

Management Discussion & Analysis



Global Economy

The global economy navigated a complex landscape of evolving macroeconomic trends. Growth was projected at 3.3% in 2025, supported by robust performance in advanced economies and large emerging markets, according to the IMF. However, underlying vulnerabilities, including inflationary pressures, geopolitical conflicts, and energy market volatility, continue to reshape the economic conditions.

Economic Growth Projections

Particulars	2025 (P)	2024	2023
World output	3.3	3.2	3.3
Advanced economies	1.9	1.7	1.7
Emerging and developing economies	4.2	4.2	4.4
India	6.5	9.2	6.7
China	4.6	4.8	5.2

(P: Projected)

Persistent inflation in services continues to challenge disinflation efforts, despite softening of goods prices. While global inflation has declined from 6.8% in 2023 to 5.9% in 2024 and further to 4.2% in 2025, core inflation remains elevated, though on a gradual downward trajectory. In response, fiscal and monetary policies across major economies are adjusting to this sticky inflationary environment. Central banks are maintaining higher interest rates to stabilise prices, with the US Federal Reserve holding rates at 4.5%, the European Central Bank at 3.15%, and the Reserve Bank of India kept its policy rate elevated at 6.5% as on March 31, 2025.

Geopolitical tensions remained a critical concern. The protracted conflict between Russia and Ukraine continued to disrupt energy markets and supply chains, contributing to heightened global trade uncertainty. The appreciation of the USD further exacerbated financial stress for emerging markets reliant on oil imports or foreign debt, by inflating import costs and fuelling inflation. Meanwhile, the Eurozone continued to grapple with high energy costs and industrial

overcapacity, particularly in Germany's manufacturing sector, adding to subdued growth expectations.

Despite these challenges, signs of resilience are evident. Advanced economies are approaching target inflation levels, and emerging markets are displaying robust growth, underpinned by strong consumption and investment.

Performance of Major Economies

United States

The U.S. economy grew by 2.6% in 2024, driven by moderate consumption despite a slowdown from prior years. Inflationary pressures from services and wage growth have delayed policy normalisation, keeping interest rates elevated. Fiscal tightening has created headwinds for spending and investment, while clean energy policies continue to reshape global energy demand.

China

China's economy grew by 4.8% in 2024, supported by domestic consumption and exports. However, growth is projected to moderate at 4.6% in 2025 due to ageing demographics and declining productivity. Its transition towards sustainable energy presents opportunities for LNG exporters despite moderating demand.

United Kingdom

The U.K. recorded 0.7% growth in 2024, expected to rise to 1.5% in 2025 driven by improved real wages and easing inflation. However, energy market volatility, intensified by Brexit-related barriers and European policies, continues to influence prices and supply chains.

Japan

Japan's economy grew by 0.7% in 2024, hindered by supply disruptions and weak investment. It is expected to recover to 1.0% in 2025, with rising LNG imports to offset nuclear dependency, positioning Japan as a key market for gas exporters.

Germany

Germany's sluggish recovery saw 0.2% growth in 2024, with projections of 1.3% in 2025. High energy costs and weak manufacturing remain challenges, while energy transition policies provide both opportunities and hurdles for gas suppliers.

Outlook

The global economic outlook seems cautiously optimistic, with world output projected at 3.3% in 2025. Growth is expected to be driven largely by emerging and developing economies, which are forecast to expand at 4.2%, while advanced economies are projected to grow at a more modest 1.9%.

Global inflation is anticipated to moderate toward 4%, supported by easing supply chain disruptions and less restrictive monetary policies. Major central banks, including the Federal Reserve and European Central Bank, are expected to begin reducing policy rates, which could revive investment and promote risk-taking. Yet, protectionist policies, a stronger dollar, and China's slowing growth could exert upward inflationary pressures, particularly in energy-importing economies.

The energy market will continue to adapt to shifting dynamics, with oil prices expected to stabilise at current levels. However, weaker Chinese demand and economic deceleration in the eurozone pose risks to global trade and industrial recovery.

While signs of stabilisation emerge, the global economy's trajectory remains fragile, reliant on effective fiscal policies, geopolitical de-escalation, and coordinated action to mitigate inflationary and trade-related pressures.

Source: IMF World Economic Outlook, July 2024



Indian Economic Overview

India's economic growth in FY 2024-25 reflects resilience amid global uncertainties. As per the second advance estimates, the real GDP growth is projected at 6.5%, as compared to 9.2% in FY 2023-24, primarily due to subdued external demand, sectoral slowdowns, and inflationary pressures. However, India's growth remains close to its decadal average, reinforcing its position as one of the fastest-growing major economies.

