



February 10, 2026

To,

**National Stock Exchange of India Limited**  
"Exchange Plaza"  
Bandra-Kurla Complex, Bandra (East)  
Mumbai - 400051

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400001

Scrip Symbol: IRMENERGY

Scrip Code: 544004

**Sub: Transcript of earnings conference call for the quarter and nine months ended December 31, 2025**

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Dear Sir/Madam,

In continuation to our previous intimations dated January 28, 2026 and February 05, 2026 and pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call held on Thursday, February 05, 2026 at 11:00 a.m. (IST) in respect of unaudited financial results for the quarter and nine months ended December 31, 2025.

The same has also been made available on the Company's website at [www.irmenergy.com](http://www.irmenergy.com).

This is for your information and records.

Thanking you.

Yours sincerely,

**For, IRM Energy Limited**

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**Akshit Soni**  
**Company Secretary &**  
**Compliance Officer**

**IRM ENERGY LIMITED**

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**“IRM Energy Limited  
Q3 9M FY26 Earnings Conference Call”  
February 05, 2026**

**MANAGEMENT DETAILS:**

**Mr. M. K. Sharma**  
Chief Executive Officer

**Mr. Arunkumar Salaru**  
Chief Financial Officer

**Mr. Ashish Mittal**  
Head Commercial Marketing

**MODERATOR :**

**Ms. Krishna Patel**  
Ernst & Young LLP

**Moderator**

Good morning, ladies and gentlemen. I'm Akash, moderator for the conference call. Welcome to IRM Energy Limited Q3 FY26 Earnings Conference Call. As a reminder, all participants will be in listen only mode. And there'll be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing \* and then 0 on your touch-tone telephone.

Please note this conference is recorded. I would now like to hand over the floor to Ms. Krishna Patel from EY. Thank you, and over to you, ma'am.

**Krishna Patel**

Thank you, Akash, and good morning, everyone. We welcome you all to IRM Energy Limited Q3 9M earnings conference call. To take us through the results and to answer your questions, we have with us today the management of IRM Energy, represented by Mr. M. K. Sharma, the Chief Executive Officer; Mr. Arunkumar Saluru, Chief Financial Officer; and Mr. Ashish Mittal, the Head of Commercial and Marketing. Please note that the discussions that we may have today may contain certain forward-looking statements relating to future events and future performance. Numerous factors could cause actual results to differ materially from those in the forward-looking statements.

Please note the audio of this earnings call is the copyright material of IRM Energy, cannot be copied, rebroadcasted, attributed in press or media without specific written consent of the company.

Now, I would like to hand over the call to Mr. M. K. Sharma, the CEO, for his opening comments. Thank you, and over to you, sir.

**M. K. Sharma**

Yeah. Good morning. I'm M. K. Sharma, Chief Executive Officer of IRM Limited. And, thank you, Krishna, for this introduction. This being the first ever earning call, let me salute all of my investors and those who are interested in IRM Energy. A very good morning to all of you again. We welcome you all to the first ever earning conference call of IRM Energy Limited to discuss the business and financial performance of the third quarter and nine months ended December 2025.

We have concluded our board meeting on 3<sup>rd</sup> of January, and the investor presentation had also been uploaded on the stock exchanges and the website. I believe you may have got a chance to go through the same.

Let me begin by providing a brief background and understanding about the company.

IRM Energy, a group Company of Cadila Pharmaceuticals Limited, has been incorporated in the year 2015, with a focus of developing natural gas distribution projects across various districts of the country for industrial and commercial and domestic and automobile customers to cater with. I am happy to share that today, IRM Energy is a leading gas distribution company with an experience of 10+ years in developing robust city gas distribution network and connecting different customer segments in our existing licensed geographical areas, like Banaskantha which is in the State of Gujarat, Fatehgarh Sahib which is in the State of Punjab, Diu and Gir Somnath in the Union Territory of Daman and Diu and in the State of Gujarat. Also, we have Namakkal and Trichy in the State of Tamil Nadu.

As of December 2025, our supply network across all the GAs consists of around 6,354 inch-km of pipeline consisting of 3,047 km of the pipeline length. As of December 31, 2025, the company is catering the natural gas requirements of over 80,000 domestic customers, 221 industrial units, and 463 commercial establishments across the operating geographical areas. The company has also established a strategically located network of 127 CNG stations duly commissioned consisting of 466 dispensing points.

Let me now give the highlights of financial performance during the quarter. During 9M FY2026, the company reported a revenue of INR 787 crore. YoY growth in the revenue is 11%. The company reported an EBITDA of INR 82 crore, YoY growth of 4% as compared to 9M FY25. During Q3 FY26, the company reported a revenue of INR 265 crore. YoY growth is 6% and the company reported an EBITDA of INR 30 crore. YoY growth of 34% as compared to Q3 FY25. The financial performance reflects the achievement in the operational efficiency and gas sourcing primarily. On the profitability front, the company reported EBITDA margin of 10.4% in 9M FY26 and 11.2% in Q3 FY26. Company has incurred Capex during this period INR 35.51 crore in Q3 FY26, which adds to the total Capex for the year in nine months to INR 103 crore. This is our ongoing Capex program, which is going to accelerate further. IRM has strong balance sheet with a term loan of only INR 54 crore and cash and bank balance of INR 255 crore plus.

Now, let me share segment-wise key updates.

On CNG front, the CNG business is our main corporate engine and key revenue driver, which contributes to approximately 61% of the total operating revenue, and it contributes to continues to deliver, I mean, the double digit growth of 21% YoY in volume front, supported by strong growth in Banaskantha, DGS and NT GAs. Trichy and Namakkal GAs offer very strong upside with the ongoing rollout of the infrastructure presently passively going on there.

During Q3 FY26, 11 CNG stations were commissioned, took over 5 CNG stations of Indian Oil Corporation Limited in collaboration, and we have entered an MOU with them for CNG dispensing in NT and FS area under full DODO model. These CBG stations were being run by them. Now, they will be under us to dispense CNG under the brand name of IRM Limited.

**PNG Updates:** PNG Commercial and PNG Domestic delivered a volume growth of 21% and 25% YoY growth in 9M FY26. The industrial sales volume in BK GA grew by 19% YoY in 9M FY26. However, in Fatehgarh Sahib GA, the industrial sales volume registered a decline of 7% YoY in the 9M FY26. This is unfortunately on account of dip in the industrial sales for the industrial volumes getting surrendered there to some extent, although we have got some hope going forward, I'll discuss the futuristic plans of the company also.

- In Q3 FY26, 2,773 domestic connections were commissioned, 18 commercial connections and 4 industrial customers were added and in DGS GA, which had surpassed to 10,000 landmark of domestic connection in the Diu and Gir Somnath GA.
- During Q3 FY26, an MOU was executed in that GA, Diu and Gir Somnath, with Grasim Industries in their township for supplying PNG of 700-plus residential quarters and that has added good volume to us going forward. That is a new initiative which IRM has taken, I would like to also mention here.
- IRM is actively participating in the PNGRB Pan India marketing campaign for PNG & CNG Drive 2.0 under the theme, "Har Ghar PNG, Har Gadi CNG." This is nonstop Zindagi tagline. With this, we are massively participating, and the results are also very encouraging across the four GAs nationwide.
- We have also targeted marketing campaign, which are carried out in Banaskantha GA for increasing geyser points which has led to 1,000-plus connections in one go. We wanted to provide them, incentivizing them for converting their geysers into natural gas and which has been very well accepted and welcomed by the domestic-connection people, and they have got new customers also. We have invited new customers, and they have very well welcomed all these schemes.

