



Petronet LNG Limited

Regd. Office: World Trade Centre, Babar Road, Barakhamba Lane, New Delhi – 110001

Phone: 011-23411411, **Fax:** 011- 23472550, **CIN:** L74899DL1998PLC093073

Email: investors@petronetlng.in, **Company's website:** www.petronetlng.in

PAN: AAACP8148D

GST: 07AAACP8148D1ZI

CS/PLL/LISTING/Reg-30/2023

Date: 11.05.2023

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 03.05.2023

Dear Sirs/Madam,

This is with reference to our intimation dated 28th April 2023 and 4th May 2023 intimating holding Conference Call of the Company scheduled on Wednesday, 3rd May 2023 at 6:30 PM (IST) for Audited Financial Results of the Company for the quarter and year ended 31st March 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 Q4 FY2023 Results Conference Call”

May 03, 2023



ANALYST: MR. AMIT MURARKA – AXIS CAPITAL LIMITED

MANAGEMENT: MR. VINOD KUMAR MISHRA - DIRECTOR (FINANCE) - PETRONET LNG LIMITED
MR. RAKESH CHAWLA - GROUP GENERAL MANAGER & PRESIDENT, FINANCE AND ACCOUNTS - PETRONET LNG LIMITED
MR. GYANENDRA KUMAR SHARMA - CHIEF GENERAL MANAGER & VICE PRESIDENT (MARKETING) - PETRONET LNG LIMITED
MR. DEBABRATA SATPATHY - GENERAL MANAGER (FINANCE & ACCOUNTS) - PETRONET LNG LIMITED
MR. VIVEK MITTAL – CHIEF GENERAL MANAGER & VICE PRESIDENT, MARKETING - PETRONET LNG LIMITED
MR. ASHWANI AGARWAL - MANAGER (FINANCE AND ACCOUNTS) - PETRONET LNG LIMITED



Petronet LNG Limited
May 03, 2023

Moderator: Ladies and gentlemen, good day and welcome to the Petronet LNG Q4 FY2023 Results Call hosted by Axis Capital 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, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Amit Murarka from Axis Capital. Thank you and over to you sir.

Amit Murarka: Thank you Robin. Good evening, everyone. Thank you for taking the time out to attend this post result call of Petronet LNG. We have with us the senior management of Petronet LNG starting with Mr. Vinod Kumar Mishra, Director (Finance), Mr. Rakesh Chawla, Group General Manager and President (Finance and Accounts), Mr. Gyanendra Sharma, Chief General Manager and Vice President (Marketing), Mr. Vivek Mittal, Chief General Manager (Vice President Marketing) Mr. Debabrata Satpathy, General Manager (Finance and Accounts), and Mr. Ashwani Agarwal, Manager (Finance and Accounts). Without much ado, I will hand over the floor to the management for their opening remarks, post that we will have the Q&A. Over to you Mr. Mishra.

Vinod K Mishra: Thank you. Very good evening to all of you and I will start with the performance of the company. If you see the main highlights of the company, it has been Rs 59,899 Crores in financial year 2022-2023 and there is a surge of around 39% from the previous year as compared to Rs. 43,169 Crore. If you look at the throughput of Dahej terminal, it has been very promising because we have been able to have a throughput of 172 TBTU as against 154 TBTU in the previous quarter and 178 TBTU in the corresponding quarter and total throughput both Dahej and Kochi has been 185 TBTU against 167 TBTU in previous quarter and 190 TBTU in the corresponding quarter. If you look at the yearly basis throughput then you will find that it is not as high as it was last year, of course Dahej has throughput of 704 TBTU as against 793 TBTU in the previous year and Kochi had 48 TBTU throughput as against 54 TBTU in the last year. So, this is how typical performance has been.

If you look at the quarterly result, profit PBT has been Rs.818 Crores as against Rs.1586 Crores in the previous quarter and Rs.984 Crores in the corresponding quarter of the previous. PAT has been Rs.614 Crores as against Rs.1181 Crores in the previous quarter and Rs.750 Crores in the corresponding quarter of the previous year. On a yearly basis, PBT has been Rs.4335 Crores as against Rs.4474 Crores in the previous year and PAT has been Rs.3240 Crores as against PAT of Rs.3352 Crores in the previous year. So this is the total



Petronet LNG Limited
May 03, 2023

performance of the company and apart from that there is slight downward trend you see in the profitability and this is mainly because of Ind-AS impact of foreign exchange variation which has been to the extent of Rs.258 Crores and apart from that we have declared dividend of Rs.3 per share, apart from the Rs.7 we have declared as interim dividend after second quarter. So, this is how we have performed and now the house is open for the questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Probal Sen from ICICI Securities. Please go ahead.

