



**Adani Total Gas Ltd**  
**Q3 & 9M FY23 Earnings Conference Call**

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**CORPORATE PARTICIPANTS:**

**Mr. Suresh P. Manglani**  
Chief Executive Officer

**Mr. Parag Parikh**  
Chief Financial Officer

**Mr. Priyansh Shah**  
Investor Relations

**Q&A PARTICIPANTS:**

- |                                     |                       |
|-------------------------------------|-----------------------|
| <b>1. Kirtan Mehta</b>              | : BOB Capital Markets |
| <b>2. Yogesh Patil</b>              | : Centrum Broking     |
| <b>3. Harsh Maru</b>                | : Emkay Global        |
| <b>4. Varatharajan Sivasankaran</b> | : Antique Limited     |
| <b>5. Sudeep Anand</b>              | : Haitong Securities  |

## **Moderator**

Ladies and gentlemen, good day, and welcome to the Adani Total Gas Limited Q3 and Nine-Months FY23 Earnings Conference Call hosted by Ventura Securities Limited. As a reminder, all participants lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. If you need any assistance during the conference call, please signal an operator by pressing \* then 0 on your touch-tone phone. Please note that this conference is being recorded. I would now like to hand over the floor to Mr. Tushar from Ventura Securities Limited. Thank you and over to you.

## **Tushar**

Thank you. Good day, ladies and gentlemen. On behalf of Ventura Securities Limited, I welcome you all to Adani Total Gas Limited Q3 and nine-months FY23 earnings conference call. The company is today represented by Mr. Suresh P Manglani, Chief Executive Officer; Mr. Parag Parikh, Chief Financial Officer; and Mr. Priyansh Shah, Investor Relations. I would now like to hand over the call to Mr. Manglani for his opening remarks, post which we can start the questions-and-answers session. Thank you and over to you, Sir.

## **Suresh P Manglani**

Thank you, Tushar. Good evening, everyone. Let me extend a hearty welcome to all our investors, analysts, Fund Houses for taking out their time and participating in today's call on nine-months and Q3 FY23 results of Adani Total Gas. As you all know, at ATGL, we adhere to the highest safety standards, and safety is a precondition to work. We inculcate a very strong safety culture at ATGL, which helps us to build safe and reliable CGD network across India. With these continued efforts, we are able to maintain zero fatality rate at ATGL. The board of directors met today and approved the nine-months April to December and Q3, October to December 22, FY23 results.

Let me first give you the highlights on infrastructure front. As I have been stating, in previous calls that it has been our strategy to accelerate the laying of a steel pipeline and setting up of CNG station. So, I'm very happy to inform you all that as on December 31st, 2022, ATGL has achieved 10,500-inch kilometer steel pipeline laying underground. This has certainly enabled us to fast-track the development of a last-mile connectivity, which will then help to set up more and more online CNG stations, provide PNG connections to the large number of homes, commercial consumers and industrial, and this actually will boost the PNG and CNG ecosystem.

Also out of 15 geographical areas, which were awarded to us in 9th and 10th round, in 11 geographical areas we have completed many of our programs not only for FY23, but also for FY24. On the CNG front, during this nine-month period, we have added 48 new CNG stations, which has taken our tally to 382. The 382 CNG stations include 74 stations, which are on CODO,

Company-Owned Dealer-Operated, and DODO, Dealer-Owned Dealer-Operated model, which is a thrust which we have been always placing to improve the quality of CNG station formats. If I add 238 stations, which have been now set up by our JV company, IOAGPL, which is along with our Indian Oil Corporation in 19 geographical area.

Our footprint across the India now is there for 620 CNG stations. Again, on the CNG front, out of the 15 GA rounds, which we got from PNGRB in 9th and 10th round, in 14 geographical area, we have completed our minimum work program commitment, not only for FY23, but also for FY24. This certainly, in our view, will encourage the automotive OEMs to not only develop, but also promote newer model and also encourage their consumers to buy the CNG vehicles. We also believe that this ecosystem development efforts which we've taken will motivate, encourage, and promote the consumers to go for a CNG vehicle and convert their existing vehicle by the new vehicle because now there is a convenience of CNG available in almost every strategic location, in every geographical area.