Despite these challenges, domestic factors remain strong. The government's record capital expenditure of ₹ 11.1 lakh crore, continued infrastructure investments, and initiatives like Production-Linked Incentive (PLI) scheme and 'Make in India' programme are driving industrial momentum and self-reliance. The services and infrastructure sectors continue to be key growth pillars, supported by 5G expansion, data centers, and digital financial advancements.

Indian Growth Projections

	GDP Growth rate (%)
FY 2024-25 (Estimate)	6.5
FY 2023-24	9.2
FY 2022-23	7.6

As per data released by National Statistics Office (MOSPI, Gil), while the Y-o-Y inflation in Consumer Food Price Index (CFPI) and Consumer Price Index (CPI) peaked in October 2024 to 10.87% and 6.21% respectively, the financial year ended with much softer numbers with CPI inflation at 3.34% and CFPI inflation at 2.69% (Y-o-Y).

Source: - Ministry of Statistics and Programme Implementation

India's sectoral performance, as reflected in the Gross Value Added (GVA), brings varied contributions to economic growth amid evolving challenges. Manufacturing growth is expected to moderate to 5.3%, down from 9.9% in the previous year, largely due to global supply chain disruptions and rising input costs. However, agriculture exhibits a strong recovery, with growth projected at 3.8%, up from 1.4% in FY 2023-24, supported by favourable monsoons and targeted policy measures. The services and infrastructure sectors remain key drivers of economic momentum, backed by robust government-led investments and flagship initiatives like PM Gati Shakti, which continue to enhance connectivity and efficiency.

The Union Budget 2025-26 lays a strong foundation for India's economic resilience and sustainable growth, with a focus on infrastructure development, energy transition, and financial stability. A capital expenditure outlay of ₹ 11.5 lakh crore, constituting 3.4% of GDP, underscores the government's commitment to long-term growth. With GDP growth projected at 6.5%, the budget balances fiscal consolidation with targeted investments to sustain momentum. The fiscal deficit target has been reduced to 5.1% of GDP, indicating a prudent approach to managing public finances while ensuring capital availability for high-growth sectors. The targeted policy incentives for Industry (incl. MSME), Infrastructure, and Energy sectors, will drive the growth in overall industrial activity in the country, and will further accelerate energy demand.

Outlook

The IMF and RBI project India's GDP growth at 6.5%-6.6% for FY 2025-26, reflecting moderate yet steady economic expansion. Growth is expected to be driven by robust infrastructure investments, with a record capital expenditure, alongside initiatives in

renewables, electric mobility, and the National Green Hydrogen Mission to propel sustainable development. Expanding 5G infrastructure, data center growth, and tech-driven advancements in financial services and manufacturing further enhance the growth outlook. Despite global uncertainties, India's diversified growth drivers, strategic policies, and structural reforms position the economy for sustained progress, anchored by investments in infrastructure, green energy, and digitalisation.