Probal Sen: Thank you for the opportunity, Sir. Good evening. Two questions; one, what we have seen is despite the spot LNG prices dropping off quite a bit in this quarter, our third party or service revenue volumes are yet to reach anywhere near normal run rates of between 75 to 80 TBTU, so just wanted to get a sense, is it because the contract do not really work in tandem with the price change or will they need to drop even more from here for our volumes to recover back to let us about 75 to 80 TBTUs, that is our first question?

Vinod K Mishra: First question you are asking that there has been downfall in the prices of LNG and still service cargos are not increasing to that extent, but you see that there has been surge to the extent of 61 TBTUs in this quarter as against 47 TBTU in the previous quarter. There has been a rise in the service cargos, that means these service cargos maybe as a spot it may be under a long-term contract of off takes, so we are getting a higher number of cargos now in this fourth quarter and if you look at April data, it is even higher and we are getting good number of cargos now and 21 cargos have come so far in April also out of which 11 are service cargo and 10 are long-term. So, we can say gradually situation is improving. And prices have started declining only after February, so you cannot say entire quarter there was lower prices, it was only after February that prices have come down and it takes time for the customers to adjust to procure the cargo, so it is not that in a day you will find a cargo. Whenever the price is declared it is almost 2 months later. So, we can say that it is gradually improving now and perhaps more cargos will come in this current year, in this quarter.

Probal Sen: Got it. The second question was more of housekeeping sir. Can you share the Regas revenue for the quarter?

Vinod K Mishra: Regas service revenue for this quarter is Rs.359 Crores.

Probal Sen: Rs.359 Crores. If I can squeeze it, just one more question. Any update sir on our plans for the petrochemical project, any firm up of final Capex timelines, anything you can share?



Petronet LNG Limited
May 03, 2023

- Vinod K Mishra:** Petrochemical is going on and at present we can say that DFR has been prepared. We are in the process of licensor selection and once the licensor is selected, thereafter we will have the DFR prepared by the consultant and then we will go to the board for approval of the project and thereafter activity will start. So, we will have to wait for some time as this may take 2-3 months at least for the selection of this licensor and thereafter maybe in next 1 or 2 months DFR will be ready by the consultant, then we will go to the board so 3-4 months we can say right now.
- Probal Sen:** Any indicative investment that you need, any changes in terms of the numbers, because I believe shared about Rs.14000 Crores was the indication on that.
- Vinod K Mishra:** That is the range we are still estimating because we are not still clear how much will be the capex because once the licensor selection is made, then only we can come to know how much is the capex, because it is based on a technology, whatever technology we are selecting, it is having a different kind of requirement for the equipment, for raw material and for other checklist, so those things can be know only after the selection of licensor because whatever technology we are selecting it has different kind of capex, each technology, so that we can say that still we are keeping that capex at Rs.14000 crores.
- Probal Sen:** Got it sir. Thank you so much for the detailed answer and come back if I am. All the best.
- Vinod K Mishra:** Thank you.
- Moderator:** Thank you. We have the next question from the line of Somaiah V from Avendus Spark. Please go ahead.
- Somaiah V:** Thanks for the opportunity. Sir, can you just give us an update on the key projects that you are working on like the Dahej expansion, Gopalpur FSRU and also the capex outlook for the next couple of years.
- Vinod K Mishra:** Dahej you know that this plan is already going on, tank construction is going on and perhaps if you look at the capex which we are estimating this time, total capex is around Rs.1250 Crores out of which I think Rs. 744 Crores we have already incurred and balance is left so balance should be this year and then slightly it may be next year, so this is total capex of Dahej tank and jetty we are going to construct at Rs 1,650 Crores that is the capex and we have already started process for awarding job for jetty construction and capex is already there, 1650 Crores and then we come to Dahej expansion plan, which we have from 17.5 to 22.5 MMTPA that is also having a capex of around Rs.570 Crores so that is the



Petronet LNG Limited
May 03, 2023

capex for Dahej and apart from that petrochemical, I have already mentioned that whenever it comes it will be estimated at Rs.14000 Crores that will be there and apart from that, we are also thinking of one more tank at Kochi so perhaps we will go ahead with that plan in future so if it all comes and approval is given, then we will have capex of Rs.600 Crores. So, this is how, and apart that we have this proposal approved for Gopalpur terminal, so there also we have a capex of Rs.2300 Crores FSRU terminal we are going to construct, so this is how capex plan is there and I think more will come at all if there is any capex, but right now this is immediate capex plan we have.