On the home PNG, that's our thrust area. We have added over 92,000 new homes during this nine-month period on piped gas. So, as on December 31st, 2022, 6,56,000 consumers in total are enjoying the convenience of PNG directly in their kitchens across all geographical areas. You also know our thrust, which we put on our anchor, commercial and industrial consumers, hotels, restaurants, SSIs and the MSME industries. During this nine-month period, we have added 614 new industrial and commercial consumers, which has taken our total industrial commercial consumer base to 6,290. This gives us a good anchoring for a good volume growth in future as the price moderations we start seeing further.

On an overall basis in nine-months' period, despite the challenges which you all are aware, since all of you are tracking this sector, there has been a significant input price pressure because of this geopolitical issue. Despite all these challenges, ATGL has been able to maintain double-digit growth of a 10% volume growth during the nine-months period vis-à-vis the corresponding period of nine-months of the previous year. We do expect and we are seeing some moderation in the prices because of the good storage in the Europe, relatively lesser, severe winter with what we are seeing it and then increase in the domestic production which is coming either on HVST and otherwise site.

So, we are expecting that these all developments and also increased allocation of APM gas, which is what we expect, accept and finally of the Kirit Parikh Committee by the Government of India would certainly be an enabler for us to boost the PNG and CNG ecosystem and give volume booster in the coming quarters. Let me now give you highlights of the financial performance of the company. On the nine-month period April to December, our revenue was worth INR 3,486 crore, up by 63% as compared to corresponding period of nine-month of FY22. EBITDA increased to INR 702 crores as compared to INR 673 crores of FY22 for the corresponding nine-months' period.

Profit before tax was INR 574 crores and profit after tax was INR 426 crores for the nine-months period. On the quarterly numbers for Q3, October to December, our revenue was INR 1,186 crores, up by 26% as compared to Q3 FY22.

### **Moderator**

Ladies and gentlemen, please stay connected while we connect the management team back on the call. Please go ahead.

### **Suresh P Manglani**

Yeah. So, my apologies. I think there was some connectivity issue on the telephone line. I hope that you heard me last. I am repeating on quarterly numbers if there is anything missed from our side, please do ask, we will repeat it again. So, on the quarterly side as I was saying our revenue for the Q3, October to December FY23, was INR 1,186 crores, which is up by 26% as compared to Q3 FY22. EBITDA grew by 13% at INR 238 crore as compared to INR 211 crore of a Q3 FY22. Profit before tax for this quarter up to December was INR 201 crore and profit after tax INR 148 crore. Profit before tax grew by 14%, profit after tax has grown by 13%. You are all tracking the sector and you have also been seeing our numbers on QoQ basis.

I would like to give you brief on some of the ratios. Our balance sheet is healthy. We have a debt equity ratio at 0.4x and the net debt to EBITDA on an annualized basis is also healthy at 0.93x. Our return ratio are also quite healthy at about 20% and we hope to maintain and continue the similar ratios in future, that is helping us to continue our growth plan on infrastructure development on a fast-track basis. Also, you are aware that recently, we had started, we have set up two SPVs one on e-mobility to take the full benefit of this new opportunity which is emerging in India and another on the biomass side, the CBG and the organic fertilizers, et cetera.

So, I'm pleased to inform you all that in a shorter period of time, while a lot of work has been done on subject planning, selection of a site, identification of a B2B partnership. In a shorter period of time, we have already started 32 charge points at 14 locations, including some of the hub where we have close to 20-21 charging points at one place itself. So, the 32 charge points have started across various strategic locations in India and we hope to see a major growth in setting up of more and more charge points and more and more B2B partnership in the near future on EV front. It's an area of thrust from our side, besides giving complete focus on CGD areas.

On the biomass side, we have now commenced the construction work on the India's largest biomass project at Barsana. This is a site location close to Mathura, in the northern parts of India. The EPC work has started and we hope to see much more mobilization of labor and the equipment's in the next two to three weeks, and our expectation is that we will commission Phase-I of this plant in FY23-24. So that's the highlights on CGD, EV, Bio, nine-months and quarterly, and I may just touch that on the ESG front as well, ATGL received the ESG initiative of the year

award from ET EnergyWorld Annual Gas Conclave. For the activity which our company is doing under the unique initiative of Greenmosphere, which is the initiative to create a low carbon society.

