



“Adani Total Gas Limited  
Q1 FY26 Earnings Conference Call”

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**Moderator:** Ladies and gentlemen, good day and welcome to Adani Total Gas Limited Q1 FY26 Earnings Conference Call. We have with us today, Mr. Suresh Manglani, ED and CEO, Mr. Parag Parikh, CFO and Mr. Priyansh Shah, Head, Investor Relations.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Suresh Manglani. Thank you and over to you, sir.

**Suresh Manglani:** Thank you. Good morning all. Thank you for participating in this conference call. Let me extend a hearty welcome to all our investors, analysts, funds for taking out their time and participating in today's call which is for announcing the result of Adani Total Gas Q1 FY25-26.

I am happy to share the operational and financial numbers of Adani Total Gas Limited for the quarter ending June 30, 2025. Let me begin sharing details on our network expansion during the quarter. Our CNG station network has increased to 650 stations. Out of these 650 stations, 124 CNG stations are either on CODO, Company Owned Dealer Operated or DODO, Dealer Owned Dealer Operated format. And as we build more CNG stations, we are looking to add more CODO and DODO outlets as part of our expansion strategy.

Our steel pipeline infrastructure has now increased to 14,197-inch kilometers. This is the backbone of our CGD infrastructure which will help reach large masses across overall geographical areas to supply PNG and CNG. With the addition of close to 27,000 new homes on PNG supplies during this quarter, we are now serving almost 1 million domestic connections.

In the industrial and commercial segment, which are our B2B users, we have added 157 new I&C consumers during this quarter, which has taken our base increase to 9,456. This covers diversified industries and commercial establishments. On our e-mobility business, I am happy to inform you all that our footprint is now continuously increasing.

As on 30th June 2025, we had installed 3,801 EV charge points across 26 states and Union territories with installed capacity of 39 megawatt. Similarly, on the bio business side, we had already commissioned our Barsana plant and now we have set up the first DODO CBG station in Hodal, Haryana.

Now, if I may take it, our performance along with our 50-50 JV with Indian Oil Corporation, namely Indian Oil Adani Gas Pvt. Ltd., our consolidated nationwide CGD network today stands at 1,078 CNG stations, 11.7 lakh homes on PNG supplies, 10,640 commercial and industrial consumer getting supply of PNG, and our backbone infrastructure of a steel pipeline together has increased to 25,829 inch kilometres.

Collectively, as you are all aware, we are serving 53 geographical areas, 125 districts out of which 34 geographical areas and 95 districts are being served by Adani Total Gas and 19 geographical areas which translates into 30 districts are being served by our JV company, IOAGPL.

On the operational side, Adani Total Gas has achieved during this quarter robust year-on-year volume growth of 16% to 267 MMSCM which was largely driven by increase in the CNG volume by 21% to 185 million metric standard cubic metre, MMSCM and achieved 82 MMSCM of a PNG volume which grew by 6%.

This increase in the volume was achieved despite our higher gas cost because we passed through very calibratedly to the end consumers. This higher gas cost was on account of, as you are all aware, lower allocation of APM gas which got replaced or off setted with higher price New Well Gas and high pressure high temperature (HPHT) gas and we also added some portion of domestic or RLNG gas which was on a market price purchased.

As a result of our continued efforts to build a robust gas sourcing portfolio, enhanced operational efficiency and very highly focused area of digitalization, automation, robotization of our processes, we have ensured 100% reliability of supply of PNG at a prudent pricing affordable to both PNG and CNG consumers.

On the financial performance side, during the quarter Adani Total Gas revenue grew by 21% to INR 1,491 crores on account of, as I stated, higher volume, primarily which was driven by CNG segment. Despite increasing the gas cost, we maintained a prudent pricing strategy with calibrated price adjustment to ensure volume grows on a sustainable basis. As a result of all these efforts, team ATGL has delivered EBITDA of INR 301 crores for the quarter April to June '25-'26.