Somaiah V:

Sir what will be next couple of years, capex outlook in terms of annual capex?

Vinod K Mishra:

Capex outlook as you know that capex is coming up, there is a big-ticket capital commitment could be petrochemical plant, so for that we have thought out some debt equity, ratio of 70:30, so those kind of plan perhaps we will rationalize it and we will have 30% equity, 70% debt. Apart from that, for Gopalpur project Rs.2300 Crores that also, that is not a big capex, but we may think of some debt if required, so that way plan is clear that we will optimize the cost through this kind of debt mix for the major projects, but of course for small projects like expansion plans, we are not going to have financing arrangement, for tanks we do not have any financing arrangement, it is a very small capex so we are meeting



Petronet LNG Limited
May 03, 2023

- Somaiah V:** Got it sir. One last question from my side. So, this take or pay charges which we accounted in the last quarter so the status on that in terms of receiving what is that amount that has been received so far and what is long-term?
- Vinod K Mishra:** We have booked use or pay charges for the cargoes which have been defaulted by the off takers but only thing is that we are pursuing for that and perhaps we are hopeful that it should be paid by them, this is as per contract and some of them have recognized that but of course we have to see that how we have to recover it, that process is going on. We are trying to recover it in best possible way and hopefully we should recover those cost and perhaps in next year when the prices are normal for LNG then perhaps there shall not be any default on their part, so we are hopeful that in future it will not be there, but for the past we have to of course recover those charges. For that we are making all out efforts to recover.
- Somaiah V:** So Rs.850 Crores odd that we had booked, so still it will remain as a receivable, is it right understanding?
- Vinod K Mishra:** Yes, it is, still as we, you are saying it is receivable. Yes, but we have not got anything so far.
- Somaiah V:** Thank you.
- Moderator:** Thank you. The next question is from the line of Siddharth Chauhan from Batlivala & Karani Securities India Pvt. Ltd. Please go ahead.
- Siddharth Chauhan:** So just 2 questions from me. One on the other expenses side that there seems to be slight increase in this quarter, so is that seasonality or just something else is that?
- Vinod K Mishra:** Increase in throughput, other expenses, so there is actually provision for Rs.55 Crores for some arbitration award so that is the main reason and that is why it has increased.
- Siddharth Chauhan:** Sir sorry your voice was not very clear. So, 55 Crores for what?
- Vinod K Mishra:** It is for arbitration award.
- Siddharth Chauhan:** Okay just to clarify so one more tank at Kochi will be a capex of Rs.600 Crores, right?
- Vinod K Mishra:** Yes. Yes.



Petronet LNG Limited
May 03, 2023

- Siddharth Chauhan:** Last question, which is on the Gopalpur. Sir my understanding is, you had previously guided for 2 years odd of construction time, now what we are seeing right now is there is a lot of tightness coming into the oil service chain, yards globally are sort of getting full, shipyard are already full and the one in Southeast Asia which sort of do the kind of FSRU, they might also be getting load from offshore, so I am just wondering if that 2 year timeline is kind of achievable on FSRU?
- Vinod K Mishra:** Yes. We are still exploring the possibilities how we can secure the FSRU and for that we have appointed the consultant and see how we can do it, but we will first explore it and try to get it and let us see what happens, but we cannot say we will get it or not get it, but we have some alternative plan also for this if we are not able to secure some FSRU, then we will go ahead with the land based terminal.
- Vinod K Mishra:** Okay. Thank you so much sir.
- Moderator:** Thank you. The next question is from the line of Kirtan Mehta from BOB Capital Markets. Please go ahead.
- Kirtan Mehta:** Thank you very much for the opportunity. You mentioned that for FY2022 we are pursuing with the users. In terms of the step wise to get the acknowledgement from here what are the steps that would be needed at your end to sort of convert this into either as receivables or decide whether to pursue with it or not?
- Vinod K Mishra:** See we are in fact trying to talk to them every time and this has been as per contract. They know it very well. One thing I can say that some of the customers have already deducted TDS, that means they have recognized this liability in their books of account, so that is in fact matter of satisfaction that at least they have come to this level that they have recognized the liability in their books, but I will not disclose any, but some of them have recognized the liability for that.
- Kirtan Mehta:** Right. In terms of the escalation that we need to do would it be escalation to the Ministry to get this resolved, could it happen before the finalization of the FY2023 annual report?
- Vinod K Mishra:** Escalation in terms of recovery you are speaking.
- Kirtan Mehta:** Yes.