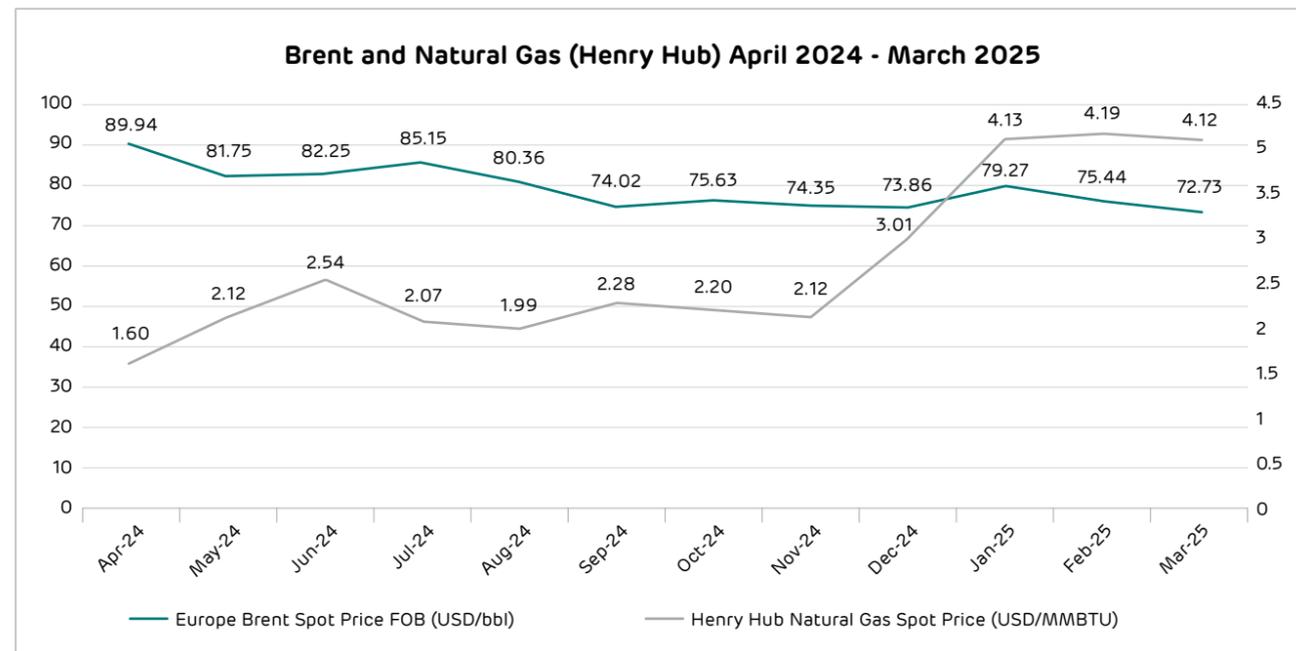
Industry Overview

Overview of Global Energy Sector

The global energy sector, particularly oil and natural gas, continues to underpin the global economy. Oil remains a dominant energy source, accounting for over 30% of global consumption, while natural gas, contributing around 25%, is gaining prominence as a cleaner alternative, supporting energy transition efforts worldwide.

Energy demand is projected to grow at a steady pace of 1-2% annually through 2030, driven by robust economic activity in emerging markets. Supply-side dynamics remain influenced by geopolitical shifts, with global crude production stabilising at approximately 101 million barrels per day in 2024. Simultaneously, natural gas output is rising, supported by the growing liquefied natural gas (LNG) trade, which bridges regional supply-demand disparities.

While the FY 2024-25 started with high oil prices, with Brent touching almost USD 90 per barrel, the subdued demand and strategic production adjustments by Organisation of the Petroleum Exporting Countries (OPEC) and other oil-producing nations, resulted in price softening to as low as USD 70 per barrel towards the end of the Financial Year. On the other hand, the international natural gas prices continued to witness high volatility and further tightened as the year progressed, with monthly average Henry Hub index moving from USD 1.6 per mmbtu in April 2024 to USD 4.1 per mmbtu in March 2025, reflecting higher than expected winter demand and limited liquefaction and export capacities.



Sources: US Energy Information Administration (eia.gov)

The energy transition agenda was a focal point at COP29, where global investments in renewable energy exceeded USD 1 trillion in 2024. Policymakers and industry leaders are accelerating decarbonisation initiatives, aiming for a 40% reduction in emissions by 2030, signalling a paradigm shift towards cleaner, sustainable energy systems.

India Energy Sector

India's energy sector remains a key driver of economic growth, with rising demand for petroleum products fuelled by industrial expansion, infrastructure development, and increasing mobility needs.

Domestic Consumption Petroleum Products

	UoM	FY 2024-25 (P)	FY 2023-24
Petroleum products (all)	MMT	239.2	234.3
LPG	MMT	31.3	29.7
MS	MMT	40.0	37.2
HSD	MMT	91.4	89.6
FO/LSHS	MMT	6.4	6.5

Ref: Industry Consumption Report – POL & NG, 2024-25, PPAC (P: Provisional)

Demand for LPG continues to rise, reaching 31.3 MMT in FY 2023-24, marking a **Y-o-Y growth of 5.6%**, driven by increasing household and industrial usage. Similarly, Petrol (MS) consumption stood at 40 MMT, reflecting a strong **Y-o-Y growth of 7.5%**, primarily due to higher vehicular mobility. High-Speed Diesel (HSD), the largest contributor to petroleum consumption, grew moderately by 2.0% Y-o-Y reaching 91.4 MMT indicating slower growth in demand from logistics, construction, and transportation segments. Meanwhile, consumption of Fuel Oil/Low Sulphur Heavy Stock (FO/LSHS) remained stable at 6.5 MMT, with a **marginal reduction of -0.9% Y-o-Y in demand**.

As the world's third-largest oil consumer, India imports nearly 90% of its crude oil demand, with 242 MMT imported in FY 2024-25, a 3.5% Y-o-Y increase. While the Middle East remains a dominant supplier, import diversification continues, with an increasing share from Eurasia and Africa. To enhance energy security and reduce import dependence, the government is actively promoting ethanol blending, compressed biogas production, and transport electrification, aligning with its long-term energy transition goals. At the same time, with a robust refining capacity of 257 MMT across 23 refineries, India continues to strengthen its position in the global petroleum product market, ensuring supply stability while advancing towards a sustainable energy future.

