



Petronet LNG Limited

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PAN: AAACP8148D

GST: 07AAACP8148D1ZI

CS/PLL/LISTING/Reg-30/2024

Date: 5th February 2024

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 30.01.2024

Dear Sirs/Madam,

This is with reference to our intimation dated 24th January 2024 and 30th January 2024 intimating holding Conference Call of the Company scheduled on Tuesday, 30th January 2024 at 11:15 A.M. (IST) for unaudited Financial Results of the Company for the quarter and nine-months ended 31st December 2023 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 Limited
Q3 FY24 Earnings Conference Call”
January 30, 2023**



MANAGEMENT: **MR. VINOD MISHRA – DIRECTOR, FINANCE –
PETRONET LNG LIMITED**
**MR. RAKESH CHAWLA – GROUP GENERAL MANAGER
AND PRESIDENT, FINANCE – PETRONET LNG LIMITED**
**MR. GYANENDRA KUMAR SHARMA – GROUP
GENERAL MANAGER AND PRESIDENT, MARKETING –
PETRONET LNG LIMITED**
**MR. VIVEK MITTAL – CHIEF GENERAL MANAGER AND
VICE PRESIDENT, MARKETING – PETRONET LNG
LIMITED**
**MR. DEBABRATA SATPATHY – GENERAL MANAGER,
FINANCE – PETRONET LNG LIMITED**
**MR. VIKASH MAHESWARI -- DEPUTY GENERAL
MANAGER, FINANCE -- PETRONET LNG LIMITED**

MODERATOR: **MR. NITIN TIWARI -- PHILLIPCAPITAL (INDIA)
PRIVATE LIMITED**



Moderator:

Ladies and gentlemen, good day, and welcome to the Q3 FY '24 Earnings Conference Call of Petronet LNG Limited, hosted by PhillipCapital (India) Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on a touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nitin Tiwari from PhillipCapital (India) Private Limited. Thank you, and over to you, sir.

Nitin Tiwari:

Thanks, Michelle. Good morning, ladies and gentlemen. On behalf of PhillipCapital (India) Ltd., I welcome everyone to Petronet LNG's Third Quarter FY '24 Earnings Call. We have the pleasure of having with us today Mr. Vinod Kumar Mishra, Director Finance; Mr. Rakesh Chawla, GGM and President Finance; Mr. Gyanendra Kumar Sharma, GGM and President Marketing; Mr. Vivek Mittal, CGM and VP Marketing; Mr. Debabrata, General Manager, Finance; Mr. Vikash Maheswari, Deputy General Manager Finance.

I will now hand over the floor to management for their opening remarks, which will be followed by a Q&A session. Over to you, sir.

Vinod Mishra:

Thank you very much, very good morning to all of you. First of all, I'll start this conference with the very good news that, we have registered highest ever PBT and PAT in this quarter of INR1,597 crores of PBT and INR1,191 crores of PAT and also 9-month period also has registered a highest ever PBT of INR3,761 crores. So this is just highlight. Now I'll go to the main concept.

So Dahej has been utilized to the extent of 96% this time and total throughput has been 218 TBTU as against 210 TBTU in the previous quarter and 154 TBTU in the corresponding quarter. If you look at Dahej and Kochi Terminal together, we have registered 232 TBTU of throughput in this quarter as against 223 TBTU in the last quarter and 167 TBTU in the corresponding quarter.

And the quarterly performance, if you look at the PBT has been INR1,597 crores -- PBT has been INR1,597 crores as against PBT of INR1,586 crores in the corresponding quarter and INR1,102 crores in the previous quarter. And PAT has been at this time, INR1,191 crores as against INR 1,180 crores in the corresponding quarter and INR818 crores in the previous quarter. So if you look at the growth, there has been 46% growth in PAT as compared to previous quarter and almost 1% growth over the corresponding quarter. So this is the quarterly result.

If you look at the 9-month period, the throughput has been at Dahej 646 TBTU as against 532 TBTU in the previous year's corresponding period and total throughput this time has been 685 TBTU as against 567 TBTU in the corresponding period of the previous year. So there is a growth of almost 21% in volume as compared to the last year 9-month period as compared to current year 9-month period. So this is the growth.