Petronet LNG Limited
May 03, 2023

- Vinod K Mishra:** Escalation is the normal process; it is as per the contract. We are asking them to give it, there is a process given and if nothing is happening then there is arbitration process is already there provided in the contract if it is not mutually agreed upon, so that is the legal process and if you are not able to recover it.
- Kirtan Mehta:** Just another question was about sort of going back to the higher level of sort of close to 90% utilization. Is this price wise sufficient or will we need prices to sort of become bit more improved from here before we can achieve the 90% plus utilization.
- Vinod K Mishra:** See so price have come down almost \$11, \$10 which is going on, so prices of course has come to a reasonable level, but if it goes down it is still better but even at this level you see that in April month itself, we have reached utilization level 97%. So that way we have already crossed in this month actually of course in the last quarter which we see it has been only 77% around, it is on yearly basis, but this is a good sign that at least we are now improving and more cargoes are coming and hopefully May will also be very good, so let us hope for the best at least for this quarter and this price trend continues for longer time, then I think more and more spot cargoes will come to India.
- Kirtan Mehta:** So, when you state that utilization has improved to 97% level, are we also seeing this as far as spot cargoes are here?
- Vinod K Mishra:** See I can say it is not known as how much but our service cargoes have increased, this much I can say that there is a long-term contract which is being met as per scheduled ADP which is in our delivery plan and service cargoes which were not coming earlier have started coming now, so in April it has been good number of cargoes have come and you can say that situation has improved that is why the utilization level has increased to 97% and one more good thing is that at least for this 6 month period Dabhol will be closed so more cargos from there will come at least for the next 6 months.
- Kirtan Mehta:** Right sir. If I can squeeze in one more question. In terms of the Kochi plant, we are currently operating at utilization of the 20% level, we are making for additional tank, so what are the viability assumptions that we see to justify the viability of the Kochi plant?
- Vinod K Mishra:** Kochi tariff you are talking about?
- Kirtan Mehta:** Kochi, you mentioned that you are considering the option to add a tank at Kochi which could cost at a capex of around Rs.600 Crores.



Petronet LNG Limited
May 03, 2023

- Vinod K Mishra:** Actually, we are making tank over there because this gives us flexibility for trading the LNG cargoes. Right now it is tied up to we are thinking of having it for future and more one good news is that today in the board meeting itself it was declared that gas pipeline from Kochi to Bangalore maybe commissioned by next year November 2024 if that is happening, that kind of commitment is coming from GAIL, so I think the utilization level can go up to 35% to 50% also next year. After commissioning, it is not right now, may be this financial year it is not possible but next year it is possible because GAIL chairman himself has said that it is likely to be completed by November 2024 and it will be connected with the national gas grid, then it is quite possible to use it more and more, because swapping mechanism is always there and more CGDs will be coming, so they will have fair share of LNG usage because then swapping can be done and gas can be supplied from our terminal to those CGD entities, so that is a kind of plan we are having and perhaps pipeline is a major interest and once this is overcome then perhaps we will be able to have more usage of our Kochi terminal in future.
- Kirtan Mehta:** Thank you sir. Thanks for your detailed answer.
- Moderator:** Thank you. We have the next question from the line of Yogesh Patil from Dolat Capital. Please go ahead.
- Yogesh Patil:** Thank you for taking my question, sir. So, in the last few quarters, we have seen a gain on the sale of spot LNG which boosted profit. What was amount in this quarter, quarter for FY2023, can you please share it?
- Vinod K Mishra:** Yes. We will tell you. Trading margin Rs.73 Crores.
- Yogesh Patil:** So, second question, considering the fall in spot LNG prices in current scenario and the raising demand of gas, is there any provision in a user pay contract that if the off takers regasify the higher quantity of gas in this calendar year then previous year shortfalls can be off set.
- Vinod K Mishra:** No there is no provision as such because these capacities have to be utilized within the calendar year itself. If it is not, then the use or pay charges are levied so it is not provided in this contract.
- Yogesh Patil:** Okay and the last one sir from my side. Sir, please correct me if I am wrong. In 2026, additional 0.6 MMTPA and LNG will be coming to India from ExxonMobil. Is it a part of Gorgon volume existing 1.44 MMTPA or this would be addition to 1.44 MMTPA volume?



