



Petronet LNG Limited

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PAN: AAACP8148D

GST: 07AAACP8148D1ZI

CS/PLL/LISTING/Reg-30/2025

Date: 4th February 2025

The Manager
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

The Manager
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra East, Mumbai – 400 051

Subject: Transcript of post-results Conference Call held on 28.01.2025

Dear Sirs/Madam,

This is with reference to our intimation dated 17th January 2025 and 28th January 2025 intimating holding Conference Call of the Company scheduled on Tuesday, 28th January 2025 at 11:00 A.M. (IST) for unaudited Financial Results of the Company for the quarter and nine-months ended 31st December 2024 and uploading audio recording post Conference Call respectively.

In terms of provisions of Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of above conference call as Annex-1.

This is for your kind information and record please.

Yours faithfully,

(Rajan Kapur)
Company Secretary

Encl: as above

Dahej LNG Terminal:

GIDC Industrial Estate, Plot No. 7/A, Dahej
Taluka Vagra, Distt. Bharuch - 392130 (Gujarat)
Tel.: 02641-257249 Fax: 02641-257252

Kochi LNG Terminal:

Survey No. 347, Puthuvypu
P.O. 682508, Kochi
Tel.: 0484-2502268



Petronet LNG Q3FY25 Earnings Call Transcript

January 28, 2025

MANAGEMENT: **Mr. Vinod Kumar Mishra – Director (Finance)**
 Mr. Rakesh Chawla – Group General Manager & President (F&A)
 Mr. Gyanendra Kumar Sharma – Group General Manager & President (Marketing)
 Mr. Vivek Mittal – Chief General Manager & Vice President (Marketing)
 Mr. Debabrata Satpathy – General Manager (F&A)

Moderator: **Macquaire-Baiju Joshi**

Operator: Good morning, everyone and welcome to Petronet LNG's Q3 FY '25 Earnings Conference Call hosted by Macquarie. For the discussion today, we have with us the management team comprising Mr. Vinod Kumar Mishra, Director (Finance); Mr. Rakesh Chawla, Group General Manager and President (Finance and Accounts); Mr. Gyanendra Sharma, Group General Manager and President (Marketing); Mr. Vivek Mittal, Chief General Manager and Vice President (Marketing); Mr. Debabrata Satpathy, who is General Manager (Finance and Accounts); and Mr. Vikash Maheswari, who is Deputy General Manager (Finance and Accounts). So, with that, I would now hand over the call to the management for their opening remarks and then we'll follow it up with question-and-answer session. Over to you, sir.

Vinod Kumar Mishra: Thank you. Very good morning to all of you. And, as you know that we have been surprising you every time whenever we give the results. Although our throughput has not been that high as it should have been. And if you look at the throughput in Dahej this time, it has been 213 TBTU as against 225 TBTU in the previous quarter and 218 TBTU in the corresponding quarter of previous year. Overall, throughput has been 228 TBTU including Dahej & Kochi and this is against 239 TBTU in the previous quarter and 232 TBTU in the corresponding quarter of previous year. If you look at the nine-month result, it has been highest ever and the total throughput in Dahej has been 686 TBTU as against 646 TBTU in the previous year's nine months. And overall throughput has been 729 TBTU as against 685 TBTU in the corresponding nine month of the previous year.

And if you look at the financial results this time, it has been INR 1,169 crore as PBT this time as against INR 1,140 crore of PBT in this previous quarter and INR 1,191 crore, sorry, and INR 1,597 crore in the corresponding quarter. PAT has been INR 867 crore in the current quarter as against INR 848 crore in the corresponding quarter and INR 1,191 crore in the previous quarter. Sorry, it has been INR 867 crore in the current quarter as against previous quarter of INR 848 crore and INR 1,191 crore in the corresponding quarter.

And if you look at overall nine months result, the PBT has been INR 3,829 crore as against INR 3,761 crore in the previous year's nine months and PAT has been this time INR 2,856 crore as against PAT of INR 2,799 crore in the previous year, nine months. So, this is the financial result and as you know that has been less but we have been able to get higher profit than the previous quarter, although it is very marginal. Thank you very much and now house is open for the question.

Operator: Thank you very much, sir. We will now begin the question-and-answer session. We'll take the first question from Puneet Gulati, Puneet request you to please go ahead and ask your question. Puneet, you seem to be on mute. Can you unmute and ask your question, please?

Puneet Gulati: So, I think my first question is on the volume side. So, while your total volumes have still been decent, but what we are seeing is that the long-term volumes have been below 100 TBTU, it used to be higher than that in FY '23-'24. So, what's driving this bit of slowness on the long-term side for Dahej? Any thoughts?



Vinod Kumar Mishra: Okay. So, if you look at the volume in Dahej, FY '23-'24, it has been lower as compared to, you're saying that it's compared to corresponding quarter, it's lower?

Puneet Gulati: Yes. I mean, just as a trend also, last three quarters have been 96 to 97 TBTUs, the previous year was, 100 TBTUs and even FY '23 was 100 plus.