And if you look at the profitability for the 9-month period, the total PBT has been INR3,761 crores as against INR3,517 crores in the 9-month period of previous year. And if you look at the

PAT, it has been INR2,799 crores this 9 months period of this year as compared to the same period of previous year of around INR2,626 crores. So there is a growth of almost 7% over that PAT also as compared to previous year's 9-month period.

So this has been possible because of the efficiency in operation and higher utilization of Dahej terminal. So these are the highlights I have just told you, and now floor is open for the questions.

Moderator: We'll take the first question from the line of Vivekanand Subbaraman from Ambit Private Limited. Please go ahead.

Vivekanand Subbaraman: Thank you for taking my questions, I have two. So the Red Sea disruptions that are happening, is that having any impact on the spot LNG trade? Because I'm sure that there are several cargoes that are coming from markets other than Qatar especially the U.S. ones. That's question one.

The second one, could you give us an update on the collection of the receivables there were around INR1,300 crores of past receivables, INR1,280 crores to be exact, and another INR600 crores that have gotten added. Could you give us an update on that? Thank you.

Vinod Mishra: Thank You. So, the first question is regarding Red Sea impact on the cargoes coming to our terminal. So I must first clarify that we have long-term contract with RasGas or now QatarEnergy, Qatargas. So those cargoes coming from Qatar, there is no threat to -- like there is one in Red Sea and they are coming smoothly. There is no issue, long-term contract.

As far as other contracts, you are saying any volume coming from because if any volume is coming from U.S., from that side, then only this Red Sea threat is there because anything which passes through Suez Canal and then comes to Red Sea, it is subject to some threat of this -- these attacks by Houthis. But we don't foresee in our port that there is any threat because if at all, there is any threat, it could be to the cargoes, which are coming from the U.S.

So maybe I'm not sure, but may be.... it may be for the cargoes, which GAIL is bringing from U.S., if at all they are bringing. Although they have also swapped the volume. So they're very less likely. I have not seen any threat so far to LNG cargoes coming to our terminal. So this is the answer to question number one.

Second question, you are saying that -- what has been your second question?

Vivekanand Subbaraman: Update on the receivables? And when do you think you're likely to collect that?

Vinod Mishra: I tell you. What has happened that there was a receivable of use or pay charges to the extent of INR415 crore for the calendar year 2021. And there is a use or pay charges of INR848 crore for calendar year 2022. So total INR1,263 crore was outstanding. This year, we have reached the settlement with our off takers regarding use or pay charges. And in fact, we have given them 3-year period, to bring more volume in this period till then, they have been asked to provide us bank guarantee to the extent of INR415 crores for '21 and INR848 crores for the year '22.

So this is a use or pay charges, which is secured by bank guarantees. And if in 3 years means for '21, they have to bring the shortfall volumes by December 2024. If they bring entire volume of

this shortfall, which is there to the extent of INR415 crores, whatever it is, then we will, in that year may waive that use or pay charges. If they don't bring any volume over and above the committed volume under ADP. If they don't bring any volume over and above the commitment in that year through 2024, say, this year. Then their bank guarantee will be encashed against use or pay charges. So this is the mechanism we have worked out, and this is more or less agreed by all the off takers, including GSPC, BPCL, IOCL and Torrent. They have all agreed it. And so accordingly, we are going ahead. And for 2022 calendar year, use or pay charges of INR848 crore, if there is excess volume being brought by them by December 2025, then we may waive this use or pay charges of INR848 crore, if they bring cargoes equivalent to volume of INR848 crore.

Vivekanand Subbaraman: Thank you for the update, just to understand the revenue that has been recognized. What will happen if the volumes that the off takers consume, what if they consume the -- I mean, the past shortfall during the 3-year period. Does this mean that you will have to then write back this revenue?

Vinod Mishra: No, no. What I'm saying is that there is no revenue loss. If we -- if they bring more cargoes than whatever commitment they have for that particular calendar year 2024, if they bring more cargoes than their commitment and to that extent use or pay charges will be waived off. It's not an adjustment. It will be waived off. And if it is waived off to that extent, maybe that they may not bring the entire volume in the current year for -- which is a shortfall for 2021 calendar year.

Then to that extent, the bank guarantee is there, we will encash it. Or they will pay it, we will return the bank guarantee, so that could be done. So what I'm saying that my use or pay charges are now secured to that extent that either they will have some extra volume, in that form, it will be there or if they don't bring any volume, it will be encashed and this use or pay charges will be recovered.