As a consequence of revision in pipeline tariff by PNGRB, because Zone 1, Zone 2, Zone 3, all the tariffs were rationalized. So, we have passed on the benefits which accrued to the company to a good extent, considering our commitment towards the consumer welfare, consumer concern, consumer should be the ones who share our profitability, our savings, and we have passed on a considerable amount to them without jeopardizing the margin of the company which has been very well welcomed and appreciated not only by PNGRB, but all the customers across the 4 GAs. This came into effect from January 1, 2026.

I would also like to take this opportunity to highlight certain key strengths of our business.

- IRM operates in the regulated CGD segment with long-term licenses offering strong revenue visibility, predictable cash flow, and limited competitive intensity.
- Natural gas, as you know, is a key transition fuel in the India's Clean Energy roadmap supported by rising PNG household adoption, increasing PNG usage and policy-led fuel substitutions.

Although many may call it not only a transition fuel, but it is the fuel also to a great extent going forward for several decades from here.

- We can say that all measures now that ensure multi-year volume growth, visibility in the growth sectors also, and these all group segments are driven by increasing PNG connection, PNG station, industrial customers.
- As the network scales higher, gas offtake improves, providing us operating leverages, supports margin expansion, post initiative infrastructure built out, the CGD business becomes capital efficient with moderating tax intensity.
- As we, at the management level, are focused towards prudent capital allocation, efficient utilization of the existing network is our responsibility, which is generating operational efficiency across all the 4 GAs.

To summarize, we take pride in our strong sense of duty and responsibility in upholding our commitments towards contributing to the well-being of our people, customers, and geographies, wherever we have been licensed to operate. We, as a team, are focused on sharper execution, stronger cross-functional coordination, and the greater sense of ownership. Our motto is to continue strengthening our work culture through our very fresh vibrant management team through accountability and responsibility, and collaborative efforts ensuring every commitment is translated into timely actions towards robust profitability of the company also.

With this, I would like to now hand over the call to the moderator to open the floor for Q & A in relation to our business and modality. Thank you very much, sir.

#### **Moderator**

Thank you, sir. The first question comes from the line of Mr. Shukrut Patel from Eyesight Fintrade Private Limited. Please go ahead, sir.

#### **Shukrut Patel**

Thank you. First of all, my name is Sukrut Patel. My first question to Mr. Sharma is, as IRM continues to scale its city gas distribution network across the authorized GAs, how are you balancing near-term volume growth with long-term objectives like improving penetration, customer mix, and network efficiency? What internal milestone help you judge whether the core CGD business is progressing in a healthy and sustainable manner as you have planned? I just want to understand your view on this. Thank you.

**M. K. Sharma**

Thank you very much, Mr. Patel. A very pertinent question. We have internally decided, rather resolved, you can say, that to go ahead with our customer mix in all the three segments. But being the profit volume of our CNG the segment-wise, so we have recently focused more on more CNG stations, and that strategy has yielded also in terms of our CNG volume growing very high. We have two GAs, which are matured and where MWP has also been completed. One is at Banaskantha, where from more than 61% of our volume comes from this very GA, and this is a completely mature GA and the volume hike has also been encouraging to us. There we have enhanced our presence through CNG-enhanced CNG stations. Currently, we have got more than 54 - 55 stations in DODO model. And all these stations are giving us very encouraging results. So CNG-wise, we are not only enhancing our sales volume, but our profit buildup is also coming from them.

Secondly, we have the responsibility of expanding our PNG domestic area, which is the mandate from the government and PNGRB also. So not only in Banaskantha, where the maximum number of PNG domestic connections are there, we are expanding our network base in Trichy, Namakkal. So, that volume is also catering us to serve the post infra layout and all that, we'll be getting huge number of domestic connection.

At the same time, Namakkal being industrially very encouraging and a very promising area, we'll be putting our footprint in the domestic -- besides domestic, the industrial and commercial area also there. The Fatehgarh Sahib, the industrial zone has shown minus 7% sort of growth there YoY. It is only because the natural gas primarily in the steel segment has surrendered our connections, and they have switched back to coal or the liquid fuel. That was a very discouraging only for one reason that state government support has to be solicited and that we have done our level best. Several meetings at the Chief Secretary level have happened.

So, balancing on that, we understand that very shortly, some corrective measures from the intervention of the Government of Punjab will come. So, industrial, which used to be our 45% of the volume builder, which has dipped to around 36%, 37%, will also be restored. So, we are balancing all the areas, CNG, PNG industrial, PNG domestic, and also the commercial side of it. Currently, PNG industrial is constituting around 34%, 35% of my total volume, CNG being 61%, and domestic, of course, it is little lower because volume-wise, it doesn't give a bigger contribution. That is around 5% to 6%. So, this way, my customer mix and the industrial operational mix goes. I hope I have been able to clarify.

**Shukrut Patel**

Yes. I believe Mr. Arun Kumar is also on the call today.

**M. K. Sharma**

Yes, he is here. You want to ask something?

**Shukrut Patel**

Given the inherent volatility in gas-sourcing cost and periodic changes in pricing passing through, what financial indicators do you internally track to assess the stability of margins and cash flow over the cycle, especially as the customer mix and scale of operations evolve over the time. I want to understand your point of view on this. Thank you.

**Arunkumar Salaru**

Yeah. Thank you, Shukrut. So, we closely monitor our gross margins, that is segment-wise gross margins, depending on the volatility. In Q2-Q3, these prices were coming down, so that has helped us. With respect to mix, if you see in our Q3, the CNG versus PNG mix has improved to 61% to 39% from last year's, say, December where CNG was 53%. So, as this mix improves, CNG has a better profitability. So, our overall profitability increases. So that way, we are tracking this.

Secondly, on the gas-sourcing front, many competitive contracts have been entered with GSPC and Shell. And with respect to committed contracts and Open, we keep it at 85% to 15%, which gives us enabler to take market advantage also.

**Shukrut Patel**

Thank you, and best of luck.

**Arunkumar Salaru**

Thank you.

**Moderator**

Thank you, sir. The next question comes from Mr. Varatharajan Sivasankaran, from Antique Limited. Please go ahead, sir.

**Varatharajan Sivasankaran**

Thank you for the opportunity. On the CNG front, what is your gas sourcing mix as of now?

**M. K. Sharma**

On CNG front, Mr. Varatharajan, thank you for this question. CNG, as we have mentioned, that being the real bread earner for us, the CNG segment, of late, you have seen that government's APM allocation has reduced substantially. When we began the operation, 80% to 100% allocation used to happen. Currently, this has reduced substantially to around 37%. It dipped to 34% also. So last year, we have witnessed a difficult year, challenging year, that the APM gas allocation has dipped a lot. And we don't foresee much of relief also in allocation of the APM gas also.

To counter this CNG, the allocation getting dipped, we had entered in the beginning of this year only --we have resorted to long-term gas, which is Brent- linked at a very competitive price. And also, we have been very closely monitoring the HPHT gas tenders from ONGC and also the Reliance tenders. So there, we are in a position to get good allocation. And we keep monitoring the prices of Brent as well as dollar more meticulously to see whether HPHT gas and long-term gas combination gives the optimal benefits to us or not. Sometimes, using the tweaking tools of take or pay, and we sometimes take more spot and surrender our long-term using the flexibility of sourcing, and sometimes we rather take that.

