank you for policy of time. I will stop here and allow the others to ask.

Operator
Thank you. Ladies and gentlemen. Due to time question, that was the last question of the day. And participants whose question have remained unanswered may approach Mr. Manjit with the management. I now hand the conference over to the management for closing comments. Over to you, sir.

Kumar Shanker - Managing Director, Indraprastha Gas Limited
Good evening to all of you. I on behalf of the IGL management, like to thank all of you for participating in the earning call for Q1 27. And special thanks to Philips Capital and Nathan 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.

Operator
[Operator Closing Remarks]

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