Vivekanand Subbaraman: Right. I'm just trying to understand, if they bring the extra volumes, then the use or pay charges that you have recognized till now, what will happen to them?

Vinod Mishra: I'm telling you, if they bring extra volume, it will be booked as income of that year when they bring it, over and above the ADP commitment, okay? So that will be recognized as that year income. It means if they bring at the end of '24, this would be recognized as normal income at normal regasification charges, it will be recognized.

But in lieu of that because they have made an effort to bring extra volume than they have committed, so as a dispensation, as a consideration, we will waive use or pay charges to that extent to that quantity, which they have brought more over and above ADP volume. If they say they don't bring any volume by end of 2024 for the shortfall, which has been there in 2021, then entire use or pay charges will be recovered from them against the bank guarantee. If they pay it, okay, if they don't pay, we will en-cash the bank guarantee.

So what I'm saying that company is secured from loss of revenue in any case, and there is no hit in the revenue. This is what I'm saying.

Vivekanand Subbaraman: Understood sir. Thank you for the detailed explanation.

- Vinod Mishra:** Thank you.
- Moderator:** The next question is from the line of Somaiah V from Avendus Spark. Please go ahead.
- Somaiah Valliyappan:** Thanks for the opportunity, so first question in terms of the use or pay charges that we have booked for the last calendar...
- Moderator:** Sir, your voice is muffled, it's not that clear, sir. May we request you to use your handset, please? As the current participant has left the queue. We will move on to the next question, which is from the line of Sabri Hazarika, from Emkay Global. Please go ahead.
- Sabri Hazarika:** Yes. Good morning sir. So I have 2 questions. First one is relating to this OpEx. So can you give us the reason why it has gone up, the other expenditure has gone up? And what should be the normalized recurring rate going ahead?
- Debabrata Satpathy:** Yes. Certainly, there is a provision of INR228 crores in the opex. If that is taken out, that is as per prudent accounting system. We have created a provision of INR228 crores against the use or pay receivables of CY '21 and CY '22. That is a time-based provision only. And if you take that out, INR228 crores from the other expenses, then you will see that the other expenses are in line.
- Sabri Hazarika:** Okay. Okay.
- Debabrata Satpathy:** So as explained in this scheme of recovery of use or pay, once they bring the volumes, then the revenues will be recorded and also these provisions will be also reversed in due course of time. It has only been created to -- as a prudent accounting policy.
- Sabri Hazarika:** So this is like from the first question itself. So basically, the accounting treatment will not be revenue recognition because that you have already done in CY '21?
- Debabrata Satpathy:** We recognize the revenue. And whenever this revenue comes, there are 2 things. One is, suppose the revenue comes -- some extra volume comes in 2024, then first of all, the 2024 regas rate will be applicable, not the 2021 or '22 because that is one plus there. And second, once that revenue is booked, the already booked revenue of use or pay will be reversed as it has been explained.
- Sabri Hazarika:** So this is now currently housed as receivable. So it will be a cash -- I mean, INR415 crores, if it is like fully met up, then it will be adjusted in the receivables and it will be a cash gain rather than P&L gain and whatever upside is there, that will be booked accordingly. And this provision also reversed. Is that the right way?
- Vinod Mishra:** No, no, it's like that, that whatever provision we have made in that year, we will book in revenue as it is. It is as good as coming in the same year and current year income. But as a consideration, we will think that if they have brought some volume over and above the committed volume for that particular calendar year 2024, then that will be considered for a waiver of use or pay charges. So that will be adjusted.
- Sabri Hazarika:** Right, sir. Got it.