So, that optimal software we have and then our own market intelligence and prudence also supports us in optimizing the sourcing part of it. In CNG, it remains a challenge that government allocation getting dipper. In future also, we don't see much of the deal coming. So, we are managing our CNG segment as a volume builder as well as profit builder with this strategy.

**Varatharajan Sivasankaran**

Apart from the APM, you don't get any Newell Gas as well?

**M. K. Sharma**

We get Newell Gas gas also at 20% higher prices, and HPHT gas is the third cheaper source. So, currently Newell Gas also, we decide around 8% we have been taking from out of, like, you know, if you say for the nine months, if you say, we have got the current sourcing mix, like, 41% we have used the APM gas, sometime back in April, May it was a little higher also, 44%, 45%. So, for the nine months, if you consider, 41% has been fed through APM, around 10.5% has been fed through NWG, Newell Gas, and HPHT has constituted us 38.4%.

So, making it together, I mean, good sourcing, combining APM, NWG, and HPHT, and the residual ones and remaining ones for CNG segment, we are feeding through our long-term contacts also.

**Varatharajan Sivasankaran**

That's useful. Secondly, on the connectivity part, as of now, how are you supplying your sourcing of gas? How are you getting it delivered to Trichy and Namakkal? Do we have a pipeline reaching out to Trichy by now or not yet?

**M. K. Sharma**

That is the real challenge for us currently. We have got one tap-off from GAIL available. One, we have in advance stage, we are in the process of commissioning. The other one comes from Indian Oil pipeline. So, these sources will be giving us gas, but the majorly segments are being fed through liquid LNG being sourced from Ennore terminal of Indian oil. And from there, we have got two LNG stations there commissioned. And through that, we are in a position to feed the market and the growing demand of it.

Going forward, if more tap-off is available because GAIL is failing to the timelines of the infra pipeline laid by them. So, there is some impediment. But this year, this time, we are utilizing and laying our infra widely, so that whenever gas lines are available or the economics-wise, if bringing liquid is more beneficial, so we'll make a tradeoff between the two.

So currently, a liquid and one tap-off, which is operational, we are feeding with Namakkal and Trichy. This is a very wide two district GAs, so more than 100-plus kilometer length is there. So, every time laying the infra is not a good proposition, so we are doing the tradeoff between the two strategy, two options.

**Varatharajan Sivasankaran**

I have two follow-up questions on that. One, in terms of proportion today, between the tap-off as well as LNG, what will be the breakup?

**M. K. Sharma**

The breakup, I would like to just share if it is available. You have it available? Currently, we do not have exact data, but largely -- you are very right. Largely, we are depending upon the liquid portion only, the portion from Indian Oil. I'm just trying to mention that liquid is also on the long-term, the Brent-linked one. So, almost now, I've got the information from CFO. It is almost 51%, 52% in the range of liquid and 48% something like that from the tap-off.

**Varatharajan Sivasankaran**

That's very useful. And in terms of infrastructure, any kind of a timeline will you be able to give you in terms of tap-off's availability and then your own plan in terms of laying the internal pipeline.

**M. K. Sharma**

Infra, we are very aggressively doing in that region. You must be knowing that since the pipeline infra by the -- I mean, that's the pipeline grid itself was absent there. So pipeline, majorly, we have to install ourselves. And for that sake, we have got the mandate from IPO also that we have to develop the infra at that site, and we are aggressively doing it. Some rocky soil, etc. are there. So, HDD machine, etc. are being deployed which is causing little delay. But the time the culture of the CNG adoption happens in that region, we will be in time to cater it. We will be rather advanced than the demand getting created at that site.

The infra wise, we are fully focused. We can share with you more than INR 200 crore we'll be spending in coming 1.5 years, more than INR 250 crore rather, you can say, to be more precise. We have plans and capital allocation is complete in our board's mandate with us. So that we are planning that in next 15 to 18 months, INR 250 crore will be dedicated to infra only in Namakkal and Trichy.

**Varatharajan Sivasankaran**

Thanks a lot.

**M. K. Sharma**

Thank you, Varatharajan.

**Moderator**

The next question comes from Mr. Pawan Kumar, from Ratna Traya. Please go ahead, sir.

**Pawan Kumar**

Sir, I had a question on profitability primarily. So, this particular quarter, we have done around 5.3 EBITDA margin per SCM. What is this margin targets maybe for this year and for next two years? What are the kind of margins we are looking at? And the background of this question is, right now, our ROCE seems to be very depressed. So, until we make margins, I don't think our ROCE would pick up. So, what is the line on which you are thinking in terms of volume growth and also EBITDA margin going forward?

**M. K. Sharma**

I'll request CFO to answer this. But to begin, I can only tell you, we are maintaining our gross margin of 24% to 25% in the gas segment. And also, we are tightly administering our OpEx cost to get optimized fully

and administration cost also. So, the futuristic plans and the current focus, I request CFO to kindly be specifically answering to your question.

**Arunkumar Salaru**

Yeah. Hi, Pawan. So, with respect to volume growth, we are growing at 10%, and that despite minus 6% in our industrial volume growth. So basically, in the PNG segment, we are growing at 20%, in the industrial, it is around 21%, and in the domestic, 25%. So, we estimate that we should be going by 10% to 12% range by the end of this year.

With respect to profitability, the gross margins are at 26%. And as the volumes increase, so we get the scale of volume and profitability. And another thing is, our mix is also improving. So, we are selling more CNG where the profitability is more. So, going forward, EBITDA guidance can be 5.25 to 5.5 rupees per SCM operating EBITDA, Pawan.

**Pawan Kumar**

This would be at the next year, Arun?

**Arunkumar Salaru**

Yeah. This will be close of this year. And for the next year also, we'll be growing at 12% to 15%. So, it depends on actually how the gas volume span out, but this will be our range.

**Arunkumar Salaru**

With respect to return on capital, we are at 9% plus. So, again, as the EBIT improves with the volumes, we expect the ROCE to improve. However, we have a CapEx plan, so that will have a gestation period of, say, one, one and a half years. Then the volumes from that CapEx also will come into play.

**M. K. Sharma**

And Mr. Pawan, to supplement CFO, I can only assure my investors, that my Q4 will be better than up to nine months because my infra is ready, and we also have many stations, which is commissioned here, and many more are coming in Q4.

This time, we will be crossing 150-stations landmark also. As you may recall that March, we had ended with 111 stations only, but we'll be ending most likely by March 31st, 150-plus stations in our kitty. So, Q4 is expected to be much, much better. And next year also, we have aggressive plans. Currently, it may be

looking to 5.2 and all that, 5.2, 5.3, but we'll be ending this FY26 a little better. And next year should be further better.

**Pawan Kumar**

Okay. Got it. Sir, can you give us a number on what was the growth in Banaskantha volumes to both CNG and PNG for this particular quarter?

**Arunkumar Salaru**

Yeah, Pawan. I will give you the numbers. So, the entire growth was 10%. But in the CNG segment, growth in nine months was 21%, and PNG, because of industrial, it is minus 3.1%. So, in Banaskantha, if you see overall growth, it is 16%. With 16% in CNG, 19% in industrial, commercial 12%, and domestic, of course, 24%, but the base is low.