Petronet LNG Limited
May 03, 2023

- Vinod K Mishra:** It is additional contract we have entered at the time of negotiation with ExxonMobil that in fact this is not 0.6, it will increase, 2-3 years is a ramp up period, so it will be coming to the extent of 1.2 MMTPA from 2026 this will be 0.6 and from 2028 onward it will be 1.2 MMTPA in addition to 1.425. Total it will become around 2.625 after 2028 that means that Kochi terminal itself will utilize by that time at least up to 50% apart from whatever I am saying that after this completion of pipeline, more utilization will be there, more volumes will come there when this contract will be implemented in 2026. So, I think that is there.
- Yogesh Patil:** What would be the pricing agreement for the additional volume.
- Vinod K Mishra:** Tariff will continue what is going on right now.
- Yogesh Patil:** Okay and the pricing part of LNG would be the same.
- Vinod K Mishra:** Pricing part it will be 13.95%. It will be same, I think.
- Yogesh Patil:** Okay thanks a lot. It was really helpful.
- Vinod K Mishra:** Thank you.
- Moderator:** Thank you. The next question is from the line of Maulik Patel from Equirus. Please go ahead.
- Maulik Patel:** Thanks for the opportunity. Sir, one question. You mentioned that there has been uptake in the Regas volume, historically in this Q1-Q2 because of the partial shutdown of Dabhol who generally do around 1.9 to 2 million tons of quarterly Regas volume are you confident that you will achieve that past numbers?
- Vinod K Mishra:** You are saying that after shutdown of Dabhol, whatever volume was there last year it will continue. The past is the last year level.
- Maulik Patel:** No, I think year before that.
- Company Speaker:** So, as we mentioned in the beginning call, the spot prices have come up, so we are expecting utilization level to go up, what it would be actually very difficult to predict given numbers, but we expect definitely better than last year.
- Maulik Patel:** Got it and the second question is any other development related to this biogas or the LNG stations and anything you are pursuing apart from the pet-chem projects and Gopalpur.



Petronet LNG Limited
May 03, 2023

- Vinod K Mishra:** Yes. This compressed biogas is of course we are thinking of, but in not in a big way. Right now we are proposing to have at least 4-5 CBG stations so that have been incorporated in our capex plan, so that is there, 5 CBG station, but as and when it will come we will again inform you and as far as SSLNG is concerned, we have already 4 stations commissioned almost but some approvals are awaited, so with IOCL we have already installed LNG stations at 4 places and more will come in due course. Because of this instability in the prices, volatility in the prices of LNG, this segment could not get too much of attention with the consumer because high price of LNG was not affordable but now since the price has started coming down, we hope that this segment will further now take its ride and it will perhaps go in a good way in the future.
- Maulik Patel:** Sure, so what is happening on this RasGas renegotiation. We understand I mean if you look at the last couple of months Germany has done 1 contract with the Qatar, China did 2 contracts with Qatar and they took some equity stake in that Northfield East. What we are doing in our country, the PLNG has been an negotiating agency with Qatar or any update which we can expect for this negotiation for any incremental volume as part of that contract or in the negotiation.
- Vinod K Mishra:** No, it is actually I can just only share that we have to finalize this contract for renewal by the end of this year for extension beyond 2028, this is what we are proceeding with, so we are now concerned with the renewal of the existing contract beyond 2028. So that is going on as and when something is finalized, we will come back to you and clear it but right now we cannot share it but it is going on, but of course we are in the process because we have to finalize this by December 2023.
- Maulik Patel:** Great. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Sabri Hazarika from Emkay Global. Please go ahead.
- Sabri Hazarika:** Good evening. The question is with regard to Ind-AS and Gorgon volume in Dahej?
- D.Satpathy:** Ind-As at the gross margin level, Rs.156 Crores positive, then forex gain Rs.23 Crores positive, then reversal of expenses.
- Sabri Hazarika:** Rs.23 Crores positive for forex gain and other expenses Rs.8 Crores positive and then depreciation Rs.82 Crores and the finance cost Rs.71 Crores.