- Vinod Mishra:** And it will not impact revenue, we can say.
- Sabri Hazarika:** I think it will basically lead to cash income, I guess. Anyways, secondly, the usual bookkeeping question. So what was the service revenue and Ind AS impact and Gorgon volumes in Dahej?
- Debabrata Satpathy:** Yes. At gross margin level, impact is INR136 crores.
- Sabri Hazarika:** INR136 crores?
- Debabrata Satpathy:** Yes, INR136 crores. There is a forex loss of INR1 crores and a reversal of rent expenses of INR8 crores. And depreciation and finance cost are INR84 crores and INR69 crores respectively.
- Sabri Hazarika:** Okay. And service income?
- Vinod Mishra:** Regas service are -- Q3 regas service charges, INR623 crores, I think. And INR623 crores, this is for the service cargoes.
- Sabri Hazarika:** Okay. And Gorgon volumes in Dahej?
- Vinod Mishra:** Gorgon volume in Dahej is –
- Debabrata Satpathy:** Gorgon volumes in Dahej year-to-date, I can tell you, you can take the adjustment. Year-to-date Gorgon volumes is 14 TBTUs, 14.4 TBTUs.
- Sabri Hazarika:** Okay. And trading gains and inventory gains?
- Vinod Mishra:** Trading gain is there to the extent of INR40 crores in this quarter. INR40 crores as compared to INR19 crores in Q2 and INR24 crores in the corresponding quarter.
- Sabri Hazarika:** Right. And any inventory gains?
- Debabrata Satpathy:** Inventory gains INR147 crores.
- Moderator:** The next question is from the line of Probal Sen from ICICI Securities. Please go ahead.
- Probal Sen:** Thank you for the opportunity, sir. Just wanted to get a sense of some of the capex update, both on the capacity expansions that are going on. And any update you can give us on the petrochemical project, that would be helpful. Thank you.
- Vinod Mishra:** Expansion project, as you must be knowing, we have been updating you time and again that our expansion of Dahej terminal from 17.5 MMTPA to 22.5 MMTPA will be completed by March 2025. So after that, it will be available for use. Okay.

And as regards this petrochemical you have just raised the question. We have clarified last time also, there is not much update on that, but that has been approved by the Board. And the investment we have already declared INR20,685 crores, but this is including the soft cost. So all those things are going on. And I think now we are in the process of finalizing all the licensor selection and all those things are going on. So maybe that we have already ordered for licensor selection, I think. So that part is going on. So it is in the process, not much update on that.



- Probal Sen:** Okay. One small question, if I may. Any update, and forgive me if you've already answered this on the second level Kochi connectivity, sir? Pipeline over the small stretch that was pending completion...
- Vinod Mishra:** Yes, yes, yes. Update is that so far, this section of Coimbatore to Krishnagiri is pending 250 kilometers. And as GAIL has committed, this will be completed by this year-end, it is already under review by PRAGATI or the PMO office review. So we are hopeful that by this year end, this will be connected to Bangalore. And after that, it will be connected to the national gas grid.
- Probal Sen:** So for FY '25 ideally, at least we should see some additional volumes coming through, that would be the expectation, sir from Kochi, right?
- Vinod Mishra:** We can hope it because I'm also optimistic about the completion of this pipeline because once this is completed, then it will be open for utilization because there can be more volume be consumed through this pipeline for the Southern India because it's better to use from the nearby terminal than bringing from Dabhol or from Dahej, because then unified tariff will be there.
- And if it is nearer to the source of gas, unified tariff will be INR40, INR39 something or if it is away more than 1,200 kilometers than it maybe in the range of INR100. So I think that concept will help us in utilization -- more utilization of Kochi terminal, after connectivity with national gas grid.
- Moderator:** The next question is from the line of Vikash Jain from CLSA. Please go ahead.
- Vikash Jain:** Hi Sir, thanks you for taking my question. A bit of an understanding, so 2021, you had accounted for INR333 crores of use or pay receivables, right? And of that, you have now created a provision of INR228 crores. Firstly is, I mean, any reason where the remaining -- INR105 crores of remaining provision, you have not yet created or any particular reason why only INR228 crores, if I could understand.
- Vinod Mishra:** No, it's not like that. But INR330 crores, I don't know where from you are taking. But total, I'm telling you, it was including GST INR448 crores. This was the total use or pay charges, which was pending. And we have...
- Vikash Jain:** It was in 2021, you said.
- Vinod Mishra:** 2021. We had made a provision of around 20% last year of that. That means around INR90 crores, you can say. And we have made a provision of INR220 crores -- INR228 crores this year. And the provision is also based against INR848 crores, which is for the calendar year 2022. It's INR848 crores into 20% for the year. And for 3 quarters, we have made 15% because for every financial year, after 1 year, we are making provision of 20%. So just 3 quarters have already passed. So we are -- now we have decided to make a provision on a quarterly basis. So accordingly, we have made a provision of 15% of INR848 crores.
- So this is coming to INR127 crores. And if you look at the last year provision of INR448 crores, 30% of that we have made. So around INR130 crores and divided by -- it's a 9-month period, if we take it, it will become around INR100 crores almost. So total comes INR228 crores. INR128

crores, you can say for the current year 20% for this INR848 crores, and INR100 crores for the previous year, INR448 crores into 30% and into 9 divided by 12. So it comes to INR100 crores around. So total INR228 crores provision we have made this time.