Vinod Kumar Mishra: I think volume wise, if you look at long term, it's the scheduling, we are doing as per ADP we are getting, because long term volume, likely it may be here and there, but normally it remains same because it's scheduled arrival of the cargoes. I don't foresee any fall in that, but of course, the spot and the other cargoes which are coming, service cargoes, they are affected by frequent prices, this prices being higher or lower, so that may be there, but otherwise, long-term cargoes may be slightly lesser, but it doesn't matter because it's as per the annual delivery schedules. So, not much difference from the previous quarter, but of course, from the corresponding quarter, it is less.

Puneet Gulati: Okay. Second question is on the, UOP dues, any progress there that we noticed that there is another one for CY '24 as well, INR 117 odd crore. Any progress on what the off takers are now willing to pay? You had a bank guarantee. Can you enforce that and any further thoughts there?

Vinod Kumar Mishra: Yes, that Bank guarantee is there and in fact, we have already informed all the off-takers and they will reply by 31st March, we will send the letters that we are going to invoke the bank guarantee. But at the same time, they have sought some time till 31st March because the bank guarantees are valid till 31st March. It is only a period of hardly two months that we have to wait and thus, they will pay the use or pay charges for '21 at least.

Puneet Gulati: Understood. That is helpful. And lastly, if you can share the, the revenue for services part of the business.

Vinod Kumar Mishra: For services, I think INR 680 crore. This Regas revenue has been INR 840 crores, not INR 680 crore as I mentioned earlier. So, just a small correction, we just made.

Operator: Thank you. We will take the next question from Amit Murarka. Amit, request you to unmute your line and please go ahead.

Amit Murarka: First question is on Dahej Terminal, you are just around the corner on the 5-million-ton expansion and the current capacity kind of at least in Q3 has not achieved 100%. So, I was just thinking what is the plan on the ramp up of this 5 million ton and how much of this is under firm offtaker agreements, just could you provide some clarity on that?

Vinod Kumar Mishra: In fact, if you look at the capacity utilization, it has been 93% this time. We hope this will continue. But as far as the expansion is concerned, we are looking forward to having capacity booking on that also. Certainly, this time because you see in the first quarter, we were not able to have more cargoes because of the constraint in capacity. So, utilization will be there, just wait for some time because this capacity will be in place, maybe, by June, I think it should be in place. Before that we should be able to do some booking for the capacity also. We are looking forward for that and we are talking to the off-takers to book more capacity in our terminal. But, it may not be 100% of 5 million tons, but it could be, maybe 40%-50% also that will be good enough. But we will have more capacity to regas more spot volumes coming in the future because in future the growth is already there, more terminals are also coming, but at the same time more long-term contracts have been signed. So, I think there is a chance that more cargoes will come to our Dahej terminal in future, and we are hoping for capacity booking also to the extent of 40%-50%.

Amit Murarka: And would you be able to at least give ballpark guidance or how we can think of a ramp up on this 5 million tons, like between let us say year 1, year 2, FY'26, FY'27?

Vinod Kumar Mishra: Cannot be told exactly how much the ramp up will be, we are ready from the day-1, that it will be possible.

Amit Murarka: Ballpark is also okay, like are you thinking about 30%-40% for FY'26 and maybe 60%-70% for FY'27?

Vinod Kumar Mishra: Like that it may happen.

Vivek Mittal: And it is also a subject of what the international spot prices are, as you know Indian market is very, very price sensitive. So, like last summer we saw the prices softening, there was a lot of utilisation, we were doing more than 109%-110% of our capacity. If we achieve those kind of prices which is expected with the coming of new liquefaction plants specifically in the later half of this year, so if prices soften then utilisation level will of course increase and because competitiveness of LNG increases vis-a-vis alternate fuels. So, let us hope that the prices soften which will help us in utilisation and increasing share of gas in the India's energy basket also.

Amit Murarka: Got it, and on the petchem, again are you providing any Capex outlay now, I mean in terms of year wise, I mean you were saying that even FY'25 Capex, you were saying that you will come back maybe closer to year end. So, what is the expectation on Capex now for FY'25 and FY'26?

Vinod Kumar Mishra: Right now, you see this year it has been almost INR 340 crores. We expect at least 10%-15% of the Capex maybe to INR 3000 crores – INR 3500 crores. This is the expectation for the next year, actually at FY'25-'26.



Amit Murarka: Also, if I can just, if I can ask one last question, you've also announced some contracting on the polymer capacity Dahej Terminal. Could you provide some more details on that? Like what kind of pricing is there? Is it like based on some last quarter average pricing? What are the pricing terms on that contract?

Vinod Kumar Mishra : If you are talking about Deepak Phenolics (propylene), I think we cannot disclose, because this is something which is between the two parties, but this is the price which will ensure us that we are always having some margin while selling it. There is no chance that we would be losing anything on this.

Vivek Mittal: And it is linked to international prices.

Vinod Kumar Mishra: We cannot give the formula exactly what is the formula for that, but of course, it will be at par with any international price.

Amit Murarka: So, it is not a cost-plus contract, it is linked to international prices then?

Vinod Kumar Mishra: It is not exactly the same as you are saying, but as I said, this is dependent on Southeast Asia, that price. So, it is more like that.

Operator: Thank you. We will take the next question from Maulik Patel. Maulik, please go ahead.