Our profit before tax for the same quarter was INR 219 crores and the profit after tax was INR 162 crores. Further, to enhance customer experience and offerings, you are aware that during this quarter we have entered into an agreement with a Jio-BP which sells MS (Motor spirit)-petrol, HSD-diesel to leverage each other's infrastructure to provide a complete range of high quality fuels to the consumers. This tie-up will help us accelerate the addition of DODO and CODO CNG station with Jio-BP fuel across all our 34 geographical areas.

In addition, we would also get benefit of our e-mobility business by setting up EV charging station at a strategic location. Now, let me touch on our ESG front, Environment, Social and Governance. I am happy to report that with the dedicated focus on sustainability and ESG, our ESG rating has been improved by CRISIL from Adequate to Strong. We have been rated at CRISIL ESG 61.

In closing, I would like to say that we remain optimistic about our growth that shapes India's energy transition journey and ATGL is committed to play a leading role by providing affordable and reliable low carbon energy solutions for homes, industrial and commercial segment as well as for transport mobility segment.

I would like to acknowledge and be thankful to our shareholders, analysts, fund houses, consumers, dealers, suppliers, business partners and at the first priority our employees for providing trust and continued support and putting extraordinary hard work. Thank you.

**Moderator:**

Sir, shall we open the floor for questions?

- Suresh Manglani:** Yes, please.
- Moderator:** Thank you very much. We'll now begin with the question-and-answer session. First question is from the line of Varatharajan Sivasankaran from Antique Limited. Please go ahead.
- Varatharajan S:** I have two questions. One, with regard to the visibility of this APM Gas allocation, they were supposed to give a 6-month kind of visibility. Is that system in place? Are we getting some kind of a signal that they are going to give us sufficient notice to cover our requirement in case of de-allocation?
- Suresh Manglani:** Yes. I think our gas sourcing head, Ravindra, will take this question. Ravindra, please.
- Ravindra Desai:** Yes. So they have agreed upon giving enough notice so that everybody can plan the shortfall and the shortfall demand what they see. And it is under process and definitely it will be in place in due course. Earlier, it was very short notice that has been extended, but they are trying to extend it further. So, enough timeline is given to the requirements of CGDs.
- Suresh Manglani:** Next question here, Varatharajan.
- Varatharajan S:** Yes. So lately, we have seen the price of CNG vehicles vis-à-vis their petrol counterparts has actually gone up a bit. Are we seeing any impact of that in the conversions or adoption of CNG vehicles in your GAs?
- Suresh Manglani:** No, I think, Mr. Varatharajan, on the contrary, I think our belief is it is not the price of a alone CNG vehicle. This is a normal increase which takes place by OEMs due to various factors and that has a slight implication on CNG vehicle, but otherwise the difference between petrol and diesel vehicles are being maintained as it used to be because there is a CNG kit and there is a tax on the CNG kit as well.
- On the point of whether impact is there, but if you see as I stated also in my announcement of a result that there is actually a volume growth of 21% and this is across if you see industry, good healthy growth is coming. There is a good healthy booking of CNG vehicles as well as the conversion. So, in fact, we are seeing a good traction of a CNG vehicle coming on the roads.
- Parag Parikh:** Just to add to that in terms of some data points of registration, the CNG registrations have been growing. So, if I were to look at from FY23 to FY25, registrations in FY23 grew by 12%. These are more from India overall standards, overall numbers. In FY24 grew by 15% and in FY25 it grew by 17%.
- So, on one hand you are continuing to see registration which is effectively newer conversion of vehicles and as we just stated even in terms of our own existing fuel mix, we are seeing CNG as a dominant fuel. 65% to 70% of our composition is coming from CNG fuel and that is primarily because of the growth that we are seeing in this segment.
- Varatharajan S:** Sir, if I have one more question, just a question.
- Suresh Manglani:** Please.

**Varatharajan S:** Do you think in the case of commercial vehicles rated light or medium heavy commercial vehicles, when we look at the price arbitrage vis-à-vis diesel, what is the optimum level you have seen beyond which we see some amount of pushback, I mean, is it more like 10%, 8%, 12% at the absolute price level?

**Suresh Manglani:** See, I would say I think there are multiple considerations which gets into when people decide to go for commercial vehicle on CNG. One is, of course, efficiency or price differential between CNG and the HSD, but also is driven by several organizational objectives. If organization has a commitment on emission norms to be followed for their exports, etcetera they are taking commercial vehicle on CNG.