Source: Petroleum Planning and Analysis Cell, Ministry of Petroleum and Natural Gas, GoI

Consumption of Natural Gas

Natural gas is poised to play a pivotal role in India's energy transition journey, offering a cleaner alternative to traditional fuels like coal and petroleum products. While the share of natural gas in India's primary energy mix is currently just under 6%, the GoI has set an ambitious target to increase this to 15% within the next decade, as part of its energy security and decarbonisation goals. Even amid gas international price volatility and domestic supply constraints, the natural gas demand in India **grew by 7.1% on Y-o-Y basis**, reaching 72.3 billion standard cubic meters (BCM). This growth was driven primarily by country's growing City Gas Distribution (CGD) segment, followed by petrochemical and refining sectors.

The country's natural gas demand is rising rapidly and is expected to grow by nearly 60% by 2030, according to a recent IEA report. This marks a significant shift in the country's energy landscape, positioning India among the world's largest gas consumers in coming decade.

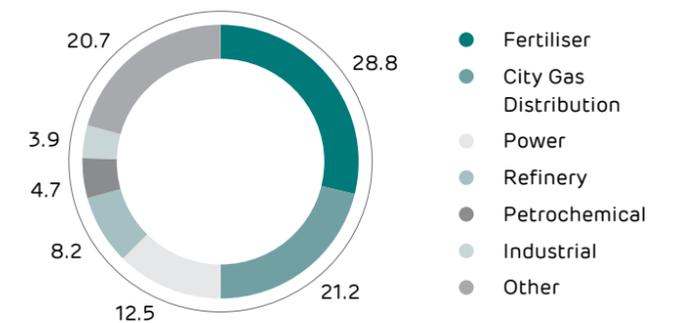
Domestic Consumption of Natural Gas

	UoM	FY 2024-25 (P)	FY 2023-24
Natural gas	BCM	72.3	67.5

Source: Petroleum Planning & Analysis Cell, Ministry of Petroleum (P: Provisional)

Sectoral Consumption Trends

India's Natural Gas Consumption is Driven by Key Sectors: (in %)



Domestic Production and Import Reliance

Domestic production occurs primarily in resource-rich regions such as the Krishna-Godavari Basin, Mumbai High, and Assam. However, domestic output meets only a portion of demand. Despite government initiatives like the Hydrocarbon Exploration Licensing Policy (HELP) to boost domestic production, 51% of India's natural gas supply in FY 2024-25 was met through imports, in the form of Liquefied Natural Gas (LNG).

Administered Pricing Mechanism (APM) Gas Allocation

The APM gas is produced by the ONGC/OIL from their nominated fields and is allocated to certain priority segments in the country, with a price ceiling stipulated as per recommendations of the Kirit Parikh Committee. In FY 2024-25, while the price of APM gas remained constant at ceiling of USD 6.50/mmbtu, the gap between APM gas demand and APM gas allocation to the CNG for transport (CNG-T) segment widened from nearly 32% in April 2024 to as much as 63% in November 2024. The gap was partially reduced back to around 50% during the final quarter of the year, however, impact of APM allocation reduction was increased blended cost of gas for the CNG-T segment, resulting in increased CNG prices across the country. Some relief was given in the form of New Well Intervention Gas (NWG), which was available at 12% of Indian Crude Basket price, however, this was on average 30% more expensive than APM price and the available NWG volume did not compensate for the APM reduction, and the balance had to be met via RLNG and HPHT gas.

Infrastructure Developments

India is rapidly advancing its energy infrastructure to meet the growing demand for natural gas. Significant investments in CGD networks are enabling efficient access for residential, industrial, and commercial users in urban and semi-urban areas.

The expanding National Gas Grid pipeline network ensures efficient transportation from production sites to consumption centres, strengthening energy security and supporting economic growth.

Growth in CGD Infrastructure in India

	UoM	FY 2024-25 (Exit)	FY 2023-24 (Exit)
CNG Stations	Nos.	7,720	6,861
Residential PNG Connections	Nos.	1.47 crore	1.29 crore

Source: Petroleum Planning & Analysis Cell, Ministry of Petroleum & Natural Gas, GoI

Sales of CNG Vehicles by Segment

	(in lakhs)		
	FY 2024-25	FY 2023-24	FY 2022-23
CNG 2W	0.52	-	-
CNG 3W	3.41	3.56	2.46
CNG 4W+	8.99	6.90	5.19
Total	12.92	10.46	7.65

Source: Vahan Dashboard, Ministry of Road Transport & Highways, GoI

The softening of economic indicators resulted in slowdown of vehicle sales growth across all segments in the country. While the overall 2-wheeler sales growth remained almost same (8% in FY 2024-25 vs 9% in FY 2023-24), the 3-wheeler sales growth slowed down from 49% to 5% (FY 2023-24 vs 2024-25) and the 4-wheeler sales growth slowed down from 8% to 3% (FY 2023-24 vs 2024-25).