Maulik Patel: Yes, thanks for the opportunity. In the last two years, GAIL and IOCL and GSPC has signed a few of the long-term contract, largely starting from 2026. I think one of the contract of GAIL has also started in this month also. Is any of this volume is going to come to Dahej or Kochi. Has any of this discussion happened with this GAIL, IOCL or GSPC on that?

Vinod Kumar Mishra: Yes, of course, volume will come to us also, because it is not that whatever volume they have signed, it will be their other terminals. It is not possible to utilize entire volume over there. So, definitely our terminal will be utilized. As I earlier said that our capacity is going to expand by 5 million tons in next four-five months, then it will be utilized for that purpose. Of course, as I said that more long-term contracts mean more volume to Dahej. So, see, it is not possible to utilize additional volumes in other terminals looking at the kind of capacity or utilization level at other places, because consumptions are, consumption is not that high along that terminal. So, if you look at Dahej, there is huge potential for the consumption. So, whatever volume is coming long-term after '26, definitely it will come, majority should come to us, at least 50% of that should come to us.

Maulik Patel: So, you mean that approximately there's a 4.5 million long-term volume has been signed by these three players. You expect approximately 2 million ton to come to Dahej additional volume?

Vinod Kumar Mishra: Maybe, but I cannot give the figure exactly. We hope like that. I have said that we are trying to get the capacity booked with the off takers so that they can bring more volume here. So, maybe that 40%-50% of the volume which has been posted will come to us.

Maulik Patel: They need to book the capacity to the Dahej, additional capacity, which they have not done. Are you in discussion to book that additional capacity?

Vinod Kumar Mishra: We are in discussion always that whatever capacity is available, they should book it because it's in their interest. Otherwise, whenever they will have additional volumes, it will not be possible to get the slots they want. So, we are in discussion with them.

Maulik Patel: Yeah, and just one bookkeeping questions. What's the trading or inventory gain this quarter? Probably I missed if you have mentioned it earlier.

Vinod Kumar Mishra: Trading gain is INR 26 crore, and inventory gain is INR 83 crore.

Maulik Patel: This inventory gain is related to that Dahej internal consumption, which is 0.7%, which allowed you to take for internal consumption, is this inventory gain related to that?

Debabrata Satpathy: There has been a movement in the prices as you know from the last quarter to this quarter, it is largely because of the movement in price.

Operator: We will take the next question from Shubham Shukla. Shubham, please go ahead. Shubham, request you to please unmute your line and go ahead. We can't hear you, Shubham. We'll take the next question for now. We'll take the next question from Shivam Sharma. Shivam, please go ahead with your question.

Shivam Sharma: Yeah, so I have two questions. Essentially, first question is understanding the tax structure which is valid for Petronet once it imports the LNG cargoes from countries like Qatar, basic custom duty and SWS, and do you also pay VAT? And when you sell this gas to companies like companies like GAIL, what is the kind of VAT etc which you pay? Because the motive for me to ask this question was to understand the impact of GST for Petronet once the natural gas comes under GST. And the other question stands at that we have seen about 25% growth YOY of LNG imports, yet it is not reflected in the kind of volumes you are showing this quarter. So, what do you think has been the bottleneck in order to revamp the volumes according to the revamping of the LNG imports in India?



Vinod Kumar Mishra: First question, I will answer that what is the tax structure, as you know that natural gas is not under GST as of now. We are, in fact, pursuing Ministry of Petroleum and Ministry of Finance that it should be included because this is rational and it will give a lot of comfort to the consumers. So, I think it is going on, discussion is going on and maybe government is keen to include it. Ministry of Petroleum is continuously following with Ministry of Finance for bringing this under GST. As of now, GST is not there. So, in Gujarat, the rate of VAT is 15% which we are levying on the off-takers by selling RLNG or LNG and locally they are taking gas to other states also, these off-takers, there they are again charging VAT while selling it to their customers. So, this is how current tax structure is. And, as I said that VAT 15% is a big problem in Gujarat because it is in fact is levied and again, the state tax, wherever gas is sold again by our off-takers, they are again paying VAT of that state. So, it is a cascading effect of the VAT, which is there, and I think that has to, anomaly has to be removed, and this can be done only through inclusion of natural gas under ambit of GST. So, this is how is the tax structure. And in case this natural gas comes under GST, it will be huge benefit to the ultimate consumers because that cascading effect of tax will go and they will be able to get the input tax again. And Kerala, where we have Kochi terminal, the rate of VAT is 5%. There it is not that high and most of the gas is consumed in Kerala or nearby towns or cities. So, I think Kerala is not an issue, but the gas coming from Gujarat has a VAT of 15% which is very high.

Shivam Sharma: But this is something which needs to be paid by the off-takers, right? The VAT does not, get levied when you import the LNG from companies like Qatar Gas? When you sell it to GAIL, when you sell it to off takers, then only it is levied. And do you get some kind of credit also, input credit or the off takers get some kind of credit also when they take the gas to some nearby states like Delhi or even if they take the gas to let's say somewhere some place in Gujarat itself, do they get the input?

Vinod Kumar Mishra : In case of gas consumed in Gujarat, they may get some input tax credit but for the gas taken away from the Gujarat means which is not used in Gujarat, they don't get any input tax credit.