So, I think there are multiple factors which are playing. On the efficiency side, of course, everyone is expecting bit higher efficiency and that is the reason if you see we have been stating that we are calibrating our prices. The APM allocation has come down to almost 36% for CNG and it has been replaced with new well gas, HPHT and we are buying additional gas to meet the consumer demand.

But our pass-through has been very calibrated. That is the reason there is slight dip if you see on the net profit at the end. But that is absolutely fine for us as long as we see growth traction is happening and conversion of vehicles across whether it is passenger or the commercial takes place.

So, we are seeing good traction and consideration is always saving plus various corporate objectives on a climate change or emission commitments.

**Varatharajan S:** Yes, sir. That is useful. Thanks a lot.

**Moderator:** Thank you. Next question is from the line of Yogesh Patil from Dolat Capital. Please, go ahead.

**Yogesh Patil:** Thanks for taking my question. Hope, am I audible?

**Suresh Manglani:** Yes, Yogesh, you are loud and clear.

**Yogesh Patil:** Yes, sir. Considering two zonal tariff structure, what would be the impact on your gas cost at a company level and if we break down the gas sources then could you please share the details how much portion of a gas comes in zone 1, zone 2 and zone 3 if possible?

**Suresh Manglani:** So, Yogesh, first, I think I must thank you for being a regular participant. Invariably, we see you coming and also more important, I see that you raise your hand first to ask the question and I would encourage you to ask as many questions as you want to ask so that others also get the full benefit and keep asking such tough questions as you are asking now.

I think on the zonal tariff side, the tariff clarity is yet to come. Currently, the existing regime is continuing. PNGRB has notified that August month will continue to have a similar arrangement as it is hitherto and they may come with a new tariff which regulation they have passed.

Now, you are aware that from three zoner, the regulations have been modified to now put in place two zones. So, the third zone has gone away, zone 1 and zone 2. And the good news is that they have also stated in the same notification that for CGD, for a home PNG as well as CNG, which is the priority segment for which we get APM, there will be only zone 1 tariff irrespective of a distance.

So, it means even if I take the gas now from Gujarat to let's say even our Bhadrak, Odisha areas or any geographical area which could be distance of let's say 1000 plus kilometers, the tariff will be zone 1. So, this is a good news for a CNG segment that PNGRB has taken this very noble cause besides MOPNG and the government supporting CGD growth. This would be a positive development for us.

However, we are yet to see what is going to be the revised zone tariff, if at all they are going to revise. Currently, you are aware the zone tariff is around INR42. So, we need to see what tariff comes. Depending upon the tariff regime, we will, largely in our case, largely volumes are in Zone 2, which is I think around, what is the tariff in Zone 2?

**Parag Parikh:** INR80.

**Suresh Manglani:** Roughly around INR80. Now, we need to see what tariff comes for a special Zone 1 tariff for CGD. But we are expecting a moderate increase from current INR42 and it will be a very good development for a CGD segment to grow. And we -- as we have stated, we are always looking forward to make it CNG and PNG more and more affordable. Where our focus as everyone is aware is to drive volume and wider base, our consumer base.

**Yogesh Patil:** Sir, as you mentioned, this would be a positive for us considering most of the volume is shifting into the Zone 1. Could you quantify any amount which you in-house estimate that would be a kind of a saving on the gas cost side because the gas cost will come down?

**Suresh Manglani:** So, I think, Yogesh, as -- you understand that as a publicly listed company, it will be not right to hazard a guess. We do not know what is the revised tariff which is going to be coming. But we also know for sure that INR42 and INR80 difference is quite wide and we are expecting -- as we get engaged with all the stakeholders, we are expecting there will be some moderate increase because ultimately everybody's interest has to be taken care.

The volume from Zone 2 will shift to the special zone. So, I think still a lot of working is required to be done. PNGRB is working. I would urge you and all the participants to bear some patience with us. We would come back with correct implication, positive for us as we receive the numbers, finality of the numbers through the PNGRB notification. That would be the right way. Today, if I give you some number, it will be preempting what PNGRB is going to be doing it as per our assessment which may bias the entire thing.