Petronet LNG Limited
May 03, 2023

D.Satpathy: Finance cost Rs.71 Crores.

Sabri Hazarika: So PBT around Rs.34 Crores, right.

D. Satpathy: 33 Crores.

Sabri Hazarika: Trading gain you said was 73 Crores, right.

D. Satpathy: Yes.

Sabri Hazarika: Any inventory gain loss during the quarter?

D. Satpathy: Inventory gain is Rs.22 Crores.

Sabri Hazarika: Gross margin you said Rs.166 Crores and what was the Gorgon volume in Dahej?

Vinod K Mishra: Gorgon volume in Dahej 9.7 TBTUs for the quarter.

Sabri Hazarika: Second question is sir around this Dahej utilization you mentioned that April average itself went up to 97% you said.

Vinod K Mishra: Yes.

Sabri Hazarika: Which are those sectors which has driven in terms of consumption is it the power sector predominantly or is it is broad based.

G K Sharma: See. The prices have become comparatively affordable and with respect to alternate fuel, so it is not only power other industrial consumer sector also has come up those who were using others alternative fuels.

Sabri Hazarika: Okay so across the board, improvement you are seeing? It is not because of the temperature which has led to basically power sector,

G K Sharma: Not really, that is just part contribution and that too not that significant, I would say it is more of industrial consumers and across the board, refineries as well as petrochemicals, ceramics, everyone has come up.

Sabri Hazarika: Okay and regarding this new HPHT gas coming, so do you think this can be a threat or you see this getting absorbed with respect to new customers?



Petronet LNG Limited
May 03, 2023

- G K Sharma:** See market is enough and I think it is not a matter of threat, you know the threat is to the alternate fuels not to RLNG.
- Vinod K Mishra:** One more I will add to what he is saying. If you look at the long-term prices also there \$10, \$11. HPHT already \$12.16, so now it is almost matching, not much difference, so way you can see that it hardly matters as a threat. I do not see it as a threat now.
- Sabri Hazarika:** Right sir got it and your FY2023 capex of Rs.1000 Crores, was that right?
- Vinod K Mishra:** FY2023 which has passed okay. Yes, it is around 950 Crores.
- Sabri Hazarika:** Rs.950 Crores. Okay sir. Thank you so much and all the best.
- Moderator:** Thank you. The next question is from the line of Puneet from HSBC. Please go ahead.
- Puneet:** Thank you so much. My first question is with respect to the use or pay contract, so is my understanding correct that roughly Rs.850 Crores and the previous year's 415 Crores both are unrecognized?
- Vinod K Mishra:** See Rs.850 Crores is raised this year, so recent one we are pursuing that. As far as Rs.415 Crores last year is concerned that is also part of it, so we have already rigorously following it up with them and in fact as and when some solution will come out it will be known to all, but it is very clear that we are rigorously following it and it is not that we are going to waive it, so we will have it and we will try it as they should pay and then we will see how we can go ahead because after all this is payable as per the contract.
- Puneet:** Absolutely correct. But you have not recognized it at all. It has been 1 year at least on that number, previously year number also. There is no further discussion if I have to put it that way. Yes, so what I was trying to understand is even for the calendar year 2021, Rs.415 Crores there has been no progress with the off takers. Is that understanding broadly, okay?
- Vinod K Mishra:** No, no. progress is that we are following it up and perhaps some of the customers have started deducting TDS also that means they have started recognizing the liability at their books so that is the major thing if it is happening at all because as per contract this is a liability, in fact this should be a burden on them, why they are not showing it as liability.
- Puneet:** Right.