Shivam Sharma: Understood. And the second question was again the impact which you see, the 25% growth of LNG imports was there but yet we see a decline in the utilization for your terminal. So, why do you think the utilization has not ramped up according to the imports volume?

Vinod Kumar Mishra: Shivam, this is not correct because looking at quarter-on-quarter basis, it may be lower. But you look at the 9 months period, we have 686 TBTU brought in Dahej as against 646 TBTU in the 9 months of the previous year. So, there is a growth. So, saying that the volume has reduced in this quarter, do not compare only this quarter, you take the 9 months period from April to December, you will find that we have brought more than last year. This is the highest ever throughput of 729 including both the terminals after taking the all the three quarters, April to December. So, do not compare quarter-on-quarter basis because we give the flexibility also to the off-takers that they can bring within the calendar year till December. So, they bring as per their convenience, but you look at the 9 months period, you will find that we have 686 TBTU brought in Dahej as against 646 TBTU brought in last year 9 months. In Kochi also, it has been 43 TBTU in 9 months as against 39 TBTU in the last year 9 months. This is the difference. So, we have a growth trajectory you see.

Vivek Mittal: Is it more or less in line with the growth of India's LNG imports.

Vinod Kumar Mishra: So, I think there is no concern on that account. So, do not compare each quarter as a standalone. You look at the overall, last three quarters also.

Shivam Sharma: Understood Sir, Thank you.

Operator: We will take the next question from Pratyush Kamal. Pratyush, please go ahead.

Pratyush Kamal: Yes. So, my question is that I wanted to understand the gain which you get on the marketing the margins other than the gasification charges which you put on the off takers. So, I just wanted to understand whether the margins are put on this just on the spot cargos are also on the cargos which is a back-to-back length of 7.5 MMTPA contract or the, 1.4 MMTPA contract with Exxon Mobil. So how does it work? Other than the gasification charges, the service charges, how do you make the other margin, the trading margins?

Vinod Kumar Mishra: Long-term contracts as you know that these are back-to-back contracts and there is no marketing margin charge on that. It's only the volume which we are selling, in fact, on the short-term basis, we are charging some margin. But otherwise, if you look, it's only the regasification charges which are there, which is charged. There is no other marketing margin charge for the long-term contract including this 1.425 MMTPA of Gorgon long-term contract. It's only the spot we sell or the short-term gas we sell that we charge marketing margin. But long-term contracts are back-to-back, there is no marketing margin on that.

Pratyush Kamal: Understood. And what is the kind of provisioning reversal which we can see this quarter and a few quarters beyond this for FY '21 and '22? And what is the update on the FY '23 UOP charges?

Vinod Kumar Mishra: If you look at 2021 provisioning, we have made total provision till date of INR 315 crores out of the total INR 360 crores. So, 87.5% of the provisioning is already made and we expect this to be realized by 31st March 2025 when we get this money and we will gain because we have made the provision to the extent of INR 315 crores. So, if we get the money against the UOP charges, this will be adding to our bottom-line. And you are saying about this, this year UOP charges?

Pratyush Kamal: Yes.



Vinod Kumar Mishra: That is INR 117 crores only and what is good part that the defaulters have considerably reduced this time. Earlier year you must have seen four/five off-takers all had defaulted. But this time, only one customer has defaulted, that is BPCL for INR 117 crore. Otherwise, all have complied with the contractual obligation this time. There is no default in any other accounts. So whatever concession we are making is just to discipline them so that in future there is no default. Maybe last two years, three years, we have given them time to bring the volume and get it waived. But at the same time, we have to see that this contract is a long-term contract for regasification. And we have to, in fact, keep a kind of discipline in the contract. And if they fall in line with our dues issue, then perhaps there is no reason why we should not give some kind of relaxation in the past period, which is evident from this time because they have utilized the entire contractual capacity. And they have complied with their obligations. As for the contracts, only one customer has defaulted. So hopefully, next year, that will also be not there.

Pratyush Kamal: But FY'21, '22, you do have the bank guarantee. But what about the FY'23-'24 defaults if any? FY'23, we know there was a default. So, what about those defaults? How do you plan to recover the amount which has been defaulted since you don't have any bank guarantee?

Management: Yes, for CY 2023 also, we have got the approval of the board yesterday and we are going to give the same kind of mechanism to bring the volume in the next three years, maybe by December '26 for CY 23 also. So, this kind of dispensation, we have agreed and perhaps they will provide us bank guarantee and indemnity bond. And thereafter, this particular mechanism will be available to them. Like CY '21, CY '22, CY '23 will also be there. So, this is the mechanism for recovering INR 610 crores. As I said, this year, it is a marginal INR117 crores. Hopefully, next year, there will not be any default.

Pratyush Kamal: Understood, sir. And how does this provisioning work in the accounts? You make the provisions for the amount which has been defaulted. And whenever you get the money, you reverse that provision. So how it works, or is it different?

Management: Yeah, so we are waiving off whatever UoP charges are there when they bring additional volumes, over and above the annual contractual commitment which they have made. They bring the default quantity over and above this annual commitment. Then, we adjust to that extent the Use or Pay charges for that year, maybe CY '21 or CY '22. So, it is like this.