**Yogesh Patil:** Okay. Sir, next question is your PNG sales volume is only 6% as grown in -- compared to the last quarter -- year. Are we facing a volume growth challenges on the PNG industrial due to propane? And if we get the PNG industrial and the PNG domestic volume breakup, that would be really helpful?

**Suresh Manglani:**

So, I will -- Yogesh, it's a very good question you asked. I will hand over this to Parag and Ravindra. But prior to that, I will tell you, CGD being a last mile connectivity to several type of a customer domestic, commercial industries, is -- there also is a seasonality which plays. The past six months or the past quarter was a bit of a winter month where we have a lot of consumers using water heating through a gas geyser that enhances the consumption.

So, that had some implication in this quarter. So, seasonally, if you see, there is a good growth. Quarter-on-quarter, you will see there will be some sort of an attraction which is not supporting because of this seasonality part.

On industries, you are absolutely right. This is the alternate fuels are certainly playing its role and we are also continuously working to bring several marketing intervention including developing our robust gas sourcing so that we continue to work. We definitely feel optimistic that given what we are doing now on a gas sourcing side, we would be better competitive as we have always been and we will be able to give a good value offering to our industrial consumer as well.

But yes, many of our consumers who resort to use coal or solid fuels, it will be difficult to compete with a solid fuel. If the customers are deciding to use more cleaner fuel, ATGL will be the choice for them in our geographical area, because our supply is -- our pipeline infrastructure is now very well laid across all geographical areas. I will actually give it to Parag and Ravindra to add and give you a break up.

**Parag Parikh:**

Thank you, Yogesh. So, I think -- as was explained, I think, we continue to see a Y-o-Y growth as far as even the PNG segment is concerned, whilst of course, winters tend to get a little higher consumption, so the immediate quarter preceding analysis may not give the complete correct picture due to seasonality correction. Overall, PNG segment has grown and industrial more specifically has grown by a little over 5%. So that's the growth rate that we have seen even on a Y-o-Y basis on the industrial segment.

Similarly, so commercial and domestic segments have also been growing, and that's where we see this fraction coming in. Yes, as I said, seasonality plus a little bit of an alternative fuel and we continue to keep engaging with the customers to see how this can be accelerated.

**Yogesh Patil:**

Sir, sorry, but can we get the absolute numbers of PNG industrial, PNG domestic and PNG commercial. If we get it, that would be helpful for the quarter, Q1 FY '26.

**Parag Parikh:** Yes. So, for Q1, close to about 69% is CNG and the balance 31% is within the PNG segment. 70% of this is actually dominated by industrial segment only, whilst about 24% is domestic and 6% is commercial.

**Yogesh Patil:** Okay, and the last I just wanted to clarify on that zonal structure 80%-85% of our volume lands into the Zone 2. Is that a correct understanding? You can correct me.

**Ravindra Desai:** I would say not 80%-85% but roughly around 60%.

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

**Moderator:** Next question is from the line of Kirtan Mehta Baroda BNP Paribas.

**Kirtan Mehta:** Thank you, sir, for this opportunity.

**Moderator:** Kirtan, sorry to interrupt you. Can you please speak through the handset?

**Kirtan Mehta:** Yes, my question was regarding the 21% CNG growth that we have seen this time. It's a very strong growth. Is it possible to give us some more color in terms of how the growth we are seeing in the matured GAs, how is it different into the new GAs?

Is it possible to break down this growth into sort of across different categories of GAs? That was one part. And second is, is it also possible to break down the growth across different geographies in terms of how you are seeing the traction developing?

**Parag Parikh:** So, I think, Kirtan --I think it's a very, very insightful question. So, overall, if you actually look at the volume of ATGL and as we have mentioned, as the infra of the newer geographies is being built, the volume contribution from the newer geographies is also beginning to add to it.

Today, our composition is close to about 65% from the existing geographies, while about 35% is from the newer geographies. So, that's the overall contribution. Coming more specifically in terms of the CNG growth rates that we have seen, we continue to see double-digit growth rates even now as far as the existing geographies are concerned. So, adoption continues to be there as far as the existing geographies are concerned.