**Pawan Kumar**

Okay. I'll get in touch base with you to get the exact numbers. Next year, assuming we have stabilized operations this year, and since Sharma sir also mentioned, given the number of stations that we have, are we expecting any fast ramp-up in volumes? Because this year, the volume growth had -- growth rate, I understand there was a challenge in industrial, but would that be maybe 15% or 20%? Is there a possibility or we are not targeting that kind of volume growth next year?

**Arunkumar Salaru**

In volume growth, we expect in the range of 12% to 15%, but there is one more factor of industrial volume from Fatehgarh side. Namakkal and Trichy, we are putting up stations and the CNG culture is also coming. So, these two things, if they pan out well, our growth can be, you know, even beyond 15%. But 12% to 15% is what you can take.

**M. K. Sharma**

I want to supplement, you know, as we wanted in BK, since more stations are under commissioning, and we will be ending our CNG stations ready there, so what is the average sales per SCMD wise? So, every sales in BK, we are getting 4,000 plus. With the new stations and the matured stations. Sometimes, it is 15,000 also in some of the stations, key location of the station. So, 4,000 plus is the average sale per station per day, SCM wise. And Namakkal and all that is 1000, and in DGS, 200 plus. To be precise, 4,800 is the BK. They've got the figures now ready for your consumption.

FS, it is 2,000 SCM, and DGS, it is 2,300, NT since it's an evolving market, it is 1,000 plus only, 1,089 to be precise. So, this is the way CNG is creating a volume where per CNG station, we have got INR 10 plus in the margin. Somewhere it is more, somewhere it is little lesser, depending upon gas sourcing profile which we have.

**Pawan Kumar**

So, Sharma sir, in your experience on this journey from, let's say 1000 to which is there currently from Namakkal, Trichy, for it to get to Banaskantha level, how many years does it take? Is it, like, four years, five years, or two, three years? What is the kind of trajectory that generally this takes?

**M. K. Sharma**

Yeah, Pawan. As I expect, it should not take more than two years' time to enhance our volume of 1,000 to increase to 2,500 range average. It should not take more than one and half to two years, simply because the LPG culture used to be prevalent in three wheelers. And even the mobility sector, if you see the passenger vehicle segment also, a lot many LPG run cars used to be there. So, they are slowly and slowly coming to the natural gas now. And we have been incentivizing the three-wheeler people.

We have got several promotional schemes where we buy out their old three wheelers, the scrap three wheelers, and we provide them through financing and all that, the new CNG three wheelers, and passenger vehicle also have been there in our thing. And, for your kind consumption, 800 to 1,000 vehicles in this last quarter only, Q3 only, we have added there. And mostly since they are in our GA, they get the fueling done through IRM stations only. So, if that is the scale, which is existing there, so our scale is definitely going to catch up to 2,500 around in the range average sale going forward, in Namakkal and Trichy, where the culture of CNG is enhancing very fast, and we are catching up to it for now.

And in Namakkal and Trichy only, Indian Oil, we have entered the MOU. As we mentioned in the initial inaugural address to you, four stations of CBG, they have transferred to us, and we'll be running CNG stations. So, our almost like, full DODO scheme sort of infra is ready. So, we are rolling out the sale there very fast. And also, we would like to say that in Tamil Nadu, we have entered another MOU with Tamil Nadu State Transport Corporation, and they have converted around 80 buses for refueling with us.

So that bulk customer will be coming to our fold. So, this 1,000 will very easily reach to 2,500 plus going forward soon. I'm giving you little, I mean, practical aspect that 2,500, we will be reaching fast.

**Pawan Kumar**

Okay.

**Moderator**

The next question comes from Mr. Abhir Pandit, from Old Bridge MF. Please go ahead, sir.

**Abhir Pandit**

Hi. Thank you, sir, for this opportunity. Most of the queries have been answered. So just one update. On the Banaskantha, I understand that most of the earlier industry users have shifted back to coal. But there was certain, I mean, the regulatory action, which is going to happen to revert them back to gas. Could you share us an update on that? And also any update on the, let's say, medium-term volumes from Fatehgarh Sahib.

**M. K. Sharma**

Yes. We have small correction. Not in Banaskantha but in Fatehgarh Sahib actually.

**Abhir Pandit**

Sorry, yeah, Fatehgarh.

**M. K. Sharma**

Yeah. So you wanted to know specifically, what is the plan or what is the possibility of coming back to the natural gas from the coal or other fossil fuels? Very right, sir. As you understand, there is a PIL under consideration of NGT, which we are also monitoring from outside. That PIL has traveled for more than two years, wherein the subject matter is that the ambient air and the quality of the entire region of Fatehgarh Sahib, which is Sirhind area, is getting highly polluted because massively the steel industry and other galvanizing industry, etc., they have been getting fuel through natural gas, their furnaces.

They have surrendered the connections and they have come to coal. So NGT is very critical on the entire issue and they're tightening their nose for restoring it back to the pollution, which we have heard them speaking in the open courts. And we expect that, if the result, I mean, like they have reserved their judgment. Last hearing was in September, we're closely watching it, September 2025, and the judgment was expected sometime in November end or December, but the judgment has not yet been delivered.

So, the judgment is expected anytime in the early January or February. If the judgment comes, then Punjab Government and Punjab Pollution Control Board, including the CPCB should definitely come to our fold. I mean, with their notifications and all that. So, the sales volume, around 207 connections we have given to various industry. And currently, 125 around are continuing with NG. And we are adding a few more customers in the new segment. All the CTOs, consent to operate and consent to establish is now being

given only on NG fuel. So that way, we have expectation that industrial volume should substantially come back to our fold.

**Abhir Pandit**

Perfect. Thank you, Arun, sir, for the update. Sir, just one more query. Sir, on Namakkal and Trichy, I understand that this is your undeveloped GA. So currently, I believe there are close to 47. So, going ahead what would be the number of stations that you will be planning? And what will be the focus on CNG shift from, let's say, Banaskantha to Namakkal and Trichy in terms of CapEx?

**M. K. Sharma**

Yeah. Coming to your question on the CNG station in Namakkal and Trichy, currently we are operating 37 stations. And we plan to reach 51 by another two quarters. Rather, we have got these four CBG stations also. So, we should be reaching 50 plus there also very shortly. Mostly, they are co-located or they are coco stations and LNG stations also. So that way, CNG, we have got good hope in the Namakkal and Trichy. That is the underdeveloped area.

So, we have got more BATA story to tell that once they understand the importance and the convenience of natural gas, we expect good business coming from Namakkal and Trichy. CapEx is already going on. We are focused. As we said, INR 250 crore we will be spending in the next one and a half years. And the entire rollout of the project should give us more dividend that side.

**Abhir Pandit**

One aspect, in order to ensure the shift, let's say, from LPG to CNG, could you help us to understand the, let's say, I mean, pricing difference or the mileage difference, which, you are able to propagate there specifically, to ensure that shift happens?

**M. K. Sharma**

See, LPG, switching over had been a challenge, definitely a challenge. But LPG, we have got different marketing strategy, educating people the hazards of operating LPG and natural gas. Natural gas is a very user friendly one, and it is, I mean, excellent free sort of thing. LPG is much more vulnerable.