Operator: Thank you. We'll take the next question from Sabri Hazarika. Sabri, request you to please go ahead with your question.

Sabri Hazarika: So, few questions, firstly, I mean you, regarding your Capex, you said you will be doing INR 1,500 crore this year, and next year it will be INR 3,500 crore, was that right?

Vinod Kumar Mishra: This year may be around INR 1,500 crore because we have already spent INR 976 crores in nine months. Maybe you can take INR 300-400 crore more, so, INR1,400 crore to INR 1,500 crore.

Sabri Hazarika: And how much would be on petrochemicals out of this INR 976 crore?

Vinod Kumar Mishra: INR 340 crore in petrochemicals. It may further go, maybe up to INR 500 crore, it may happen till March.

Sabri Hazarika: Secondly, you gave this number INR 840 crore of Regas service income, so this includes the take-or-pay also, that INR 117 crore is also included here, is that right?

Vinod Kumar Mishra: Yes.

Sabri Hazarika: Okay. So, pure service income will be basically INR 840 crore minus INR 117 crore, if we are to compare it with the volumes.

Vinod Kumar Mishra: Yes.

Sabri Hazarika: Okay. And thirdly, this once, I mean, you have mentioned that INR 315 crore of provisions you have made, so as soon as the bank guarantee gets encashed, in the books of accounts also, we will see INR 315 crore basically as a provision reversal in other expenditure for that particular part. So, that is how the earnings will show, right?

Vinod Kumar Mishra: Yes.

Sabri Hazarika: Lastly, bookkeeping questions, I think Gorgon volumes in Dahej and IND AS numbers actually.

Debabrata Satpathy: Gorgon volume YTD is 13 TBTU, you can derive the quarterly number. IND AS INR 160 crores positive at gross margin level and INR 53 Crore of forex loss, INR 7 crores positive at the other expenses level, then depreciation INR 82 crores and finance cost INR 64 crores.

Sabri Hazarika: Okay. So, got it, so INR 32 crores and this other expense, does it have anything further other than forex loss?

Debabrata Satpathy: No, some small leases are also there, which are affected and the impact of that is taken in the other expenses. And the lease for the charters, time charters, which bring the LNG, that is coming under gross margin level.

Operator: We will take the next question from Mayank Maheshwari. Mayank, please go ahead.



Mayank Maheshwari: Thank you for the call, sir. Sir, my first question was on petrochemicals. In terms of the progress, can you just talk to us about where we are on the progress, what has been done, what's going through in fiscal '26 for you? And the second question was related to the Dahej. You talked about 40%, 50% utilization rate. So, in your time frame over the next three to four years, how do you see the capacity mix between spot versus contracted for Dahej eventually panning out?

Vinod Kumar Mishra: Your question is regarding petrochemicals, so, as you know that we are already going on and most of the things have been finalized in terms of long lead items. We are in the process of placing orders for petrochemicals, maybe large extending items will be ordered right now, but it takes time to get those items because it takes some time. But we shall be ordering this. We have already finalized and given it to our PMC, Engineers India limited. We are now doing the tendering for placing of the orders. So as far as the Capex is concerned, as I said, we expect INR 3,000 crore to INR 3,500 crore of Capex next year for petrochemical complex. As you know that we are also tying up with the vendors and we are in the process already, we have invited a consultant who is doing this job. We shall be doing the financial closure for financing of this project. As we have already told you earlier that it will be 70-30 debt mix. So, probably this will be finalized within the next three-four months. And thereafter, we shall be ready for any kind of Capex. But initially as you know that Capex will be hardly 15% to 20% the first year, FY 25-26. And then it may ramp up to 30%. And again, next year to 35%. Like that, it will be there. So, we expect that next year, there should be Capex of around INR 3,000 crore to INR 3,500 crore for this Petchem project. We shall be going in a big way very shortly because we have already made the preparations, and as soon as the orders are placed, then we shall be going to get the agreements. And thereafter, we shall be applying the contractors to start this work.

Mayank Maheshwari: Sir, Is there an answer on the imports, especially on ethane and propane? Is there any more progress that you have been able to make in terms of long-term contractual terms there? Has any progress been made for that?

Vinod Kumar Mishra : We are in the process and very shortly you will come to know what we are doing. We are vigorously following up with the buyers for contracting. Only issue is that for ethane we have to get some kind of tie-up because right now there is no written agreement with the off-takers. So, unless there is a tie-up we cannot do long-term agreement for ethane because there is another model which has been discussed. Maybe that off takers may bring their own ethane volume. We shall be doing only handling of this ethane. So, this may happen like LNG. So, this may so happen but otherwise we are also ready for sourcing of ethane and then supplying it to the off-takers. As you know, that one of the customers, OPAL is there for ethane and right now because we have a contract with Ras Gas where we are getting rich gas and extracting C2-C3 and giving it to ONGC and ONGC is supplying to OPAL. But going forward after 2028, Qatar has not committed any rich gas. So, there is a difficulty for OPAL because we will not get the rich gas, we cannot extract C2-C3. So, that is why we are pursuing ONGC that they should tie-up with us after 2028. We can import the ethane also and supply to them because it is in proximity to our Dahej plant. It is possible to supply from our Dahej plant and it is easier to get it because we have our own jetty, third jetty is being constructed, work has already started for third jetty which can import three liquid hydrocarbons, ethane, propane as well as LNG. So, I think as soon as the agreement is signed between off-takers and PLL, we shall source ethane. But as far as propane is concerned, we are looking forward to tie-up for sourcing of the propane either on short-term or mid-term or maybe long-term basis. This we have to see which is more beneficial.