The impact of APM allocation cut in H2 2024-25, combined with overall slowdown in vehicle sales, impacted sales of CNG 3-wheelers the most, which witnessed a reduction in sales by 4% over previous financial year. The CNG 4-wheeler sales, however, remained strong, registering a 30% Y-o-Y growth (vs 33% in previous financial year), driven by multiple CNG model launches in both personal as well as commercial vehicle segments, and growing acceptance of natural gas as a cleaner and economical fuel. Further, the CNG penetration in overall 4-wheeler segment grew to 15% in FY 2024-25. The year also witnessed launch of India's first CNG motorbike by M/s Bajaj Auto. The CNG 2-wheelers may prove to be a viable alternative to e2W in areas with CNG refuelling infrastructure, which is growing across the country.

Ratio of CNG Vehicles as % of Overall Vehicle Sales

	FY 2024-25	FY 2023-24	FY 2022-23
CNG 3W	28%	31%	31%
CNG 4W+	15%	12%	9%

Source: Vahan Dashboard, Ministry of Road Transport & Highways, GoI

Adoption of EVs

The e-mobility segment in India continues to grow, with EV sales close to 2 million units in FY 2024-25, accounting for 7.5% of total automobile sales in the country. However, impacted by the expiry of FAME-II and overall economic softening, the EV segment growth witnessed a sharp decline in FY 2024-25, compared to previous financial year. While the ratio of EV sales in overall 3-wheeler segment remained 57%, the penetration of e2W and e4W remained low at 6% and 2% respectively in FY 2024-25.

The recently introduced PM E-DRIVE scheme, which aims to push EV adoption by expanding charging infrastructure and strengthening domestic manufacturing, is expected to drive the EV growth going forward. Further, the 2nd half of the financial year witnessed launch of multiple new EV models, along with innovative ownership models like battery as service, bringing in much-needed

affordability and multiple options for consumers to choose from. With a strong focus on sustainable mobility and reducing fossil fuel dependence, India is expected to rapidly advance towards a cleaner and more efficient transportation ecosystem.

Sales of Electric Vehicles

Sales of EV by Segment

	(in lakhs)		
	FY 2024-25	FY 2023-24	FY 2022-23
e-2W	11.5	9.5	7.3
e-3W	7.0	6.3	4.0
e-4W	1.2	1.0	0.5
Total EV	19.7	16.8	11.8

Source: Vahan Dashboard, Ministry of Road Transport & Highways, GoI

India's Push for Compressed Biogas and Green Hydrogen

The production of biogas and green hydrogen forms the cornerstone of India's energy transition strategy. Government initiatives, including incentives for green hydrogen projects, are aimed at decarbonising hard-to-abate sectors. Biogas production is scaling up to meet rural energy needs while contributing to waste management and sustainable agriculture.

Compressed Biogas (CBG)

India continues to take determined steps towards energy transition and decarbonisation, with Compressed Biogas (CBG) emerging as a key enabler in achieving a circular economy and cleaner energy future. Produced from organic waste such as agricultural residues, animal waste, and municipal solid waste, CBG offers a dual advantage – managing waste sustainably and reducing dependency on imported fossil fuels.

The Government's push for biofuels gained momentum in recent years, marked by India's leadership in launching the Global Biofuel Alliance and streamlining initiatives under the GOBARdhan scheme. A unified registration portal was launched in June 2023 to integrate policy benefits for CBG developers.

Two pivotal policy interventions were introduced in FY 2023-24:

- **Market Development Assistance (MDA):** With a budget of ₹ 1,452 crore till FY 2025-26, MDA provides ₹ 1,500/MT incentive for the sale of organic manure (FOM/LFOM/PROM) produced at CBG plants. In support of this, the Fertiliser Control

Order was amended in July 2023 to formally include CBG-linked organic fertilisers.

- **Compressed Biogas Obligation (CBO):** This mandates the phase-wise blending of CBG in CNG (Transport) and PNG (Domestic) segments of the CGD sector. While voluntary till FY 2024-25, blending will become mandatory from FY 2025-26, starting at 1% and scaling up to 5% by FY 2028-29.

India's biomass potential for CBG is estimated between 45 and 60 MMT (equivalent to 175 to 220 mmscmd of natural gas), representing a sizeable opportunity to scale renewable gas production and achieve energy security.