And this good work plus several other initiatives on ESG is going on in a fast-track basis. So, there is a significant thrust from our Board of Directors, there are lot of policies and compliances, processes are getting approved and all those are being put in place. You are aware that ATGL has been continuously working on providing state-of-art customers experience. So, on that front, we have been continuously delivering the digital tools through our mobile app, My Adani Gas, or through our website. So, during this period, we have delivered now a complete state-of-art My Adani Gas app, where customers can take the online registration of a new connection at their home, 100% online name transfer if you have been selling the property or there is some demise in the family, from owner to the legal heir, we can do all in online basis.

Similarly online refund is possible, complete bouquet of service from billing to query management all is on the mobile app. Also, the unique feature is, this also provides multiple Indian language, you can interact in English, Hindi, Gujarati and many more languages are being developed. Similarly, we have launched a state-of-art, a smart IVR multiple languages, which is the first of its kind in India that a CGD company has launched. We hope to bring many more services to ensure that this whole, the role of a customer care, which a B2C company does, is transformed to customer delight. So, from a care to delight transformation journey has been undertaken by ATGL and in the next couple of quarters we hope to see a major transformation taking place on care to delight on the front of a customer services.

I would like to acknowledge and be thankful for the continued support and the role played by our shareholders, consumers, dealers, suppliers, business partners, all investors, analysts and stakeholders who are associated with Adani Total Gas for their trust and journey, ahead is going to be much more exciting and successful. Thank you very much once again for participating in this call.

**Tushar**

So, we can open this floor for the Q&A.

**Q&A**

**Moderator**

Thank you, Sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press \* and 1 on your telephone keypad and wait for your turn to ask the questions. If you would like to withdraw your request, you may do so by pressing \* and 1 again. We will wait for a moment while the question queue assembles. The first question comes from Kirtan Mehta from BOB Capital Markets. Please go ahead.

**Kirtan Mehta**

Thank you for giving this opportunity. Couple of questions from my side. We understand that post notification by Government on prioritizing CGD for allocation of HPHT gas on e-auction. Some of the CGD companies have received 100% allocation to replace their any of this spot gas requirements. Would you share how exactly there has been in case of the Adani Gas? Are we getting more allocation of the HPHT to bridge the shortfall in the APM?

**Suresh P Manglani**

Yes. So, I think, Kirtan, I'm very happy that you are keeping track of these latest development as well. This is one another initiative, which Government has taken to make sure that CGDs are provided affordable priced gas or even the shortfall which happens from APM or for the period even if government gives us 100% gas in the no-cut category. In the APM price there is a shortfall which could arise because of the growth, which is happening during the quarter, because numbers are changed in the quarter. So, now the HPHT gas, which is on a higher ceiling basis, there have been a notification of the Government which has actually brought the allocation sequence.

So, the first sequence is for CNG and domestic PNG for CGD entity, then goes to fertilizer, then goes to LPG, and then goes to power, and then it is available to everyone on a proportionate basis. So, this has certainly as you stated rightly and you have understood it correctly. The first requirement, since the allocation, the volume which is coming is significantly higher as compared to what all CGDs would require at the initial stage as we grow our volumes will grow and this is towards the shortfall from APM or the growth side.

So, we have also been benefited in the same manner. This higher ceiling price gas is now being made available to us, of course through the bidding only, but it is being made available to us and we have received our requirement in the last bidding round under the shortfall part, we have also received, and we have been the benefited of this new policy of the Government.

**Kirtan Mehta**

Thanks for sort of clarifying this. One follow from the same legally. This is applicable in the e-auction where the bidding happens at the cutoff price, but could this also be extended to some of the contracts which will come out for bidding from Reliance and ONGC, if there is no sort of the ceiling price, if the ceiling price concept is dropped from the bidding, would CGD be able to get allocation out of that, is it possible to drop the ceiling price clause from the new auctions for the new gas coming out of the Reliance or ONGC?