Mayank Maheshwari: Got it, sir. Sir, I think on the ethane front, I think there has been quite a few petrochemical companies in the region who have been telling us ethane carriers has been a bit of a bottleneck. Do you see that as an issue when you are kind of trying to kind of contract whether you are for your own purpose or for third-party as a logistical challenge?

Vinod Kumar Mishra: Well, ethane carrier is of course a challenge because there is no ethane carrier available readily in the market. So, we will have to order that ethane carrier. But only thing is that if some off-taker is bringing its own ethane, then we need not order for that ethane carrier also. But in case they agree to sign an agreement with us to supply ethane as well as handling of the ethane. Then certainly we will also order the ethane carrier and that will be possible only after there is a tie up with the customer, otherwise we will not do that because there is no need if we are not importing ethane.

Operator: We will take the next question from Ambar Taneja. Ambar, please go ahead.

Ambar Taneja: Sir, please talk a little bit about two things. One is, what kind of pricing environment do you see for short term cargoes, let's say in the next 6 months, 12 months, 18 months, whatever you think is worth sharing with investors. Number two, can you talk a little bit about FX impact? Because we've seen some other companies that are into imported products, some of them have been able to pass on, some of them have not been able to pass on 3%-4% depreciation and I think widely expected that 4%-5% next year as well. So, anything in your contracts to protect, so appreciate if you can talk about these two things. Spot prices, any term prices and FX?

Vinod Kumar Mishra: As far as the spot price is concerned, it is likely to remain in the range of \$12-\$14 in the next 6 months. This is our anticipation. But as I said that future going forward, if you look at the capacities which will be available to the international market after 2026, we are hoping that these prices should be in the range of \$7-\$8. Because the capacities which is coming more than 200 million tons of capacities are coming after '26-'27, I hope that there will be glut of LNG in the market and when there will be glut, certainly its benefit will be to the consumers and the countries who are consuming the LNG.

Ambar Taneja: Sir, when there was a previous glut, when gas went to \$3 before COVID, then why did we not either buy some stakes in upstream or sign some new term contracts? I mean, that time went without us taking advantage, right? So, I mean, is there a real benefit to having a glut without us taking action -?



Vinod Kumar Mishra: Not like that. That glut was there because of COVID and that time, at \$3, LNG liquefaction plants are not sustainable. If had there been a pricing of \$3, many plants would have shut down. It's not that it's a very viable price for LNG terminal also. But \$6-\$7, \$8 is still a viable price for the LNG liquefaction. Don't compare that situation, which is very abnormal. Going forward, lot of FIDs have been made, so I think these plants should be coming up in next four-five years. You will see the glut in the sense that compared to the demand, I am not saying this glut will always remain glut, because first there is availability of more gas in the market, certainly more consumers will be there and as the energy growth is already there, consumption will already be there. So going up, energy consumption will be going up, so it will also match with the supply, but only thing pricing will be moderate. I am worried about pricing only, Indian market is price sensitive and whenever the prices are lower, consumption suddenly rises, we have seen in our case also, our terminal utilizes maximum capacity when the prices are moderate, had it been around \$10, \$9, our terminal would have been utilized more than 100%. Pricing impact, which is there on our utilization, it is true for the Indian consumers that they tend to utilize alternate fuels if the price of LNG is high. As I said, \$12 to \$14 is still sustainable price, but it should be in the range of \$7-\$8, then certainly the consumption of LNG will be much-much more in India, LNG consumers will be higher in India. So, looking at the kind of capacities which are coming in future, I hope that it should be in the range of \$7-\$8 in future and right now, it is likely the next one-two years you see, it may range from \$10 to \$14.

Ambar Taneja: Okay, and anything about FX?

Vinod Kumar Mishra: Fx, as you know that our long-term contract, whatever foreign exchange exposure is there, we are passing it to the off takers, so there is no foreign exchange risk for us. So, I don't foresee any Fx impact on us, but for India's purpose, we normally assess this impact, for that certainly we are doing, because IND AS 116 is there, where we are doing the lease accounting. So, for that purpose we are accounting this foreign exchange impact. But not in case of LNG, where we are passing on the foreign exchange variation to the off takers.

Operator: Thank you, we will take the next question from Rishabh Singh, Rishabh, please go ahead. Rishabh, request you to please go ahead with your question. Since we can't hear you, Rishabh, we will take the next question from Somaiya V. Somaiya, please go ahead with your question.

Somaiya V: Thanks for the opportunity, sir. So, first question, the annual price hike that we take in Dahej for this year, have we taken it? What are the current tariffs in both Dahej and Kochi? And if you could share any timeline that we are looking for this 2028 long-term contract tariffs?

Vinod Kumar Mishra: Hike is there in Dahej and we have taken it from 1st of January 2025, we have hiked our price of regasification by 5%.