Those education in the mobility sector -- I mean, I'll not comment upon the transport department and all that. But we are propagating that natural gas is economical also to a great extent. However, we are keeping an eye on the natural gas sourcing as well as the volatility of Brent across the globe. If the LNG prices reduced from the current level, like 10%, 15% or so, so definitely, we'll be in a position to beat the LPG price also.

**Abhir Pandit**

Perfect. Thank you, sir. That's it from my side.

**Moderator**

Thank you, sir. The next question comes from Mr. Kunal Ochiramani from Alpha Alternatives. Please go ahead, sir. Mr. Kunal, please go ahead with your question, sir. It seems Mr. Kunal's line is not active. Shall we take the next question, sir?

**M. K. Sharma**

Please.

**Moderator**

Next question comes from Mr. S. Ramesh. Please go ahead, sir.

**S. Ramesh**

Good morning, Mr. Sharma and Mr. Arunkumar. Thanks a lot. So, if you're looking at your nine-month performance, is it possible to give us what is the total number of CNG vehicles you have for the whole company? How much you have added in nine months and this quarter? And what was the number last year, FY25? And where do you see this vehicle addition going in Q4 FY26 based on your assessment. of the CNG vehicle group?

**M. K. Sharma**

Yeah. My Marketing Head is here. I'll request him to kindly convey the figures to be more precise. Thank you.

**Ashish Mittal**

Hi, Ramesh. Good morning. Hi, everyone. This is Ashish Mittal, Head Commercial Marketing. So, coming to your question of CNG vehicle. In our four geographical areas, till last financial year, we were having close to 95,000, 96,000 CNG vehicles running on the road and which has increased to approximately 1.7 lakh vehicles on the road. So, you can see a huge amount of growth has happened, and then this growth has accelerated in last quarter. So, in last quarter specifically, there has been addition of close to 5,000 CNG vehicle in these four GA.

**S. Ramesh**

Okay. So, if you look at the recent budget announcement about exempting Bio-CNG from excise duty, much as you know, the share of Bio-CNG injection into CNG is less, do you see any benefit from your blending Bio-CNG with your CNG in the next one, two years? And to that extent that you get that excise duty savings, which is replaced by VAT, would you be passing that on, Or would it be possible to retain that? How do you see that?

**Ashish Mittal**

So, this announcement has just been made in the budget. So, we are evaluating the extent of saving, which we'll be getting from this budget announcement. But what I would be able to tell you is that, as of now, the blending of CBG is approximately 1% in our overall portfolio. So, the saving as of now might not be very big, huge as of now, but what we are doing is, we are expanding our CBG portfolio as well.

We are entering into new CBG supply and supply agreement with other developers as well. So basically, this is what the portfolio -- the increase happens over a period of time. We may take a call going forward on it, sir.

**M. K. Sharma**

Mr. Ramesh, I would like to just add to what our marketing head mentioned. Actually, this is enabling provision incentivizing the CBG manufacturer to come CBG I mean, the plants to come up in the country. So, that way, not many plants are there catering in the respective GA countrywide to actually make the possibility of 1%, 2%, 3% of -- sorry, sorry. So, what is the impending us, I mean, discouraging us is that, many plants are either nonoperational or their feed capacity is not so much enough to give us the mandated benefit of it.

However, in my current portfolio, when the excise duty waiver has happened, so we have calculated roughly that INR 1 crore around per annum saving will result into our sourcing portfolio because of this excise duty incentivization which has happened. And going forward, if we are in a position, as Mr. Ashish said to us, more CBG producers under the fold in the SATAT scheme, which is announced, tripartite scheme through GAIL and all. So, if we are in a position to gain more sourcing, then this INR 1 crore will go multiplied going forward.

**S. Ramesh**

So, if I can squeeze in my last thought. So, in terms of your annual CapEx for Trichy and Nammakal to, you know, take it to the total infrastructure as per the MWP, what is the kind of CapEx you have to do in Trichy

and Nammakkal per annum over the next five years and for the whole company as a whole over the next three to five years per annum?

**M. K. Sharma**

See, actually, as we mentioned, INR 220 crore to INR 250 crore, which we have planned in next one and half years to be spent in Namakkal and Trichy. And this is one of the mandate of IPO also. When we went to IPO, we had assumed that around INR 307 crore, we will be investing particularly for Namakkal and Trichy. That entire money will be spent there. So currently, beyond the IPO mandate, we have more things to happen there based on the return on capital and the evolution of the market.

We are having no dearth of capital to invest for the infrastructure, but we are only going cautious stage wise as the results start coming in. SIDCO, one industrial area is getting developed. Then we have also had MOU with Tamil Nadu paper mill also. In bulk, they are planning to convert their conventional fuel into the natural gas. So, industrial segment should go besides -- since it is crossing many national highways, the CNG area will also be very promising that way.

So, with our CapEx, which we said 250 around we are planning. We are open for more investment based on the market responses of the natural gas consumptions.

**S. Ramesh**

And any other CapEx for GAs other than Trichy and Namakkal?

**M. K. Sharma**

Yes, we have got consistently, we are growing in Diu and Gir Somnath also. Unfortunately, the industrial clients are not there that side. So commercial, domestic, besides -- and that Diu and Gir Somnath is a sort of little bit of seasonal also, tourist-based also destination. But still, since it's a very -- Diu and Gir Somnath area, that tourist center, they are there. So, that is also expanding, but the industrial side is not there.

So, there also we are doing wherever possible the CapEx done. Recently with the GSPL, we have got one tap-off from Chhara Terminal ready with us, and that should roll out within the next seven, eight months. So, Diu and Gir Somnath will be -- currently, we were buying LNG from either Dahej to feed that GA or from Chhara Terminal also some volume, but Chhara Terminal was a little costly volume they had.

So, we were discouraged to buy from Chhara, although it was nearby. But from natural gas, we'll be converting to the national grid pipeline. So, APM gas will also be in a position to get flowed to that place. So, as the market expands, along with the sourcing, we'll make that GA also a profit contributor. Currently also, but this is not as big as Banaskantha. So, CapEx is happening all across the three GAs.

Fatehgarh Sahib, we have virtually laid every inch km line. So, we are only depending upon the industrial volume to come back to us post the NGT favorable orders, which is expected in next couple of months. So, this is what is the plan. Remaining three GAs, we are very aggressive in CapEx.

**S. Ramesh**

Okay. Thank you.

**Moderator**

Thank you. The next question comes from Mr. Harsh Maru from Vinamra Capital. Please go ahead, sir.

**Harsh Maru**

Yes. Thank you for this opportunity. So, just one question. So, sir, we've, like, noticed a management rejig which has happened over the last one year. So, from a management perspective, are we fully filled up in terms of the right people that we need to have? And do we expect any kind of adjustments within the management team in the next 6 to 12 months? So, your thoughts on this will be very helpful.

**M. K. Sharma**

Yeah, Harsh. You are very right in observing that a lot of rejig has happened. And all our KMP, SMPs are now with the fresh management team, more professional team, I can only say. I can acclaim. I being the CEO has also joined this company one and a half year back, one year, to be more precise, one year and three months back.

And my Chief Finance Officer has also come from the professional background. He had joined around a year back, nine months back. And my Chief Project Head, Chief Marketing and Commercial Head, we have got a strategy head. We have got a new team in the finance area, new team in the sourcing and marketing area, and operational area is already very, very efficient. The same gentleman, Mr. Prakash, who was handling the operations is continuing.