States such as Uttar Pradesh, Punjab, Haryana, and Maharashtra remain at the forefront of this transition, supported by ample biomass availability and enabling policies. With the integration of CBG into CGD networks and a growing focus on waste-to-wealth initiatives, the sector is poised for accelerated growth in the coming years.

The National Green Hydrogen Mission (NGHM), which was launched in January 2023, has an overall outlay of ₹ 19,000 crore, to kick-start growth of hydrogen ecosystem in the country. The mission objectives include localisation of electrolyser manufacturing, production of green hydrogen and derivatives, pilot project in green steel manufacturing, hydrogen mobility, and shipping, and creating hydrogen hubs in the country. Driven by NGHM, the year witnessed various pilot projects and other developments in this area.

Outlook

India's growing population and industrialisation are driving unprecedented energy needs, with primary energy supply projected to exceed 950 million tonnes of oil equivalent (Mtoe) in FY 2024-25. The rising energy demand, in combination with Government of India's push on decarbonisation and enhancing energy security, is expected to drive the growth of various fuels in the country. Multiple stated policy objectives in this regards, like increasing share of natural gas in energy basket from 6% to 15%, enhancing EV penetration (by sales) to 30%, and achieving CBG production capacity of 15 MMT within next 5 to 10 years is going to shape the energy landscape of the country in the years to come. Strategic investments in infrastructure, policy support, and technological innovation will drive this transformation, and with continued focus, India is poised to achieve energy security and lead the global energy transition.



Business Overview

About ATGL

The Company is a leading player in India's city gas distribution segment, driving the adoption of natural gas in residential, commercial, industrial and transport segments. The Company has diversified into emerging energy solutions such as compressed biogas, LNG for transport and mining, and electric vehicle charging infrastructure. Committed to innovation, operational excellence, and sustainability, ATGL is shaping a greener and energy-efficient future for India.

New Development in GA's

With the addition of Jalandhar GA in FY 2024-25, ATGL now operates across 34 Geographical Areas (GAs), and holds 50% stake in Indian Oil-Adani Gas Private Limited (IOAGPL), extending its presence to an additional 19 GAs.

The Company continues to make significant strides in expanding its CGD footprint, focussing on infrastructure development in newly integrated regions. During the year, Jalandhar GA was officially integrated into ATGL's portfolio following approval from the Petroleum and Natural Gas Regulatory Board (PNGRB) for the transfer of authorisation. Infrastructure development in this area is progressing rapidly to enhance energy accessibility. To address regions without direct pipeline connectivity, ATGL has also commissioned LCNG/LPNG plants, bringing in natural gas in form of LNG and dispensing CNG and PNG.

Our Diversified Solutions and Operational Performance

City Gas Distribution

The Company is at the forefront of India's CGD sector, delivering reliable and clean energy solutions to a diverse customer base. The Company supplies PNG to domestic, commercial, and industrial consumers and CNG to the transportation sector. Its CGD operations are supported by an expansive steel pipeline network and a growing number of CNG stations, ensuring energy accessibility across regions.

Operational Performance in FY 2024-25

- The steel pipeline network grew to 13,772 inch-km, providing a robust backbone for the reliable supply of PNG and CNG. The MDPE pipeline network grew to 7,807 km, serving as last-mile connectivity to the end consumers
- Total domestic PNG connections increased to 9.63 homes, with 1.42 lakh new connections added during the year

- Commercial and industrial PNG connections grew to 9,299 customers, reflecting ATGL's expanding footprint in these segments
- Number of CNG stations increased to 647, with 1 station being commissioned every 3rd day during the year
- The adoption of Company-Owned Dealer-Operated (CODO) and Dealer-Owned Dealer-Operated (DODO) models expanded to 123 stations, enhancing ATGL's ability to provide value-added services to the customer, in addition to dispensing CNG
- Along with its joint venture, Indian Oil Adani Gas Private Limited (IOAGPL), ATGL extended its national D-PNG and CNG footprint to 11.40 lakh homes and 1,072 CNG stations respectively across 125 districts in the country

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E-Mobility

ATGL is expanding its presence in India's clean energy transition through its wholly-owned subsidiary, Adani TotalEnergies E-Mobility Limited (ATEL). Established in FY 2022-23, the subsidiary focusses on developing Electric Vehicle Charging Infrastructure (EVCI) across the country, aligning with ATGL's strategy of diversifying beyond its core CGD business.