**Suresh P Manglani**

You see, when the fields are awarded, at that point of time you get the classification or the DGH does the classification of the field basis the complexities that this is a high-pressure high-temperature field or not. Once that field falls under HTHP, the current regime suggests there is a ceiling under the PSC itself the government has prescribed. There is a computation methodology of the ceiling part, and then there is an APM gas for the nominated ONGC field. Remaining fields which are not falling either in nominated field of APM or HTHP, it becomes the open fields where has a process of discovering the price through bidding and that would be available on the bidding methodology of who bids the highest, who bids the best, this is basically the bidding parameters.

There could be a tenure as a dynamic parameter, there is the pricing as the dynamic parameters. So, I think what we are seeing, this notification is applicable on HTHP, while all of we have read that Kirit Parikh provides report, provide some guidelines on this HTHP also getting as a complete freedom of the pricings part, but that we need to see, that period is yet to come, what are the circumstances around that period of a time, but today, we don't see ceiling going away from this HTHP gas or the APM gas because government thrust is what, government thrust is to give a major boost to CGD sector.

And that's the reason government has done Kirit Parikh Committee and, then they have brought new notification on giving CNG, PNG as a first priority, even from the highest ceiling gas. So, I think we are quite appreciative of the government's process, what they have done, and we are taking the benefit to provide the price benefits to the end consumers as well.

**Kirtan Mehta**

Thank you. Couple of more questions if I may, or should I come back in the queue?

**Suresh P Manglani**

I will take one more question because your question must be benefiting others as well, so we need somebody who keeps asking lot of questions. Please ask.

**Kirtan Mehta**

Sure. In terms of sort of the CNG prices have remained high through the tenure. So, does it have any impact on the CNG vehicles convergence that you are seeing. Can you sort of give us the trend of quarterly vehicle conversions this quarter versus sort of a quarter ago and a year ago?

**Suresh P Manglani**

Yes, I think it's a mixed part. I would say when you see our number when you analyze, IR presentation, et cetera., has been given, there is a good growth in the CNG volume, but that we need to see in terms of the number of stations we have added. So, if you ask us, yes, the high gas prices to some extent has the conversion of the CNG vehicle. The way we used to see the tempo of people are getting motivated to convert the vehicle, there used to be a rush on conversion, that kind of things have moderated down. But I think people have now seen that there is going to be further moderation of a price once the Kirit Parikh report comes into effect after the Government approval.

I think people are keeping the faith in this CNG vehicle process. There is some temporary as I said, you ask, is the dampening is there on the conversion side, but if you see the OEM data from Maruti and others, you would find in fact the number of vehicles, new vehicles sold in CNG is the highest ever this year. So, conversion could be slightly lesser, but the number of vehicles sold has come out very well from OEMs. So, overall, I think we're still seeing a good growth. The contributory part, I would say while prices are slightly higher, but the infrastructure which has got developed and which has provided the convenience to the consumers, I think has added the motivation to the consumers to go for a CNG.

**Kirtan Mehta**

Thank you, Sir.

**Suresh P Manglani**

Thank you.

**Moderator**

Thank you, Sir. The next question comes from Yogesh Patil from Centrum Broking. Please go ahead.

**Yogesh Patil**

Thanks for the opportunity, Sir. Congratulations for the good set of numbers, especially in the higher input gas price scenario your company posted a better EBITDA margin. First question related to volume, dip in the PNG volumes, any specific reason?

**Suresh P Manglani**



Yes. So, Yogesh, I think, first of all, again, I'm happy that you are the regular participant of our calls. So, keep asking good tough questions from us like the way you ask now, because it helps us the people who have been regularly participating. See, the PNG part is our volumes have slightly declined in this quarter also, in the last nine-months period also, on the industrial side. If you see out of the four segments, there has been a very good growth on CNG side, on home PNG and on commercial has been excellent growth.

Industry consumers because of the input gas prices, which have gone up, whatever we could do from our side in calibrating the prices is still as a consent we need to pass through these high prices, which actually made it a little difficult for industrial consumers because the alternate fuel prices of the fuel oil even the propane, the LPG, LSHS. Which has even the biomass being used by the people brought the pressure on us on the volume side. We have been working with the consumers, many consumers have been either using partly or some people have moved out, but they are also looking forward.