We have got plenty of good opportunities optimizing our OpEx cost also through him. We are entering into little bit of solar group captive schemes also through which also my OpEx cost have substantially been reduced, INR 8.5 to INR 9. Electricity per unit cost has come down to about INR 3 or INR 4.5, this range. So that way, current team is more focused, more professional.

And as I am heading the management team, I can assure all my investors and those who are interested in IRM Energy's profile and their progress, I can assure you that whatever rejig has happened, that's the story of past. And current management is fully focused more consistently. We are holding our meetings and we are more cohesive to take the company forward.

**Harsh Maru**

Thank you, sir, so much for the detailed answer and hope to keep interacting with you every quarter. Thank you.

**M. K. Sharma**

Welcome. You are always welcome.

**Moderator**

Thank you, sir. The next question comes from Kiran Gadge from Knightstone Capital Management, LLP. Please go ahead, sir.

**Kiran Gadge**

Hi. Good morning. So last year, in the presentation of Q1, Q2, we were discussing that rationalization of the license fee with the promoter trust, but subsequently, it has been removed from the presentation, and we have not heard anything with this regard. So, could you please provide some clarity on this?

**M. K. Sharma**

Sure, Kiran. License fee continues to be there, because the IRM Trust is our sponsor. I mean, they are our promoters. So, they have been taking 2% of the gross revenue post excise adjustment as a license fee. That is continuing. And this, we have very widely and openly discussed in our IPO documents also that this continues to be there. And the request has moved from the management to the promoters also if they can consider or reconsider. But currently, as of now, to be very open and precise, I can only share with you this is still continuing.

And unless they take some review of this, maybe with our enhanced volume and all that, they may consider of moderating. But as a management, I can only tell you that this is a fact and this is continuing with the company's administration cost.

**Kiran Gadge**

Okay. Thank you.

**Moderator**

Thank you so much, sir. The next question comes from Mr. Keshav Garg from CCIPL. Please go ahead, sir.

**Keshav Garg**

Sir, I wanted to understand why our operating margins are lowest in the industry. And if you see, I understand our EBITDA per SCM must be around INR 4, INR 5 versus and the other players in the industry are doing INR 8, INR 9 per SCM. So, of course, I understand that license fee is a big hit that is there in IRM, which is not there in the other companies. But even apart from that, it seems that either our sourcing is high cost and inefficient or our realizations are lesser than the other peers. So, which of it is? Or is it a combination of both?

**M. K. Sharma**

Keshav, thank you for your observation. It's been very precise. If you see sourcing area, I will not admit that we have been poor in sourcing. Rather, we are most one of the efficient player in sourcing. Gross margin, if you see, gas cost with the revenue cost, we are 25%, 26% range, which is very good considering our size of bargaining power in the market.

We have made our portfolio, as we mentioned in the past discussions also, that we have sourced our entire thing, I mean, the long-term and the short-term portfolio including APM, HPHT, NWG gases in such a manner that gross margin is very well efficiently monitored and 24%, 25%, 26% range is the one which we are getting.

Secondly, you will see that we are evolving GA. We are doing a lot of CapEx in Namakkal and Trichy. We are also adding more stations in Banaskantha, Diu and Gir Somnath, everywhere. So, because of CapEx, since we are evolving and the companies which you are comparing, they are already matured companies, wherein, either the entire assets haven't fully depreciated or very well depreciated.

And they have got in their city, places like Delhi, Faridabad, Palwal, Ahmedabad, Pune, and all those areas. So infra laying is already complete. So that GAs, vis-a-vis our GA, if you go by, are little unjustified to get compared in those things. We also once after two, three years, we have got denominator effect, higher sales volume. You will find a much, much better OpEx, so much, much better margins to go forward.

And also, I would like to also mention that those companies which you are comparing, their MWP targets are not there. If you really see four GA company of our level, we will tell you that more plans we have got, how we will expand our business operations, either through merger, acquisition, or by diversifying that part of forward integration, something we are having in our cards, that we will tell you at a separate point of time, today being in Q3 earning call, so may not be possible because of time, we will be in a position to tell you about.

But amongst four GA companies, if you see, we stand on the forefront. In top five, six companies, we are there, irrespective of who got the license which year. So, as such, efficiency-wise, the improvements are there, more improvements are going to come. We don't consider ourselves inefficient or less efficient company in those matters. So, whatever things are happening, they are fully in control of the management.

And we have got plans to optimize our OpEx, so that net margin improves to the people. Gross margin, we are happy with this. And net margin also, barring aside your license fee, which I will not comment now, everything is in good control. I can assure you that, going forward, you will find a little better one, better results.

**Keshav Garg**

Now, sir, secondly, if we see that our volume has been flat since FY23, and even this year in the AGM, we were told to expect 25% volume growth, but it has been, like, around 10% kind of volume growth. And, sir, in the Diu and Gir Somnath and Namakkal and Trichy, hardly our 14% of total revenue is coming. So, I mean -- so in past three years, it doesn't seem that these areas are picking up. Our mix remains the same, in the sense geographical mix of our revenue, it remains the same. So, by when can we really expect these single-digit geographies, Diu, Gir Somnath, Namakkal, Trichy to really ramp up?

**M. K. Sharma**

Yeah. See, your observation regarding total volume being stagnant and all that, we have very candidly spoken regarding Fatehgarh Sahib debacle of the industrial segment, I mean, disconnections happening. And that is because unless the Government and Pollution Control Board's intervention comes aggressively. See, case is subjudice in the NGT court. So, it will be improper for us to really give the intervening answers here. But I'm in a position to assure you that once the NGT orders, which is very eminent to come because daily pollution situation, the Punjab pollution situation, Haryana pollution, are all such dismal that we expect this order will definitely come in our favor.

So, there was a hit of 7% to 8% in the volume, and that was 45% of our total volume coming from that industrial segment of the Fatehgarh Sahib itself. So, if you take it out, it becomes really denting for us to

maintain that. But still, in spite of that, Fatehgarh Sahib, we, as a company, are giving you 10% to 12% volume YoY growth, combined together. And we are expecting this to grow further 15-plus %, maybe our ambition -- other than, industrial, if you see, had been more than 20%; 20%, 21%, 23% like that in other segments. And that is what is the reply from our side.

And with regard to Namakkal, you will be surprised that '23 only, we have started the initiative of operations, not only operation, but rather laying the infra and all that. So, Namakkal, we should keep aside. That will take little time along with our infra, but the result had been much more encouraging in Namakkal and Trichy as we have mentioned in the past reply of our question.

So, we are not having any such negative thought anywhere the volume-wise, we have got any discouragement to come. Fatehgarh Sahib, not 100% beyond the management control, but we have ensured that any new industry which is getting the CTE in that segment is coming through fuel supply of natural gas only.

**Keshav Garg**

Thank you.

**Moderator**

Thank you, sir. The next question comes from Dhruv Lawani, from IAN Analytics. Please go ahead, sir.

**Dhruv Lawani**

Hi. Thank you for the opportunity to ask the question. On the gas sourcing part, you know, the long-term agreements that you have entered with Shell and GSPL, can you just give some color on how the morality of the costing work out? I understand it will be marketing, but what sort of -- are there any cap or floor on volumes or the price? And how much would it contribute to our total gas sourcing, these two new contracts that we have entered?