As far as newer geographies are concerned, the growth rates are far more significant higher because of simply the addition of newer networks, newer stations which are getting operationalised. If I were to see from a Y-o-Y, 30% plus is actually in terms of newer CNG growth rate, while 12% is from the existing geographies in terms of CNG growth.

As far as the geographies, a little more insight of that is concerned, amongst the newer geographies that are contributing now, as I mentioned to you around 35%, primarily the 9th round, 10th round geographies are beginning to add to this contribution. 11th round, as you are aware, we are still under the capex phase. In some of the cases, we are yet awaiting the national connectivity as we continue to execute work there.



So, within the 9th, 10th round geographies, the contribution or I would say the ones which are the larger contributors are Kheda, Udaipur, Surendranagar as well as Diwan. So, these are the 3-4 geographies which are contributing from the newer geographies to the overall volume.

**Kirtan Mehta:**

Thank you, sir, for this insight, quite helpful. The second question was about when you look at the planning the CNG infrastructure for next 3-5 years, what kind of the growth you are assuming to develop your capex scheme and what is it that your current plan entails in terms of investment or particularly on the CNG side for next 3-5 years?

**Parag Parikh:**

So, Kirtan, like we have said, whether it is in terms of volume or for that matter in terms of capex, we actually incur in terms of a calibrated manner as far as our capex program is concerned. This year, we are likely to incur a capex of somewhere in the range of about INR900 crores-1,000 crores. So, that is the capex that we are intending to do for this year.

As far as the next 2-3 years are concerned, we will land up doing a capex of INR 3500 crores-3,700 crores. So, that is the kind of capex that you will see over the next 3 years. Primarily, this capex is aimed towards the network creation especially of the 11th round geographies and we have always preceded the CNG stations over the PNG and the domestic connections in terms of incurrence of capex. So, really, the significant part of this capex will be core network of steel and to add to that on the CNG station.

**Kirtan Mehta:**

Right. Just one more follow-up around this. In terms of our earlier discussion, I think you had mentioned that we will probably look at sort of maturing the CNG infrastructure to the extent of 20% penetration levels in each of the GAs being sensitive to the potential EV competition that can arise. So, does that dimension still remain around 20% penetration levels to target or are we looking for a different number at this point of time? I think this is the last question from my side. Thank you.

**Suresh Manglani:**

So, Kirtan, actually, again, I am glad that you asked this question. It is 20% or higher, the key for us is to expand CNG volume in each of the geographical areas, untap the potential of currently used vehicles which are being used, also promote along with OEMs new vehicles which are being purchased. So, that is what the very calibrated strategy, if you see in our geographical area, we have tied up with Maruti giving several marketing intervention and incentives to consumers to buy CNG vehicles.

Similarly, we are working with retrofitters. We are working with trucker associations, bus operators, fleet operators, tourist operators. So, I think our efforts is to make sure that whatever is the potential which is available, we build infrastructure to cater and give a good message of chicken and egg that we will take first step. This is a supply-driven market.

We will, to some extent, do a supply-driven and once supply-driven is put in place, we will expect demand comes up and demand-driven development takes place. So, I think it is our robust strategy which is in place and which is being seen by you all through our results as Parag also stated.

Our optimism is that we will maintain a double-digit growth in CNG side and that we are also seeing the traction through OEMs interaction, CRM interaction that people are opting for CNG. So, rest assured, it is 20% or more. We would be definitely investing and putting our capital in all our geographic area for CNG wider basing of the consumers. Hope you are happy with the answer, Kirtan.

**Kirtan Mehta:** Thank you, sir. Thank you, sir for the detailed responses.

**Moderator:** Thank you very much. As there are no further questions, I will now hand the conference over to Mr. Priyansh Shah for closing comments.

**Priyansh Shah:** Thank you all the participants and the management for sharing their insights. In case of any further questions, you may please write to us. Thank you. Have a good day.

**Moderator:** Thank you very much. On behalf of Adani Total Gas Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.