Vikash Jain: So just to kind of make it simple of, I think, INR894 crores of total use or pay, right? '21 and '22 put together. INR848 crores and -- sorry, not...

Vinod Mishra: INR400 crores. INR1,200 crores, INR1,300 crores.

Vikash Jain: Sorry, INR1,200 crores, INR1,300 crores of use or pay. How much provision have you made so far?

Vinod Mishra: INR228 crores plus INR89 crores. So it is around INR317 crores we have made.

Vikash Jain: So of INR1,300 crores, say INR317 crores, you have made, there is still INR1,000 crores of revenue, which is booked. Now, essentially, how do we expect this to be -- I mean, will you continue making provision every quarter? Or how would this work out? And why I say that is if we do not make full provision then when these volumes actually come in, in -- hopefully, in 2024, then effectively you would have -- if provisions were not made, then that sale has already been booked in advance, right?

So the volume would have been taken, but the adjustment will happen from the balance sheet receivables. So for you to recognize the revenue in this particular year, you'll have to make the provision to offset that. So otherwise, it will be adjusted with the balance sheet receivable, right? So...

Vinod Mishra: I'm telling you what will happen. This is -- if you look at 1 year only 2021, it will be -- they have to bring additional volume by December '24. So this will be settled only the next year either way. Either they don't bring, then it means we will encash the bank guarantee or they will pay it, and we will return the bank guarantee. Both options are there. It will be recovered. Matter is over.

Question arises only when they bring additional volumes over and above the commitment of the current year -- current calendar year '24. That we will consider and accordingly, whatever volume they have brought in, additional volumes they have brought in this year, it will be adjusted against the shortfall of '21. And to that extent, how -- whatever use or pay charges are there, that will be written off. This is what we are going to do.

Vikash Jain: Right. So basically, what I'm trying to....

Moderator: I'm sorry to interrupt, Mr. Jain. I would request...

Vikash Jain: This is the same question. It is getting clarified. So please allow me to complete it. So what I'm asking you, sir, is there is a part of revenue, which you have booked in advance when they bring in the cargoes unless you have made provisions for that. This will actually not be kind of leading to a recognition of income in that particular quarter or year, right?

Because you've already -- it will be adjusted with the balance sheet. There's a cash impact, which you've said either they bring in and pay you the money or they -- you encash the bank guarantee that I understand.

But from an income statement perspective, unless you have cancelled out the advanced booking of revenue with the provision, this will not lead to fresh income recognition in that particular quarter, right?

Debabrata Satpathy:

You see..Vikash ji..the revenue that has been already booked by user pay charges is a penal charge coming out of the contract, okay? So this penal -- from the penal provision, this revenue has been booked. And whatever provision we are booking, that is as per the prudent accounting practice, that is a time-based provision that we are booking. Up to this point, we are clear.

And then whatever volume -- suppose some extra volume they bring in 2024, that extra volume will be treated as the revenue of 2024 only. And it will be a precondition for waiving of the penal charge whatever has been booked in the past, if they bring some extra volume. So if they bring some extra volume, this penal charge will be waived off to that extent. And if they do not bring, then the -- through the bank guarantee mechanism, the recovery will be done against the penal charge only. So this is how the accounting treatment has been done.

Moderator:

Mr. Jain, may we request you to kindly rejoin the queue for follow-up questions as there are several participants waiting for their turn.

The next question is from the line of Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka:

Thanks you for the opportunity, just following up. So -- just to clarify, bank guarantee has been taken for the entire amount of the takeout pay or only a partial amount?

Vinod Mishra:

Bank guarantee will be for an entire amount of INR415 crores for '21 and INR848 crores for 2022.

Amit Murarka:

And when will the bank guarantee be received?

Vinod Mishra:

It is under settlement. It has been principally agreed with the off takers. And so we are in the process. Some of them has given also but others are in the process of giving it. And also settlement agreement will also be formally signed.