**M. K. Sharma**

Yeah, Dhruv, thank you very much. As we mentioned, again, we would like to reiterate that from CNG segment, we are filling our entire requirement through APM, which we mentioned to you that 41% is coming from APM. NWG is coming around 7.5%, and HPHT is again, 38.4%. So, in total, you can see that 85% is around getting through my domestic sources, which is feeding us the CNG segment, PNG is definitely domestic, 100% we are getting.

So, this 85%, we are sourcing through our domestic ones. Industrial and the remaining market demand growth and all that. GSPC and Shell had entered long-term five years agreement with us. And GSPC and Shell up to 2028 January and 2028 March, they are providing us HPHT gas. So, you can understand that our portfolio is highly efficient and that HPHT gas is also good enough in the current prices as far as the costing part is concerned. So up to 2028, we are very much assured even for the industrial segment HPHT gas to flow.

Remaining ones are Brent linked. In Brent linked also, in the current market situation, we have got the best gas delivered prices available, which is in the range of, I can only say, 12.2 to 12.5, rather lower than that, I can tell you. If you can consider the costing part of it, I'm just not giving you precise figures. This is not, I mean, proper on my part. So, that kind of arrangement sourcing we have had.

And going forward, as the position ramps up, some Henry Hub portfolio, we are also buying. And with that, we would be making our entire portfolio mostly closely monitored. Some portion, we are leaving it open to be fed through spot gases because, see, there has been a volatility in Henry Hub prices also. Sometimes it used to be less than 3.5% to 4%. It went up to 6% also.

So, we are just tying with the HPCL, as we said, in place of Dahej, Chhara Terminal, HPCL LNG is there, that terminal is there. From there, we have taken Henry Hub-linked certain liquid portfolio to feed the local demand, and that is making our sourcing balanced.

**Dhruv Lawani**

Thank you for that information. The second question is with regards to the auditor remarks. There are -- you are looking at investing some money in some JVs in the couple of JVs that we have, and we are not receiving the money. So, can you just give some color on what these JVs are and your thought process and recovery?

**M. K. Sharma**

Yes. JV is one of the area which, you have rightly said, and even our auditors in the manner of, transparency, have mentioned a few observations. Like, no, we had entered three big JVs. One, to supply CBG for Fatehgarh Sahib. So, CBG plant, we had a 50-50 joint venture, namely in farm gas in Khanna and Ludhiana area, which was a big source for our Fatehgarh Sahib.

So that CBG plant, because of the local farmer agitation and all that, remained under shutdown for some time. So, that has created some issues with our JV partners also. In that, we have now investment of 33%, 34% only in place of 50%. And another 7%, 8% has gone to Shizuoka Gas of Japan. They have taken the balance share in that.

So that plant is yet to be operated at full capacity. So there one remark has come. So, whatever the corporate guarantee and other advances we have given, that is coming under the radar of the auditors. And coming to Venuka, the other company as a backward integration, Venuka Polymers in Vadodara, and that another plant of Venuka Polymers is there in Bangalore also.

That plant, we have taken for our backward integration because the CGD pipes, which are of special grade, which has a life of 40 years- and 45 years like that, 50 years around. So, with that backward integration plant, we have got 50:50 sort of joint venture arrangement with them, and they are supplying all these. Besides that, they are supplying the market also. Since other CGD players in the country have reduced last year their procurement and project activities to all time low level, so offtake from that company has not happened the way we expected this to happen. All the companies are not in the infra mode.

So, their volume or turnover dip happened. Because of that, the company's financial position was not as expected. So, certain provisioning auditors have demanded. That provisioning, we would be making if it is in the management side also not to be pursued like that. And Nihon Cylinder, we had entered into one joint venture agreement.

GAIL in Varanasi has done something. So, these three, four JVs we are having, certain comments, statutorily since auditors have warranted to give, they have given, but we are having complete control and eye on everything. If some provisioning also required to be done, it will be, I mean, written back, as the time comes. So, these are accounting entries. We are resorting to this. If any write off is required, we'll do it more transparently.

**Dhruv Lawani**

Thank you. Thank you for the clarification. Just one small. So, the additional money that you are willing to put in Venuka Polymers, any specific reason for that? Is it for CapEx or some taking care of the loans or anything? What is the rationale for investing in the inter-corporate loan that we have entered with that JV, additional one.

**M. K. Sharma**

I'll request CFO to kindly please reply to that loan portion of it.

**Arunkumar Salaru**

So that INR 1 crore that we have invested, that is to bring back the shareholding to 50%. So, that was that. And mostly, it will be used by the company for working capital purposes. So, basically, they are going

through the recovery phase. And so, IRM is also a partner, JV partner in that, so we are helping it out. So, in that sense, receivables of INR 10 crores were also converted into intercorporate loan, so that they get sufficient time at 9% interest. So, they are also going for refinancing of loans. So, maybe next year, we should expect better results from that company.

**Dhruv Lawani**

This is one question. You are not looking for any further deployment of any cash from our end into that JV. That's the thing?

**Arunkumar Salaru**

No, no. We are not expecting any further investments.

**Dhruv Lawani**

Okay. Fine. That's a good one. Thank you.

**Moderator**

Thank you, sir. The next question comes from Mr. Nitin Gandhi from Inoquest Advisors Private Limited. Please go ahead, sir.

**Nitin Gandhi**

Thanks for taking my question. What is the total CapEx other than Trichy INR 250 crore?

**Arunkumar Salaru**

So, going forward, the other three GAs will be around, say, INR 50 to INR 70 crore in the range because the BK and FS are almost, like, stabilized one. BK will require some CapEx because there is potential there. So, that way, the plan is there.

**Nitin Gandhi**

So, with the INR 100 to INR 120 crore cash flow generation, you'll be doing mostly through same internal Right?

**Arunkumar Salaru**

Yeah. For Namakkal and Trichy, we already have a loan tie up. But apart from that, IPO money is also there. For other three GAs, we have a loan tie up of -- INR 50 crore is still to be drawn. So, fund-wise, we are comfortable.

**Nitin Gandhi**

How much peak debt is expected? Post implementation of this complete CapEx?

**Arunkumar Salaru**

Yeah. So in Namakkal and Trichy, in the next one and a half years, we do not expect any debt to be drawn. We will be using the IPO money. In case of the other three GAs, right now, our debt is around INR 54 crore. Further, INR 50 crore debt arrangement is also in place. Going forward, our debt size is expected to be around INR 75 crore, running debt.

**Nitin Gandhi**

Okay. What's the role of Shizuoka and Enertech Distribution now evolving? And how is it likely to shape up over the next three to five years?

**M. K. Sharma**

Yeah. With regard to Shizuoka, we would like to just mention that they had entered here because they wanted to enter into the CGD market as well as to participate into the green listing area. There's no agreement as such with them because, see, they are themselves a CGD company in Japan. Shizuoka Gas is a CGD company in Japan. Currently, no technology transfer or nothing of that sort which suits to IRM has been entered into.

They, of late, probably are trying for their own business venture here to enter into LNG trading and all that. So that being not, I mean, current our area, we don't expect any collaboration with them in optimizing our CNG operations or CGD operations under IRM banner. If something more is required, we can collaborate with them separately, not under the coverage of IRM Energy as such. And this past one arrangement which we had, that has already expired in October 2025, wherein we had thought of entering into developing the market with Shizuoka Gas experience in this area, but that has not helped us much in developing the Indian market per se. So, that agreement, we have allowed to elapse in October 2024 itself.