Petronet LNG Limited
May 03, 2023

- Vinod K Mishra:** Not that we have waived it. We are not going to waive it like that. It is their liability; they have to pay for it.
- Puneet:** Secondly on your Gopalpur. You have the board approval yet for Rs.2300 or are you still awaiting for that?
- Vinod K Mishra:** No no, we have got the approval of board. We are going there now. We are now finalizing the transaction document with Gopalpur Port Limited and after that we will start lining of the contract for construction of the jetty and other facilities for the FSRU terminal.
- Puneet:** But in case if you do not get FSRU which you said that you are looking for alternate land that could also be in this.
- Vinod K Mishra:** Because we are also having some issue because as you know very well that many of the FSRUs now working in Europe because of that change last year, lot of LNG coming up there, so we have to see the availability of the FSRU because it will be known only after we do some tendering process and seek the tenders, if something is happening then only we will go ahead. If you find that there is no possibility of FSRU availability, then we will go ahead with the land based terminal.
- Puneet:** You will have to go back to the board for approval or this approval stand.
- Vinod K Mishra:** We do not have to go back to the board because we need to have the additional capex approval and apart from that we have already informed board in this regard that we have an option to go to land based terminal after some time, after FSRU assess it. So that option is already informed. The only thing additional capex you will have to work out if it is not FSRU and then we will go back to board for additional part of capex approval.
- Puneet:** You said that for the Kochi Bangalore pipeline, which is scheduled for November 2024, is there any opportunity to increase offtake from Kochi in the interim?
- Vinod K Mishra:** If you see even now we are utilizing 20% almost 1 MMTPA already being utilized and now we are hoping that MRPL and OMPL will also come back to this RLNG in place of alternate fuel they were using, so that is silver lining we have that at least MRPL one of the big customer and OMPL, they will start using natural gas again and that is 25% to 30% if they start using it.
- Puneet:** Okay so your 20% goes up to 25% level?



Petronet LNG Limited
May 03, 2023

- Vinod K Mishra:** 25% maybe 30% also, depends upon if price trends continue at this \$11 and \$10, they will continue, and this will increase only in future.
- Puneet:** Thank you so much.
- Moderator:** Thank you. We have the next question is from the line of Hemal an Individual Investor. Please go ahead.
- Hemal:** Thank you for this opportunity. Sir I just wanted to ask pre-COVID like FY2019-2020, what was Dahej and Kochi annual production like this year you said 704 and 48 for Kochi and 704 for Dahej what was the FY2020 if you have it in case?
- Vinod K Mishra:** 2021-2022 I have told you 54 it was there, but 2019-2020 I will have to see it, I have got the data for last year. Just a minute hold on, I will let you know, but you are asking too much of that period, it was COVID period, I think. I think it is almost 41.88 TBTU there 2019-2020. We are talking of Kochi terminal.
- Hemal:** And Dahej?
- Vinod K Mishra:** Dahej in 2019-2020.
- Hemal:** If you have it, if not then.
- Vinod K Mishra:** I am trying to 885 TBTU.
- Hemal:** So, sir, do you believe like this year with prices of \$11 and \$12, would it be aspirational to go back to those levels, back to 2019-2020, even at these \$11, \$12 or is that too high of a price?
- Vinod K Mishra:** See it is only guess work you are asking me to do. We are hoping that it will go to that level at least as I have said that April had shown that there is a good utilization of terminal, so I hope that it will further increase in future. There has been overall less revenue in the last financial year 2022-2023, so that way you can say this has impacted our utilization, but once it comes to normal then you will find that it will be going up to at least 90% level. I cannot say it will go beyond 100%, but 90% is achievable in this kind of prices. 97, we are running in April.
- Hemal:** Okay. Thank you, sir. The rest of my questions are all answered. I appreciate your answering the question.



Petronet LNG Limited
May 03, 2023

- Moderator:** Thank you. The next question is from the line of S Ramesh from Nirmal Bang Equities. Please go ahead.
- S Ramesh:** Good evening and thank you very much. You mentioned that there is a forex loss of Rs.258 Crores, so where is that included in your P&L?
- D. Satpathy:** That is in the other expenses.
- S Ramesh:** So, the entire other expenses is forex loss.
- D. Satpathy:** No, no. Rs.258 Crores is for the year.
- S Ramesh:** Okay. What is it for the quarter.
- D. Satpathy:** For the quarter, there is a Rs.23 Crores gain.
- S Ramesh:** Okay fair enough. So, this is for the year.
- D. Satpathy:** Yes.
- S Ramesh:** The second part is now with the lot of new LNG terminals coming up, I think Chhara terminal is coming up while if you take a 4-5 year, you I guess LNG share can be sustained, so is there any risk to your utilization rate if Chhara terminal is commissioned and couple of other terminals go up.
- Vinod K Mishra:** No. I do not think so. See we are already having our capacity booked to the extent of almost 15.75 MMTPA at Dahej. This 7.5 MMTPA Qatar gas contract and 8.25 MMTPA is the capacity booked by the offtakers. So, 15.75 at least I have which is almost 85% to 90% of the capacity. So I am not having any threat from anybody because we have long-term contract with our offtakers, our promoters, so that way we are secured, so rest reassured that whatever terminals are coming in fact this is a challenge for them how to run those terminals and we do not have a challenge, only fight could be that additional volumes will come but the kind of connectivity, kind of evacuation we have no other terminals can have, which is simply having a terminal is not enough, pipeline connectivity is a big issue, many terminals are not able to run because of that connectivity. You see many terminals are located at the place where there is no pipeline connectivity or very less connectivity, so that way this terminal is far, far better than any other terminal, so I do not foresee any threat from them, but of course as they are coming and entire consumption is also going to increase in future as you know that whatever this plan of the government of India to