Somaiya V: What are the current tariffs both in Dahej and Kochi?

Vinod Kumar Mishra: Tariffs, normally, we are not disclosing but only question which has been answered that there is a hike of 5% from this year.

Somaiya V: So, also on this 2028 long-term 7.5 million contract.

Vinod Kumar Mishra: Long-term contract, we are in fact in discussion and shortly after, maybe sometime, maybe, may take 6 months or maybe 1 year time for finalizing. But still, there is enough time left for finalizing the contract. But they have committed that they will take entire volume on back-to-back basis as has been done in the existing contract, when we first signed. Similar off-take arrangement will be there. Only thing we have to finalize certain terms of the contract, which will be very shortly, maybe 6 months to 1 year, it will be finalized and then we shall sign the contract.

Somaiya V: Got it, sir. So, second question is on Kochi terminal. So, how do we see utilization? I mean, the Kochi-Bangalore pipeline progress and how do we see it for next couple of years? So, from 20%-25% do we see it going to 40%-45% in the next couple of years?

Vinod Kumar Mishra: Yes, yes. As far as the Kochi terminal is concerned, as earlier conferences also, I have told that this Kochi-Bangalore section is yet to be connected. And as of now, the connectivity from Kochi to Coimbatore is there, but from Coimbatore to Bangalore connectivity is still pending, maybe by June '25, it should be ready. Once it is connected to Bangalore section, there is a likelihood that utilization level will further increase because then it will be connected to national gas grid. And as you know that once it is connected to national gas grid, we can swap the volumes and can sell our Kochi gas anywhere in India or any other customer also can take our Kochi gas and supply to the nearby customers. So, that benefit could be there because as you know that there is a unified tariff already there. So, in Zone 1 the tariff is around INR 40. So, if any customer like GAIL, has any customer in Kochi region or near Kerala or near Karnataka, they will prefer to take volume from us by swapping this gas and then supply to the customer because then customer will be benefited as they will be charged the Zone 1 tariff of INR 40. Because if they bring it from Dabhol and supply to a customer in Karnataka or in Kerala and the Zone 3 tariff will be there which is around INR 140. So, it will be in the interest of the consumer that they should get the gas from the nearest source available. So, it is not only me that I will supply the gas. It is also possible that any other off-takers whether it be IOCL or Gail or BPCL, they can take their volumes to be supplied in this region Karnataka and Kerala from Kochi instead of bringing it from Dahej or Dabhol so that they can give the competitive price of the gas. So, then it will be utilized I think 40% to 50% if is connected to national gas grid.



Somaiya V: Got Sir, one clarification on the Petchem. You mentioned INR 3,500 crores of Capex per annum. So, what would be the non-Petchem spend in FY'25-'26 that is one. And I mean the timelines for the Petchem startup if you can just confirm on that. Thank you.

Vinod Kumar Mishra : Petchem as you know that this time '24-'25 we are likely to spend INR 400 Crs. We have already spent around INR 340 crores. Next year we are planning to spend around INR 3,000 crore to INR 3,500 crores of Capex for petrochemical complex. And as you said when it is likely to come up our schedule date is November 2027. So, that is the time when it should be commissioned and maybe by '28 it should be ready. I think this is the timelines for completion of Petchem project. Non-Petchem Capex is around till 9-month Rs 626 crore. For FY25-26, other than petchem, it should be around 1,000 crore maximum. The major project which is going on is third jetty, all these contracts have been awarded and total contract value is around INR 1,904 crores, that is the major Capex item going on, part of that CapEx is only petchem. Gopalpur will start as and when the approvals are there, so I think this is the major, I think INR 1,000 crore more, may be INR 4,000 crore total Capex may be there. INR 4,000 crores to INR 4,500 crores, including petchem.

Operator: Thank you, we will take the next question from Nirmal Gore, Nirmal please go ahead with your question.

Nirmal Gore: Hello, thank you for the opportunity, my question is a follow-up to the global LNG gas capacity that you brought up on the topic, my question is just a clarification, when do you see this gas glut happening due to increased global LNG capacity, is it second half of 2026 or 2027 first half?

Vinod Kumar Mishra: It should be '27 onward I think, because most of the plants are under construction and next two to three years, they should be ready for production, so you take it '27 onward, because even RasGas, this Qatar Energy projects are also likely to be by '27. So, after that only this, and ramp up also takes some time. So maybe '27, '28 may be the year, then there will be likely glut, but real glut will be 2035, 2030 it will be there, 150 million tons to 200 million tons of capacity will be there by 2030, so that means that 150 million tons to 200 million tons capacity is in addition to whatever is there right now. So, I think that is what I was talking about, as the most of the projects are under construction and after assuming the office by President Donald Trump It is likely that drill kind of concept as a question of gas and oil in US that will further be promoting the production of gas international market.

Nirmal Gore: So, this \$7 to \$8 price that you were mentioning about that should -- we should see that in 2030.

Vinod Kumar Mishra: We are expecting only, I am not saying it will be \$7 to \$8 in 2-3 years, but maybe after '27-'28 it should be there. Because this Qatar Energy capacity itself will be ramping up to almost 143 MMTPA from 77 MMTPA, they are doubling their capacity almost. That means that there will be enough gas available in the market. So, I am talking about this thing only . US Capacities are coming up in a big way. That is why I am saying 150 MMTPA to 200 MMTPA will be there.