It is not the complete loss of faith, they are looking forward to return as early as possible once price moderation happens and this we are seeing now, there is a price moderation which we are seeing in our portfolio. We hope to bring these volumes back, how much will come we'll see in this month, March in the next quarter when we report to you, but yes, there is a volume loss on industrial consumer side because of the premium, which their customers have to pay for using natural gas vis-à-vis with alternate fuels, which they're using it. So, that's the response, which I would say I hope, if any supplementary question please ask?

### **Yogesh Patil**

Let me continue with the same part. Now, as you mentioned that the PNG industrial prices or input gaps of cost for the PNG industry prices are coming down, so you must be moderating your PNG in retail prices. At the same time, what we are seeing the alternate fuel prices like the LPG and the propane are also rising. So, how the response you are seeing from the PNG industrial consumers, whether they want to come back, or do you think that they have already set up their LPG consumption, infrastructure at that gate and they can switch at any point of time, when there will be an opportunity.

So, the question is quite simple, what is the current trend going forward, as the future prices are indicating from the Saudi side that are already gone up, I mean, at least for the March month, it would have been the range of \$750 per ton for the propane and even for the April, it is also suggesting close to \$700 per ton. So, what kind of response you're getting, the consumers are coming back, or they will hold for a certain period and then, they will come back?

### **Suresh P Manglani**

So, Yogesh this is a benefit of attending multiple investors calls of different companies that you are also having full understanding of alternate fuels and that's very good thing, so I think that's our analysis also, our gas sourcing team and the business development team have a similar understanding and from 1st March, we do expect, I think crisis of alternate fuel going up in particular LPG and propane.

I'm sure even FO is going up. So, that we are seeing already the interest which is coming back from our consumers, as I said to you that faith has not been lost, it's still the faith is there, people have desire to use natural gas because once you use natural gas you used to become the kind of a hygiene in the efficiency and the kind of a quality which you produce, people want to come back as the earliest. So, you are absolutely right. One is that we will be moderating some prices, which we are already doing. We are also coming out with certain marketing intervention on providing carbon footprint incentives to the industrial consumers about certain volume.

So, whatever our BD team could do, they are also doing in talking in discussion with the consumers. At the same time, this price of the alternate fuel going up will certainly boost volume this is what is our expectation. And currently our BD team in fact is doing a very deep dive assessment of which consumers could be brought in very quickly, so we are also expecting a good volume booster sometime maybe this coming fortnight or going forward in March onwards there will be good booster because the two steps, our moderation is the alternative price going up, the gap will be bridged significantly, and we are absolutely right on that.

**Yogesh Patil**

Yeah. So, if possible, can you provide PNG volume breakup in terms of domestic, commercial and industrial?

**Suresh P Manglani**

Yeah, we will.

**Parag Parikh**

Yogesh, in terms of overall numbers, our breakup this time, in the quarter, is about 60% plus on CNG while close to 38 or 39% of CNG. Within that, 70% is industrial and 22% is domestic and the balance is commercial. This, of course, as you're aware, this breakup is anywhere from CNG to PNG was anywhere between 55 to 60% on the balance on PNG and industrial of course, all along has been dominating to close to 70-75%.

**Yogesh Patil**

Okay. So, the next question is again related to input cost of gas. So, on the sequential basis the input cost of gas has hardly gone up despite 40% APM gas price hike in October 2022, any reason?

**Parag Parikh**

Could you repeat the question please?

**Yogesh Patil**

So, my question is input cost of gas first of all, so if we see sequentially the input cost of gas has hardly gone up. However, we have seen the 40% jump in APM gas prices during October 2022. So, any specific reason?

**Parag Parikh**

Our number you're referring?

**Yogesh Patil**

Yes, your numbers only. So, let me tell you in detail, so Q2 FY23 overall cost of gas in rupees per SCM is 40.6; however, in Q3, the number hardly inched up to 41.7.

**Parag Parikh**

Okay.