**Nitin Gandhi**

And what about Enertech?

**M. K. Sharma**

Entertech or Enertech?

**Nitin Gandhi**

Yeah, Enertech.

**M. K. Sharma**

That is a related party, because the Director of Enertech and one of the Director of the IRM Energy is common, but we don't have any business transaction. We have got certain related party scope and the omnibus approval taken. But since our sourcing had been very robust, we didn't require any sort of compulsion to have any transaction with them. So, that is at the arm's length level, and no transaction has happened in the current year for nine months, rather 10 months, you can say, till date nothing has been transacted with them.

**Nitin Gandhi**

For 21% shareholding by them, is there any shareholder agreement or anything?

**M. K. Sharma**

Enertech as a company is holding 21% around. So last board, from beginning only, since inception only, when the company was formed that time, last board we have cleared one amalgamation process, because that company has got three, four shareholders who is having the share of 21% is held by three companies, that one by that company. So that scheme has been approved by our board. Those three, four shareholders of Enertech Limited will be getting directly shareholding in our company, so that if they want to quit or if they want to remain associated, it will be their personal decision in place of coming through a company.

Enertech currently is not engaged with or no interference with our current operations. So, they are -- that is also at arm's length. There was request from that company, that all the shareholders of that company should be given separate holdings. So that amalgamation process, our Board has, after thorough discussions, have allowed it to happen. Now NCLT process will take some time, and when the approval comes, we will allot them the direct shareholding of this company, that is what we think.

**Nitin Gandhi**

Okay.

**Moderator**

Thank you. The next question comes from Saket Kapoor from Kapoor Company. Please go ahead, sir.

**Saket Kapoor**

Namaskar, sir. And thank you and congratulations to the team, sir, for organizing and conducting a very detailed con call. Sir, the first and foremost point is, as we are in this space and this is a growing sector, what are we eyeing, sir, in terms of the business size going ahead in three to five years? And also, sir, with terms of the key risks that are embedded in the business model, what steps are we taking to mitigate the impact of the same as APM gas allocation being outlined as one of the major negatives.

So, if the management could give us some understanding as in the space we are, what is our aspiration, say, five years down the line in terms of volumes, GA areas, profitability? Just some more color, because as a group, we must be eyeing something bigger than what we are currently today. And also, since the gestation period also goes from three to five years, including so many anomalies, if you could just explain to us our positioning in the segment going ahead.

**M. K. Sharma**

Thank you, Mr. Saket, joining from Calcutta. We have spent good time in Calcutta also, so I'm emotionally attached to that city. Thank you, Saket. And your question is very nicely framed. But one resolution I would like to make, that this company will probably not look into the government allocation more. Because you see, the domestic production of the gas, natural gas through either HPHT or through other sources have been depleting and market is expanding.

So, allocation to the CGD company, currently which is 36%, 37%, is not expected to go back to 50% plus or 70%, 80% level. So, we have to stand on our own feet on sourcing arrangements efficiency only. So, this is going to rather -- going forward in two, three years going to dip down to 26%, 27% as the Kirit Parikh report also has been mentioning. So, we don't expect much of government APM allocation.

With regard to our futuristic plan as you have mentioned, that 12% to 15%, we have the visibility going forward in FY27 to happen. And as we said that, as we progress together in Namakkal, Trichy and other GAs, this should further go up. Currently, we can commit in this earning call 12% to 15% growth on year-to-year in all segments taken together.

We are open for business expansion organically, inorganically, through acquisition if such efficient options or opportunity comes. We have mentioned, because we are a lean company, we don't have debts with us, and promoters are also willing to pump us -- pumping more funds if required or if the business requirement comes. So, we see that we'll be lean and efficient, and we will only judiciously allocate our capital with profitable ventures only. This is what I can submit to you at this moment.

**Saket Kapoor**

Sir, if you take the regulatory aspect and the availability of APM gas, which very well have been articulated by you, even the depleting gas field from our side do speak volume that the availability is going to go down until and unless we come up with some big discovery. So, other than this, what are the key regulators and other risks associated embedded with the business model? And since we have cognizance of the same, what steps are we taking to mitigate the impact when the risk plays off?

**M. K. Sharma**

One thing, Saket, I can only tell you that the regulatory aspect, there is no challenge as such. Rather, we can only say that PNGRB, through their various notifications, have been giving lot of enabling provisions to all the CGD players taken together. Maybe the sourcing portion is not under their control that MoPNG and otherwise PPAC, etc., that we're doing the allocation. But whatever other regulatory aspect which you are hinting, that is only easing out our operational convenience.

Like recently, effective January 1, the pipeline tariff, the Zone-wise pipeline tariff has been substantially reduced, and we have passed on the portion of benefit to the consumers also. Certain things we kept in our hold also, because the dollar prices have fluctuated adversely to us. So that way, we have balanced together.

Going forward on MWP penalty, etc., what we get the sense from them through various interaction which we do with them regularly, they are trying to act as a regulator cum enabler, not unlike any other, I mean, segment like aviation or telecom or the power, this regulator particularly have a lot of appreciation. They are committed for Prime Minister's vision to enhance the natural gas culture from 6.5% level to 15% by 2030. So, from that angle, regulatory restrictions are not expected, rather some enabling provisions only come up, so that our operations become more efficient in the entire sector.

**Saket Kapoor**

Thank you, sir. And we hope for the continuities of these calls also going ahead, and it should not be one-off, I hope so. We will be continuing with our quarterly updates with investors posting these calls?

**M. K. Sharma**

No. We assure you that we'll be more interactive and more open and more frank with all of you, because this company belongs to you. We are the management. We are at your service, anytime. And otherwise also, other than the investor call or the earning call, anytime you wish to have, our CFO and company secretary are always open to reply or there are management team sitting beside me.

Along with, we also would like to thank EY for coordinating. Once they have been onboarded, they have very transparently been guiding us how to improve the investor relationship. Since they have got a vast experience, this call could begin as a curtain raiser, and we under their guidance and, as well as management confidence level, we will be very transparent. We assure you in future also, you will find us, I mean, much more transparent, open, and communicative to all of you. Thank you very, very much for joining us. Thank you so much.

**Saket Kapoor**

Thank you, sir. Thank you.

**Moderator**

Thank you, sir. In the interest of time, that will be our last question for the day. Now, I hand over the floor to the management for the closing comments.

**M. K. Sharma**

Yes. So, since it has been very fruitful and very -- I mean, a nice interaction, I hope that all of you must have reposed your confidence into the management. So formally, let me thank you, everyone, on behalf of the management of IRM management team, Energy team, we thank you all for joining us on our post earnings call today. We also hope that we have been able to address majority of your queries very, very transparently, openly.

And as you may reach out to our Investor Relations partner, EY, regularly for further queries. And also because of paucity of time if we have not been able to answer all your questions, we beg pardon for that. You may kindly give us in writing. We will definitely reply back to you in writing through EY all your queries, which have not been possible with the paucity of time. So offline also, you are open for that. We thank the EY team simultaneously for taking this opportunity. Thank you all.

**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 pleasant day.

**M. K. Sharma**

Thank you so much.

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