Petronet LNG Limited
May 03, 2023

increase the share of natural gas 6% to 15% with upcoming CGD entities having so many projects coming up in next 4-5 years, where from they will get the gas. It will be only to resend everywhere domestic gas availability is not there, so they will swap the gas with the domestic gas and supplies on the energy terminals this will happen with the Southern India does not have so much of domestic gas, so ultimately these terminals will be utilized in the future.

S Ramesh:

If you look at Kochi what is the status of the use or pay for Kochi with the current volumes and for the increased capacity utilization. Have you already tied up with use or pay or as the network comes in place you will start arranging for use or pay.

Vinod K Mishra:

No, it is not. See capacity booking is only at Dahej terminal first thing. Kochi terminal is only receiving the volume from ExxonMobil and that contract we had entered for 1.425 MMTPA, so it was suppose to be brought to Kochi, but because of connectivity issues and consumption level at Kochi, the cargoes are coming to Dahej, so that way we are utilizing because demand should be there. As of now, there is not so much of demand at Kochi, but there is only contract for 1.425 MMTPA with ExxonMobil, which is again back-to-back contract with offtakers so I was just talking that Kochi terminal has the contract of 1.425 MMTPA with ExxonMobil, but that is not a use or pay contract. It is contract for back to back delivery of the RLNG to offtakers and you know that contract has a ratio of 40% BPCL, 30% IOCL, 30% GAIL, so that way it is distributed, so that contract was entered just to utilize Kochi terminal. In addition to that, there is additional gas coming up from 2026 of 0.6 MMTPA for two to three years and then 1.2 MMTPA, so total 2.62 MMTPA contract are in fact should come in Kochi, but because utilization is not that much in Kochi, so some of the cargoes we are bringing to Dahej.

S Ramesh:

If I am just squeeze in one more question. So, in FY2023, you have already booked some use or pay claim, is kind of normalization of margin, so if you have to look at profit growth for FY2024 assuming 90% capacity utilization, is it possible to show some growth in the profit after tax for FY2024, on the base you have already reported in FY2023?

Vinod K Mishra:

See this is all, this is guess work, but we in fact intend to do so. If you want to show the growth in profit because once the volume comes in the way it is coming in April and May, I think there is no doubt that we should increase the present profitability growth rate and may be that next year we should be better than this year and because I am again saying that if the prices are reasonably okay, say \$8, \$9, \$10, we will be able to utilize our terminal in a best possible way and then profitability will automatically increase.



Petronet LNG Limited
May 03, 2023

- S Ramesh:** Thank you very much sir. All the best.
- Moderator:** Thank you. Ladies and gentleman that would be the last question for today. I would now like to hand the conference over to Mr. Amit Murarka for closing comments. Over to you Sir.
- Amit Murarka:** Thanks Robin. Thank you everyone for your time on the call today. I would now hand over the floor back to Mr. Mishra for any closing comments if you have sir.
- Vinod K Mishra:** Thank you very much for the patience you have shown in listening to my answers and whatever question you have you can ask again if you have not been able to ask here through e-mail, through our team, and perhaps we are in fact so glad that you are posing faith in Petronet LNG but once again I will say that the kind of model which PLL has is the robust model in the market, profitability is assured, contracts are assured, come what may the use or pay charges or take or pay charges, will ensure the profitability is not going down substantially.
- Moderator:** Thank you. On behalf of Axis Capital Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.