**Yogesh Patil**

So, my question is simple. The input cost of a gas, hardly gone up by rupees 1 per SCM, but if we see the APM gas price has gone up by 40%.

**Parag Parikh**

Yeah Yogesh, but you need to see that when you get the APM price you're seeing, it is not the price which has been reflected. Rahul will be giving you more detail, but is not alone pure APM price, this is actually a blended price finally, for the customers which we are catering, which will also include when we were not getting this high ceiling price was also including the RLNG, which we need to bridge and that RLNG will be some on a smorgasbord and some will be coming from our portfolio, so that will add up to the cost because there was last time I think there was an 6%

shortfall, and this time shortfall is 11%, but the bridges being happening is through other domestic gas.

So, I think these dynamics will work in our computation of the prices and the weighted average when it comes in when you are seeing that 8.57 has remained \$8.57, but allocation percentage have changed. The bridging mechanism has changed from RLNG to perhaps some RLNG to some domestic gas, so all these will bring the coincident if prices are linear costs will come to the similar point, is it Rahul?

**Suresh P Manglani**

If you recollect, Yogesh, I think you know and we have been reporting even the APM shortfall that was happening in the earlier quarter, if you go back to our numbers of March '22 and then move to June September, subsequently, our APM shortfall at one point of time, that time we reported was almost close to 23%. So, that APM shortfall, which was being raised in a manner have been substituted by now APM, with APM allocation being much higher, it was short by 6 to 11% in the last two quarters, but at that expensive price, how would you like to add on it?

Just one last thing when you when we look at this quarter, then the bridging gas which is RLNG, there was a very different price in this quarter as well as when you look at the last quarter. In this winter, the RLNG costs are fairly tempered, whereas in the last winter, they were fairly high, so that was also a factor which acted upon the overall gas cost.

**Yogesh Patil**

So, the bottom-line question is very simple. What was your Q2 priority segment input cost of gas versus Q3. So, I think that will provide me a clear-cut answer, if possible?

**Suresh P Manglani**

Yeah. Let Rahul respond. Rahul, tell. Rahul will give you the answer.

**Rahul**

We will get back to you on this.

**Suresh P Manglani**

You be there, I think he is just going to give the response.

**Yogesh Patil**

Sure, and the last question from my side as you mentioned that the CNG vehicle additions are still at a good run rate, but just wanted to know from your side, can you please throw some light on the conversion of commercial vehicles to the CNG or additions and if you give us an idea about the conversion cost of commercial diesel vehicle to the CNG. So, any thoughts from your side?

**Suresh P Manglani**

Rahul, Yogesh is asking you some idea on the conversion of commercial vehicle on CNG.

**Rahul**

Conversion of commercial vehicles or CNG. See, as Suresh mentioned, there has been a slight tempering for the last few months, compared to about a year back, but we are seeing a lot of activity in the market, a lot of keen interest and we have launched various incentive and marketing schemes, so we are very hopeful that as soon as the Kirit Parikh committee gets implemented we would see a very interesting and traction going forward that we saw almost about a year back.

**Suresh P Manglani**

He is asking if any idea on conversion cost?

**Rahul**

Conversion cost of?

**Suresh P Manglani**

Of commercial vehicle.

**Rahul**

Generally, commercial vehicles are not converted so much, this the OEM vehicles which are more used for CNG.

**Yogesh Patil**

Okay, thanks a lot. That was really helpful.

**Suresh P Manglani**

Thank you.

**Moderator**

Thank you. The next question comes from Harsh Maru from Emkay Global. Please go ahead.

**Harsh Maru**

Thank you for the opportunity. My first question would be on the performance of IOAGPL for the quarter. So, if you could throw some light on why the share of JV was like, dropped significantly to about 2 crores where it was about 20 crores.

**Suresh P Manglani**

Yes, Parag, you want to answer?

**Parag Parikh**

Thank you for taking this up. IOAGPL during the second quarter had also made a marginal profit as far as selling of gas was concerned and to that extent, that was being reported in the quarter of September, which in the course of December has not similarly been reported. And hence, you see a drop as far as the December quarter numbers are concerned, compared to the September quarter. As far as in terms of its volumes are concerned, volumes have continued to grow. Purely from a volume perspective, from a quarter-to-quarter comparison, the volumes have actually grown significantly to almost 25% whilst in the immediately preceding quarter to the succeeding quarter, it has grown by 3%.