Amit Murarka:

And the offset is on value -- and the offset is on value or volume because I guess the value obviously will be higher on the same volume now with the higher regas charges.

Vinod Mishra:

Volume will be compared. See, because the use or pay charges in '21 will be at a lower regas charges. But in '24, the volume, the additional volume they bring in, it will be charged at higher regas charges. So we'll compare how much additional volume they have brought in. And to that extent, how much would have been the use or pay charges multiplied by this regas charges of 2021. That will be waived. And revenue will be booked as if current year income, whatever additional volume will come.



- Amit Murarka:** And there is no interest included in this 3 year of interest loss that has happened, that's not in the equation?
- Vinod Mishra:** These kind of things are not considered. When the settlement is done, these things are not thought of because we are doing something at least we are able to recover it somehow. Otherwise, there is a lot of issues, and it's not -- it's a big deal also if we are settling something very old. Interest part is not there, of course.
- Amit Murarka:** And also if you could share...
- Vinod Mishra:** These are regasification charges of 5% hike, we are getting 2 years. '21 was at least -- if you look at 5 years each year, if we bring in '24, almost 15% of the regas charges has already increased for the additional volume. If you compare with that, then you have to see the interest and you will find that it is still beneficial.
- Amit Murarka:** Got it. And could you share some update on the regas contract, the long-term contract?
- Vinod Mishra:** Regas contract is already there up to 2036 with the off takers to the extent of 8.25 MMTPA.
- Amit Murarka:** Sorry, I meant of the contract with Qatar?
- Vinod Mishra:** That is in process. As and when there is any declaration, we will inform you. And we are under discussion, so we cannot disclose those important issues. We will declare it definitely, it will be known to you, as and when we sign it.
- Moderator:** The next question is from the line of Chinmay Gandre from Canara HSBC Life Insurance. Please go ahead.
- Chinmay Gandre:** Just a follow-up sir, regarding this settlement so when was this reached. And you mentioned that some of the players have given bank guarantees. So what quantum of bank guarantees we would have received?
- Vinod Mishra:** No. Just repeat, again, your voice is not so clear. Come closer to the mic.
- Moderator:** Sir, it's muffled little actually.
- Chinmay Gandre:** Yes. So my question is, sir, when was this settlement reached with respect to the off-takers and also like how much percentage of bank guarantees have you received of the total outstanding?
- Vinod Mishra:** This is in process, you will find next quarter, we'll update you, but we are in process. We cannot do something in a hurry that they should submit immediately. It takes time, but somehow, they have reached the agreement, and we have -- we are going in that direction. And maybe next -- by the end of next quarter, it should come. We will inform you, updated. But bank guarantee is yet to be received. Some of them have given, some of them have not given. We are in the process of getting those bank guarantees also and settlement agreement signed.
- Chinmay Gandre:** Ok. Thank you.



- Moderator:** The next question is from the line of Puneet from HSBC. Please go ahead.
- Puneet Gulati:** My first question is whether all the increase in regas tariffs have been honoured for the current year so far?
- Vinod Mishra:** Yes, yes, it is being honoured. It is as per the contract. There is no issue. 5% hike is there. And for the RasGas contract, it is on 1st of Jan, 2024 it has been done. It is 62.90 -- 62.90 it is being collected also. There's no issue.
- Puneet Gulati:** Okay. Great. And so for the Kochi as well, right?
- Vinod Mishra:** Yes, Kochi as well.
- Puneet Gulati:** And the Kochi, the increase should happen from March, right?
- Vinod Mishra:** 1st of April.
- Puneet Gulati:** 1st of April. Understood. Secondly, if you can also talk a bit about the CapEx on your Gangavaram plant and the Dahej jetty, what is the time line for completion of those?
- Vinod Mishra:** The Gangavaram, we are not pursuing. We are going to Gopalpur as we have declared. Earlier, we were doing that. We were thinking of going to Gangavaram, but now Gangavaram is no longer there. And it is Gopalpur, we are putting up a terminal. And it is in the process. And as you know that we have already signed with the Gopalpur Port Limited all the sub lease agreement and other all other land -- lease agreement.. All agreements have been signed.
- And we are now in process of undertaking that project, and it will take around 3 years. Initially, we are thinking of some FSRU based terminal. But it feels that FSRUs availability is also very poor. And if we don't get it, we will go straight away to land-based terminals. For that, we'll need some additional land for that we are pursuing with them. And as and when we get it, maybe instead of going for FSRU in future we may go for land-based terminal. But as of now, approval is for FSRU based terminal only.
- Puneet Gulati:** Right. And while you are negotiating with Qatar, are you negotiating for higher volume for this terminal as well? Or is it just renewal of existing volume?
- Vinod Mishra:** It is just renewal of the contract.
- Puneet Gulati:** Okay. So volume for this will be fresh contracts with some other off taker, other party?
- Vinod Mishra:** No. It's a renewal means everything renewal means whatever volume will be coming, it will be coming on behalf of the existing off takers only.
- Puneet Gulati:** Right. But not the additional volume?
- Vinod Mishra:** Not additional volumes. Additional volumes we are not taking.
- Puneet Gulati:** Okay. And update on the jetty?