Operational Performance in FY 2024-25

- Deployed a total of 3,401 EV charging points across 26 states & UTs, catering to a growing EV ecosystem
- Achieving total installed charging capacity to 28 MW as on March 31, 2025
- ATEL has become India's No. 1 Airport CPO, with presence/WIP at total 21 airports

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Compressed Biogas

Adani TotalEnergies Biomass Limited (ATBL), a wholly-owned subsidiary of ATGL, is playing a key role in the renewable energy sector, focussing on biogas production. The Company has successfully commissioned Phase 1 of its flagship Agri waste to CBG plant in Barsana, Uttar Pradesh and has initiated development of two new MSW to CBG plants in Ahmedabad and Rajkot, targeting feedstock processing capacities of 500 TPD and 250 TPD, respectively. It aims to process agricultural waste, cattle dung, and municipal solid waste into CBG and organic fertiliser. Leveraging advanced anaerobic digestion technology,

ATBL is committed to supporting India's efforts to reduce greenhouse gas emissions, enhance fuel security, and promote a sustainable energy future.

Operational Performance in FY 2024-25

- Successfully commissioned Phase 1, processing 10 TPD of agricultural waste and cattle dung
- Sold 730 MT of CBG and more than 2,000 MT of organic fertiliser in FY 2024-25

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LNG for Transport and Mining (LTM)

To drive decarbonisation in heavy transport and mining, ATGL is building an LNG retail network near key industrial hubs, mines, ports, and highways. It will provide a viable, cleaner alternative to diesel, addressing current energy needs while complementing the development of future technologies. The Company has successfully commissioned its 1st LTM retail outlet in Tiruppur (Tamil Nadu), with more outlets under construction.

Pilot Project on Hydrogen Blending in CGD

In alignment with the future of energy and net-zero aspirations, ATGL launched a pilot project in August 2023 to blend hydrogen into its CGD network. Located in Ahmedabad, the project is currently producing hydrogen in-situ using PEM-based electrolyser and is blending 2% hydrogen in the designated section of MDPE network. The actual blending % will be ramped up to maximum of 8% in a phase-wise manner. This project marks ATGL's commitment to innovation and readiness to harness its potential in advancing sustainable energy solutions.

Joint Ventures

Indian Oil Adani Gas Private Limited (IOAGPL)

Indian Oil Adani Gas Private Limited (IOAGPL) is a joint venture between Indian Oil Corporation Limited and ATGL. The Company operates in 19 GAs across India, providing natural gas distribution services to both industrial and residential customers.

Operational Performance

- Achieved a gas sales volume of 540 mmscm in FY 2024-25
- Expanded customer base to over 1.77 lakh PNG connections
- Increased network to 425 CNG stations across India
- Strengthened position as a prominent player in India's CGD sector

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Smart Meters Technologies Private Limited (SMTPL)

Smart Meters Technologies Private Limited (SMTPL) is a joint venture between Adani Total Gas Limited and GSEC Limited. The Company specialises in manufacturing mechanical and smart gas meters for the CGD industry.

Operational Performance

- Supplied 2.13 lakh gas meters in FY 2024-25, demonstrating robust manufacturing and trading capabilities
- Received MID-D certification, enabling the export of smart gas meters to international markets

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Financial Performance

The Company achieved robust financial performance in FY 2024-25, driven by consistent operational excellence and strategic growth initiatives. Revenue from operations registered a significant growth of 12%, standing at ₹ 5,397.90 crore as on March 31, 2025 compared to ₹ 4,813.48 crore in the previous year, reflecting enhanced market penetration and efficiency. The EBITDA grew by 1% from ₹ 1,150.36 crore to ₹ 1,166.80 crore while the PAT declined by 1% from ₹ 653.10 crore in FY 2023-24 to ₹ 648.02 crore in FY 2024-25. Profitability also improved, supported by resilient margins and efficient sourcing strategies. The year marked a milestone with the successful securing of USD 375 million in global financing to propel network expansion.

The key financial ratios compared to the last financial year are as under:

	Current FY ended March 31, 2025	Previous FY ended March 31, 2024	Change between current FY and previous FY	Reason for change
Debtors turnover(x)	13.05	13.31	(1.91)%	NA
Inventory turnover (x)	350.30	363.70	(3.69)%	NA
Interest coverage ratio (x)	9.66	8.92	(8.26)%	NA
Current ratio	0.73	0.58	27.28%	During the year, the Company has repaid short-term borrowing which resulted in reduction of current liabilities.
Debt-equity ratio (x)	0.42	0.41	1.04%	NA
Operating profit margin (%)	21.0	22.9	(8.45)%	NA
Net profit margin (%) or sector-specific equivalent ratios, as applicable	11.9	13.4	(11.22)%	NA
Return of net worth (%)	16.7	20.1	(16.75)%	NA

Notes:

- a. Above ratios were based on the Standalone Financial Statements of the Company.
- b. Definitions of ratios:
 1. Debtors' turnover: Average trade receivable by revenue from operations for the year.
 2. Inventory turnover: Average inventory (excluding stores and spares) by Cost of Goods Sold for the year.
 3. Interest coverage ratio: Total EBIT by finance cost for the year.
 4. Current ratio: All types of Financial and Non-Financial Current assets by all types of Financial and Non-Financial current liabilities.
 5. Debt equity ratio: Current and Non-current Borrowings by total equity at the end of the year.
 6. Operating profit margin: Operating EBIDTA by revenue from operations for the year.
 7. Net profit margin: Profit for the year by total income for the year.
 8. Return on net worth: Profit for the year by average Total Equity.

Financial Performance Highlights of Joint Ventures and Subsidiaries for FY 2024-25

Joint Ventures

Indian Oil Adani Gas Private Limited (IOAGPL)

IOAGPL, reported revenue from operations of ₹ 2,870.07 crore in FY 2024-25. The PAT declined by 9% Y-o-Y to ₹ 40.61 crore compared to ₹ 44.50 crore in FY 2023-24, while Cash Profit increased by 8% Y-o-Y to ₹ 173 crore compared to ₹ 160 crore in FY 2023-24.

Smart Meters Technologies Private Limited (SMTPL)

SMTPL, achieved revenue from operations of ₹ 20.75 crore in FY 2024-25, showcasing consistent growth.

Subsidiaries

Adani TotalEnergies Biomass Limited (ATBL)

Continued its progress in renewable energy initiatives, with FY 2024-25 marking improved financial performance.

Adani TotalEnergies E-mobility Limited (ATEL)

Expanded its market presence and recorded robust financial growth in FY 2024-25, further strengthening its footprint in the EV charging segment.

Outlook

Over the past 5 years, the demand for transportation fuels (6.9% CAGR), industrial fuels (3.8% CAGR), and natural gas (6.1% CAGR) has grown considerably, and is expected to grow further driven by strong economic activities and conducive environment for investments in the country. The City Gas Distribution sector in particular, has witnessed an impressive volume growth of 13.1% CAGR in past 5 years, and is expected to retain this pace of growth, supported by stated policy objectives of growing proportion of natural gas in energy basket from 6% to 15% and the fact that now virtually entire country (except islands) has been authorised for development of city gas infrastructure. Furthermore, India's focus on sustainable development and energy security continues to drive growth of sectors like e-mobility, bio-fuels, and renewable energy.

The Company's core strength of city gas distribution and its strategy of gainful diversification in adjacencies like E-Mobility and Compressed Biogas businesses, positions it well to capitalise on the growing energy demand in the country, especially in the multi-fuel demand scenario. Enabled by a strong financial position, deep expertise in infrastructure development, and digital-first approach in every avenue of its operations, the Company is poised to grow and generate attractive returns on equity for the investors. Recently, when the entire CGD sector faced considerable gas price volatility and a weakening Rupee, the Company, with its diversified gas sourcing portfolio and ability to secure short-term supplies at competitive prices, was able to perform beyond expectations with only limited impact on the profitability, compared to the sector. Going forward, by focussing on volume enhancement, increased sweating of existing assets, and strategic investments, the Company expects to be more resilient, as it grows at a faster pace.

Human Resource Practices

The Company recognises that its success is driven by people excellence, and hence it continuously strives to align talent acquisition and retention policies with the business objectives. Over the past year, the Company has made notable advancements in training and development initiatives, to keep its talent updated with latest and best practices of the industry. Young Leaders Program and Advance Learning Program, which are run in collaboration with prestigious institutions like IIMs, IITs, etc., have provided unique opportunities for employees upgrade their skills and contribute to the business. The Company had 578 employees on-roll as on March 31, 2025.

Risk Management

The Company ensures robust risk management through a well-defined Enterprise Risk Management (ERM) framework, governed by the Risk Management Committee (RMC). This structured approach proactively identifies, assesses, and mitigates potential risks, fostering resilience and strategic alignment. Key aspects include governance oversight, transparency, and a balanced approach to safeguarding the Company's objectives. For further details, refer to page 90 of this Integrated Report.

Internal Control System

The Company has established robust internal control mechanisms that align with its operational scale and complexity. The Board of Directors oversees the internal control framework, ensuring its adequacy, effectiveness, and proper implementation.

The system is designed to enhance operational efficiency, ensure the reliability of financial and management information, comply with applicable laws and regulations, and safeguard the Company's assets. Additionally, it facilitates the proactive identification and mitigation of risks, including operational, compliance, financial, and economic risks, ensuring sustainable growth and governance excellence.