**Harsh Maru**

Okay, thank you for that. And just one more question on the finance costs. So, there's like a sharp decline in finance costs on a sequential basis and also on a year-on-year basis. So, any thoughts on that?

**Parag Parikh**

If you look at the 9 month cost, the 9 month cost continued to be a little bit of a priority. In fact, they are slightly higher, as far as particularly the quarter is concerned, some of the loans that we have been procuring from time to time, some of those are being used for CapEx, and since they've been used for CapEx, the equivalent interest component has been capitalized, but on an overall position as far as the debt is concerned, overall debt stands at close to 955 cores as far as a ATGL is concerned

**Harsh Maru**

Okay. What could be the cash balance as of December?

**Parag Parikh**

Cash balance as of December; it will be close to 383.

**Harsh Maru**

Thank you so much. If I may, just one last question, what are the kinds of CNG station additions that you're planning in FY24?

**Suresh Manglani**

CNG station, so I think, as I said in my opening remarks, that there is a thrust on developing CNG station, of course, the strategy which we have dollar is now we are improving the quality of the format, more and more DODO station will be added, some very strategic location, we could add CODO station. So, Harsh, I was saying that you know that the whole our strategy which has been stated that we always accelerate CNG station set up to make sure that there is an ecosystem development, we take a first move rather than a customer takes a first move, so similarly now, as we did 9th and 10th round and we see the benefit of coming now, everywhere you go volumes are ramping up as the price moderation comes, volume is expected to significantly go up in all station.

So, 9th and 10th round significance in the station spread has been done, but even in those geographical areas and in our existing Ahmedabad, Faridabad, Khurja geographical areas, we always are looking for the white spaces which are the gaps which are there, which you could still bridge and we have all those information and we are trying to bring DODO stations. Generally, if there is a significant gap and we are losing the volume, we bring the COLO also. So, in the existing via 9th and 10th rounds here, it will be DODO driven, COLO bridging the gap when the DODO we're finding is going to take longer time. The 11th round will be the COLO driven and you would be seeing a quite a good thrust, the numbers we are getting finalized for FY24 now, but the thrust will continue the way we have done the thrust in FY22-23, we have added 48 and you will see significant numbers coming in by March or so.

**Harsh Maru**

Thank you so much. All the very best.

**Suresh Manglani**

Thank you.

**Moderator**

Thank you. Ladies and gentlemen, if you have any questions, please press \* and 1 on your telephone keypad. I repeat, ladies and gentlemen, if you have any questions, please press \* and 1 on your telephone keypad. We have a question from Varatharajan Sivasankaran from Antique Limited. Please go ahead.

**Varatharajan Sivasankaran**

Thanks for taking the question. I kind of missed a number of outlets you added during the quarter in 9 months between standalone as well as JV.

**Suresh P Manglani**

So, we have added 48 CNG stations during the 9 months period and 15 stations during the last quarter, Q3. The key part which I would like to bring to your notice is that as I have been stating again and again, the quality, we have 74 stations are under CODO and DODO format in a 9 months period, which is on December 31st, we have 382 stations, 74 stations are CODO and DODO. On the IOAGPL front, we have added only 22 stations in the 9 months period and 10 stations in the last quarter, Q3. And they have total 238 stations and putting together, it will be 620 stations.

**Varatharajan Sivasankaran**

Okay. Thanks. Also, as the industrial distribution was concerned, if you can give us the source of gas which we're currently looking and working with?

**Suresh P Manglani**



The source of gas the way it would be actually, there'll be multiple, as we have been stating in every investor call, we have the strategy to keep building the portfolio. So, we have source which would be RLNG which we purchased in a different contract, different term, different indexes. Some content index could be JCC, some places Brent, some places HH as well as the contract is available. We have also been bidding in IGX or on a bilateral basis when buying the domestic gas.

