

Expanding Operations

THINK Gas plans Rs 20 billion investments over the next five years

With the city gas distribution (CGD) sector expected to witness significant growth in the years to come, THINK Gas Distribution Private Limited has plans to expand operations with the aim of becoming one of the biggest private players in this space. At a recent CGD India conference organised by *Indian Infrastructure*, Sandeep Trehan, co-founder and president (marketing and business development), THINK Gas, discussed the growth and future plans of the company.

What is the current status of THINK Gas's networks in terms of construction, operation, etc.? What are the current volumes and plans lined up for the next few years?

THINK Gas was established in 2018 to supply natural gas to households, industries and commercial businesses. The network created in districts covers over 450 km of steel pipeline, covering 15 million population in a 46,000 sq. km. area of its business. THINK Gas aims at bringing a change in people's lives, making them shift from polluting fuels to green fuels, and is constantly working in the same direction. The company is working towards introducing other fuels at its stations, in addition to compressed natural gas (CNG), so that people can have access to cleaner fuels. THINK Gas introduced the concept of environmental and social governance (ESG) in safety standards while developing business. The company faced Covid-induced disruptions and the pace of business operations slowed down. The company is currently operational across 13 districts in five states of the country - Punjab, Uttar Pradesh, Bihar, Madhya Pradesh and Himachal Pradesh. Some of the major districts covered include Ludhiana, Jalandhar, Bagpat and Begusarai.

Despite various Covid-induced challenges, the company is back on track, both in terms of its plans and growth. Going forward, THINK Gas plans to invest nearly Rs 20 billion in the next five years and double its business at various levels in each of its segments. With new technologies and players coming in, THINK Gas looks forward to working in a direction that can bring a change in the overall offering and experience of customers while using clean fuel in



their kitchens, vehicles or burners in commercial and industrial establishments. The use of natural gas will grow in the coming years.

What numbers does THINK Gas expect in terms of consumption, networks (number of CNG stations, gas volume, etc.), and customers for the coming five years?

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biggest private players. The company currently caters to over 30,000 customers on a daily basis and is preparing itself to be able to reach over 17 million population in its markets.

What is the consumer mix that THINK Gas caters to and what is the expected mix in terms of consumption?

Since its inception in 2018, THINK Gas started operations with CNG mostly. At present, its 80-85 per cent volume is attributable to CNG. Building an ecosystem and a network is time-consuming, and the restriction during the pandemic impacted the company's pace on the ground too, making it difficult to execute its plans. Despite lockdown restrictions and in a pandemic-affected environment, THINK Gas has been able to create an ecosystem in its markets, and has been able to accomplish a strong network of over 80 CNG stations.

What were the challenges faced by THINK Gas?

Developing infrastructure is always a challenge in India given that a company must go through various approvals and statutory applications with various government authorities. THINK Gas faced similar challenges when it started its business and worked on technologies to support itself during the construction phase.

The company invested in and deployed advanced technologies such as Quality and Construction Management application, a first of its kind, to have a better construction management geographic information system (GIS), to eliminate inconsistencies in the pipeline network, and to trace pipeline data and locations



with utmost accuracy. These technologies and applications helped the company to build its infrastructure and monitor its activities very efficiently, speeding up its execution work.

How is THINK Gas utilising technologies for maintenance of its existing network and construction?

THINK Gas has developed a Quality and Construction Management application, wherein it captures all data in a digital format that can be stored securely on the cloud and is accessible very easily, anytime, anywhere. THINK Gas also documents information regarding the ongoing work and inspects the quality standards of the same daily. The company keeps its asset and network information on the GIS platform to have a clear view of its operations. THINK Gas has also deployed a vehicle tracking app, Journey Management Application, to manage its fleet efficiently across various geographies. This has helped the company in smooth logistics and meeting its customer demands efficiently. THINK Gas has also successfully deployed supervisory control and data acquisition (SCADA) based on cloud architecture, a first of its kind in India's oil & gas industry. It can be monitored through its control room – Nucleus. SCADA helps in remote monitoring of the company's assets across its geographies. THINK Gas is also planning to

adopt customer relationship management (CRM) systems. It is currently working on building a robust CRM system for itself and will be deploying it in a couple of months. This will help the company track its customers easily.

For the household sector, it has deployed Bluetooth-enabled prepaid meters instead of conventional meters, mechanical meters, etc., helping the company to manage its business commercially on the ground. Its customers can use their smartphones to recharge their connections from anywhere, anytime and receive updates about their smart meters. The customers are charged on a pay-as-you-use basis, making it easy for the customers to recharge their connections with as little as Rs 50.

Did THINK Gas face any supply chain disruptions amid Covid-19?

Employees at THINK Gas worked 24 hours, maintaining an uninterrupted supply of natural gas to customers. In addition to this, they have been following Covid-related guidelines and have been vigilant throughout the process. The company protected its contractors and introduced certain Covid-related measures along with ESG measures for safety. Although the business was affected from the demand side, the company worked relentlessly for maintaining a smooth communication network with various stakeholders. When Covid-19 was widespread and at its

peak, the operational levels declined, to 40-50 per cent levels. Despite these challenges, THINK Gas demonstrated the ability to ensure the availability of gas at stations, in industries, and other commercial establishments.

Over the next 12 months, how many CNG stations will THINK Gas be adding?

THINK Gas plans to increase the volumes that can be sold from the existing stations and is continuously working in that direction. This will be done to ensure that the company is able to increase its volume from its current CNG station network and simultaneously grow its network of THINK Gas branded stations to meet the upcoming demands in our markets. THINK Gas will be doubling the number of its stations, from the current network of over 80 stations, and is aiming to operationalise over 125 stations by the end of the next fiscal year.

What kind of impact will the green hydrogen policy have on THINK Gas' business?

THINK Gas is at an evaluation stage. The company believes that hydrogen has a key role to play in the natural gas sector going forward. It has also been observing developments wherein hydrogen is mixed with natural gas and is then supplied. The company will be a part of this ecosystem and believes that hydrogen will be of great help on the supply side. ▀