Operator: Thank you. In the interest of time, we will take the last question from Nitin Tiwari. Nitin, please go ahead with your question.

Nitin Tiwari: So, in terms of use or pay, given the provisioning we have made and the kinds of use or pay charges that stand as of today. So, now we are clear that no more cargoes can be brought in to make up for those charges. I mean, the timeline for that was December last year. That understanding is correct?

Vinod Kumar Mishra: Yes, yes. It is correct for '21 calendar year, this is over now. Whatever cargoes they have brought, there is no time left now.

Nitin Tiwari: Right. So, whatever the charges are there for '22 and '23, they are still open for cargoes to be brought in against them. That is the right understanding.

Vinod Kumar Mishra: They have time till December' 25.

Nitin Tiwari: So, sir, if you can just summarize for us in terms of what are the current use or pay charges that are outstanding? What is the provision that we have made against them, which are now non-recoverable provision that we have done? And what is the recovery that we have done against the use or pay charges by the cargoes which are brought in? I suppose there is a figure which is given in the result release as well of INR 184 crores roughly. So, is that?

Vinod Kumar Mishra: That is the kind of waiver we have done, INR 184 crores this -Nine month. This quarter we have done 49 crore.

Nitin Tiwari: Correct, sir. So, just like for keeping all of us on the same page, what are the current use or pay charges which are outstanding and what is the provisioning that we have made and against what are we expecting like now the cargoes? like, now the cargos can be brought in for recovery. What amounts?

Vinod Kumar Mishra: So, if you look at the total use of pay charges as of now are INR 1,666 crores and we have made a provision of INR 702 crores. So, around INR 963 crores-INR 964 crores is the use of pay charges other than provision, net of provision. So, if you look at this '21 calendar year, I have told you clearly that there is no time left. So, whatever charges are there, INR 360 crores, they are due for payment. There cannot be any waiver of the charges now and as far as calendar year 2022 is concerned, INR 695 crore is there, out of which provisioning is already made to the extent of INR 295 crore. So, this is



the position of '22. But there is still time left for utilization of this capacity. We can still get this benefit in more cargos this year in December '25. And as far as calendar year 2023 is concerned, total use of the charges are INR 610 crores, out of which we have extended similar scheme that has been done for '21-'22. They will give the bank guarantee and indemnity bond, and they can bring this volume till December 2026.

Nitin Tiwari: Understood. So, the INR 184 crores that has been recovered, it has been recovered against the INR360 crore use of pay charges of 2021. Right?

Vinod Kumar Mishra: Not exactly, maybe '22 also. This is combined impact because we are giving impact for both the years. Some of the companies have defaulted in '22 only. So, they have brought the cargo, so '22 charges have been reversed. So, it is a combined '21 and '22, INR 184 crores.

Nitin Tiwari: Understood. So, basically the net INR 963 crores which are now outstanding, cargos can be brought in against this amount only. Because INR 700 crores is already provisioned for.

Vinod Kumar Mishra: Yes, yes. INR 700 crores has already been provided.

Nitin Tiwari: Right. And sir, I missed out on the inventory gain number that you mentioned for the quarter.

Vinod Kumar Mishra: As I said INR 83 crores is the inventory gain, INR 26 crores is trading gain, total INR 109 crores for the quarter.

Nitin Tiwari: And lastly sir, if everything remains the same as far as pricing environment is concerned for LNG. So, what is the kind of utilization we are looking at in FY '26, I mean in terms of throughput, what are we looking at?

Vinod Kumar Mishra: Initial level, as you know, that this quarter it has been 93%, but we expect this to remain in the range of 95-100%.

Nitin Tiwari: On the expanded capacity, that's what we're talking about? So, I'm looking for some guidance for the throughput, right?

Vinod Kumar Mishra: Throughput is already highest ever in nine months, so I think, this will continue, we are always optimistic about our throughput.

Nitin Tiwari: No Specific guidance that you can provide in terms of say TBTU or million ton.

Vinod Kumar Mishra: It's not my guidance. It's the market which has to decide it, but we can only expect it, that it should be in this range. Accordingly, if you look at nine months, it has been wonderful, as I said, highest ever volume throughput. So, there should not be any challenge as such, as far as the throughput is concerned. And I said that 95% to 100% is already to be utilized.

Operator: Thank you, everyone. And that was the last question. And before we end, on behalf of Macquarie, I would like to thank the management for the opportunity to host this earnings call. Over to the management team for any closing remarks.

Vinod Kumar Mishra: Thank you very much to all of you and as I said that we have been able to give a better performance this time as compared to previous quarter, this corresponding quarter. But still a lot we expected could not be, but hopefully in future we will try to bring in more volume, utilize the terminals more and more to the extent of at least 100%. And our effort is whatever is the expansion going to take place in next year, it should also be utilized to great extent. So now your capacity utilization next year will be in terms of the expanded capacity. So, we have to look at that, how much we can utilize in future. As I said that we are committed to do, to give the best performance and thank you very much to all of you.