The source of gas for CNG and PNG home is certainly APM gas and now HPHT higher selling gas was our bridging the gap of a shortfall, but for non-CNG and PNG is always multi sources, we keep making building the portfolio so that there is the weighted average cost is managed well to provide the good price to the end consumer and we'll be continuously building that, the tenure is not same, tenure could be different, the source is different, the quantity volumes also are different, take or pay obligations are different and this is what any company will do building a good mix of a portfolio for gas.

### **Varatharajan Sivasankaran**

If you can replace any kind of long-term contracts, you currently have long term, what is the quantum pricing of the contracted gas and price trajectory for a CGD

### **Suresh P Manglani**

So, we currently in fact are looking for a good window to see whether we could do some portion of volume and bring this long-term contract in our portfolio. Currently, we do not have a long-term contract in our portfolio. We have short-term, or, and midterm contracts. But we hope to see currently of course is a high price trajectory for a CGD entity it is certainly not advisable to venture on the long term right now, but we are hoping that sooner we will get a window and effect .Also we may get a very good opportunity, maybe even a domestic as it's continuously increasing, so it's going to be a good opportunity for CGD once the price moderations happen, so currently we don't hold long term, we wish to hold.

### **Varatharajan Sivasankaran**

If possible, we can disclose midterm, and the short term.

### **Parag Parikh**

Yeah. We just have sort of one long term contract, which is a five-year contract, we have a one long five year which is for about 150,000 cubic meters, all the other contacts that we had would be about within a year.

**Varatharajan Sivasankaran**

Thank you.

**Parag Parikh**

Thank you.

**Suresh P Manglani**

Thank you, Varatharajan.

**Moderator**

Thank you. The next question comes from Sudeep Anand from Haitong Securities. Please go ahead.

**Sudeep Anand**

Good evening, sir. This is Sudeep from Haitong Securities, and many congratulations to put a good set of numbers. So just one query, so despite the higher gas prices we have actually made we are able to maintain our gross margin, so if the government implements Kirit Parikh Committee and with the falling LNG prices, how does the margin panel over the FY24-25?

**Suresh P Manglani**

If you see my opening remarks and every call, which we had, we have always set our goal is broad basing consumer base increasing volume is the first target of ATGL and then looking at calibrated approach in the market, so if tomorrow government is coming out to the Kirit Parikh, we need to see final print of the report or the moderation of prices. I think as a responsible utility and an entity or a JV of two very large conglomerates, we will be looking forward to see, how do we benefit the end consumers. How do we bring more new consumers? How do we bring more lost volume to our site?

Of course, overall, absolute comes our margins EBITDA to go up margin paradigm, we could be maintaining or slightly up and down absolutely fine, but our focus on thrust is brought missing numbers as much as we could do, thus the reason you see, we added over 92,000 homes we have under 614 industrial commercial consumers that's the thrust area we are adding we're adding CNG stations we are giving a lot of marketing intervention on convergence, that if you convert the vehicles we give you some EBITDA subsidy from our side. So ATGL strategy is fully in place, that margins will be similar or slightly, we could interview on a continual basis management we keep discussing but the focus is benefiting the end consumer.

**Sudeep Anand**

Thank you so much, and all the best.

**Suresh P Manglani**

Thank you.

**Moderator**

Thank you, sir. Ladies and gentlemen, if you have any questions, please press \* and 1 on your telephone keypad. Ladies and gentlemen, I repeat, if you have any questions, please press \* and 1 on your telephone keypad. Ladies and gentlemen, if you have any questions, please press \* and 1 on your telephone keypad.

**Priyansh Shah**

There are no further questions we can conclude the call.

**Moderator**

There are no further questions.

**Priyansh Shah**

Yeah, Tushar we can conclude the call.

**Tushar**

Ladies and gentlemen, this concludes your conference for today. Thank you for your participation. You may disconnect your lines now. Thank you and have a pleasant evening.

**Suresh P Manglani**

Thank you.

**Parag Parikh**

Thank you, Tushar.

## **Moderator**

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a good day everyone.

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- Note:**
1. This document has been edited to improve readability
  2. Blanks in this transcript represent inaudible or incomprehensible words.