Vinod Mishra:

Jetty, we are in the process of finalizing the details and award the contract, and it will be having a cost of around INR1,700 crores. And we hope that after it is awarded, it would take another 36-month period to complete that jetty. And that jetty will be diversified in fact from the point of view that it can import propane, ethane as well as LNG.

So it is thought that once this is commissioned, then we will have more flexibility in operation. And perhaps for the upcoming petrochemical project also, it can bring propane from outside. And if we also -- maybe for ethane also, we can import.

So this is the detail of this jetty. And another -- tanks are also coming up. So tanks will be commissioned by June 2024. INR1,246 crores around is the CapEx. Expansion will be completed by March 2025 of 5 MMTPA at Dahej. So this is the details of other projects.

Moderator:

Ladies and gentlemen, this will be the last question for today, which is from the line of Manikantha Garre from Franklin Templeton India. Please go ahead.

Manikantha Garre:

Hope I am audible.. Thanks for the opportunity. Sir, I have just one question with respect to this agreement which you have made with off takers on the use or pay charges. So you said any additional volumes that off takers bring on top of the committed volumes will be offset against this CY '21, '22 charges.

Just a clarification here, if not for the situation wherein use or pay charges would have -- if they were paid in, say, by '21 and '22 itself, you would have gotten additional revenues from the additional volumes which they will be bringing in '24, '25. So effectively, you are foregoing that additional revenues just to resolve this use or pay charges. Is that the right understanding?

Vinod Mishra:

No, this is not correct because what I'm telling you because now LNG prices have softened, and they are now thinking to bring more volume because they want to settle this issue. It's not that had we -- had they paid it, then they would not -- they would have brought the addition volume. They may not have made even the effort for bringing additional volume.

Now they are making effort how to set it off. So this is a difference. Actually, if you don't intend to bring it, then you will not bring it, but now they have intention to bring it. So they are somehow managing to bring the volume, more volume so that this use or pay can be adjusted. So this is - not adjusted, this can be waived off.

And in fact, additional volume will give them solace that they have brought in and so now their use or pay charges will no longer be applicable after waiving off. So this is not correct that they would have brought it additionally. This is not correct. They are now making effort to bring more volume. Just to make up for the short fall...

Manikantha Garre:

Sir, how should we think about say by '26 onwards then? So they will not be making any additional efforts to bring additional volumes then is it?

Vinod Mishra:

They may bring or they may not bring. But now they will additionally make an effort to bring it. So this is a difference. At our terminal only. Otherwise, they can take it to any other terminal. So, yes, they are free to take it anywhere.



Manikantha Garre:

Ok sir...Thank you.

Moderator:

As that was the last question for today, I would now like to hand the conference over to the management for their closing comments. Over to you, sir.

Vinod Mishra:

Thank you very much. Thanks to all of you for joining this conference, and -- just I want to reassure you that as I have already said that we'll continue to make effort to increase the profitability of the company, to do some extra things so that we have some extra bottom line additions to Petronet.

So this effort will continue. And -- only thing you have to report confidence in Petronet LNG. And we assure you that we are making all efforts to make company a bigger company and to increase the wealth of the shareholder whatever efforts we can do, we always will continue to make all efforts. Thank you very much.

Moderator:

Thank you, members of the management. On behalf of PhillipCapital (India) Private Limited that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.