मंगलूर रिफाइनरी एण्ड पेट्रोकेमिकल्स लिमिटेड
MANGALORE REFINERY AND PETROCHEMICALS LIMITED
अनुसूची 'अ' के अंतर्गत भारत सरकार का उद्यम SCHEDULE 'A' GOVT. OF INDIA ENTERPRISE
(ऑयल एण्ड नेचुरल गैस कॉरपोरेशन लिमिटेड की सहायक कंपनी A SUBSIDIARY OF OIL AND NATURAL GAS CORPORATION LIMITED)
आई.एस.ओ. 9001, 14001 एवं 50001 प्रमाणित कंपनी AN ISO 9001, 14001 AND 50001 CERTIFIED COMPANY
सीआईएन / CIN : L19200KA1988GOI008959 , Website : www.mrpl.co.in

23/01/2026

The Assistant General Manager, **Listing Compliance, BSE Limited** **Scrip Code: 500109,** **ISIN: INE103A01014** Scrip Code (Debenture): 959162, 959250, 973692	**The Compliance & Listing Department** **National Stock Exchange of India Limited** **Symbol: MRPL, Series: EQ,** **ISIN: INE103A01014** Debt Security: INE103A08019, INE103A08035, INE103A08050

Dear Sir/Madam,

Subject: Transcript of Conference Call held with Analysts and Investors to discuss the Un-Audited Financial Results for the Quarter and Nine Months ended December 31, 2025.

[Ref: Intimation letter dated 13/01/2026]

Pursuant to provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the transcript of the Conference Call on Un-Audited Financial Results for the quarter and nine months ended December 31, 2025, held on January 19, 2026.

Further, we wish to inform that no unpublished price sensitive information was shared/ discussed in the con-call.

The above information is available on the Company's website www.mrpl.co.in.

This is for your information and record.

Thank you.

Yours faithfully,
For Mangalore Refinery and Petrochemicals Limited

PREMACHANDRA RAO GURPUR
Digitally signed by PREMACHANDRA RAO GURPUR
Date: 2026.01.23 16:15:04 +05'30'

Premachandra Rao G
Company Secretary

Encl: A/a

Transcript of MRPL Concall held on 19th January 2026:

Participants :

MRPL :

Mr. Devendra Kumar, Director Finance & CFO & Team

PL Capital :

Mr Swarnendu Bhushan

Swarnendu Bhushan: On behalf of PL Capital, we would like to welcome all the participants to this Quarter 3 results conference call of MRPL. From the management, we have Devendra Kumar sir, who is the Director of Finance, and we have Subhas Pai sir, who is Head Finance and we also have Avin Gupta, who looks after investor relations. So, I would request the management to give a brief overview of the results, post to which we can open the floor for Q&A, sir. Over to you, sir.

Devendra Kumar: Good morning, everyone. Welcome to the third quarter concall to discuss the financial performance of the company. As you are aware of the numbers published last week, MRPL posted a significant jump in year-on-year, as well as quarter-on-quarter performance this quarter.

The EBITDA earned by the company was Rs.2,824 crores versus Rs.1,064 crore for the last year Quarter Q3. Healthy market prices, optimum energy consumption and throughput led to published bottom-line numbers. MRPL posted MBN of 67. MBN is a measure for energy efficiency for its capacity and its complexity. So this was the best number posted in any quarter.

The fuel and loss stood at 10.06% for the quarter which is also one of the best in any of the quarters. Further, current debt stands at Rs. 9,290 crores and debt equity stands at 0.63. If the market remains good, and which we sincerely hope will, we should be able to reduce the same further during the next quarter.

Further, for the sake of repetition, based on several queries we get off and on, MRPL is now well past its summer water blues due to desalination plant. MRPL is also a unique refinery in India with 3 separate crude trains that gives us operational and maintenance flexibility with slightly higher fuel and loss. The said higher fuel and loss will also be taken care within the next fiscal year with grid power project, which will bring it under 10, closer to 9.5, but it will be somewhere between 9.5 and 10.

We are also the first Indian refinery that is establishing a Bio-ATF plant at a cost of Rs. 364 crores. The plant will help us to get in compliance with CORSIA Norms. CORSIA Norms is for Carbon Offsetting and Reduction Scheme for International Aviation Fuel. And we'll be able to supply blended ATF across the globe, starting from 2027. 2027 is that 1% blended ATF.

We have consistently won the prestigious Innovation Award at the Energy Technology Meet last visit to Hyderabad, four years in a row, including the current year. Efforts of our innovation team will start to show from next year when the IBB pilot plant gets running. IBB is for Isobutyl Benzene, it is a base for pharmaceutical.

On Retail Outlets front, we are delighted to announce that we have achieved 200 mark, and should be able to complete around 250 Outlets within this fiscal year itself.

For the upcoming quarter the refinery is focused on maintaining its operational performance and we expect the market to continue to support us and we should be able to post a reasonably healthy Q4 25-26 also. Now we are open to questions and clarifications from our investors and analysts. Please.

Swarnendu Bhushan: Yeah, Daval, you can go ahead and introduce yourself and ask your question.

Dhaval Popat: Yeah, hi, thank you for giving the opportunity. I understand that MRPL exports Diesel to Europe and there is 18th sanctions package that comes into effect on January 21. So, can you help me understand what is the situation in terms of sourcing of crude that MRPL has now, as well as going forward, and whether this will impact MRPL's earnings by any chance, or will it not be able to export to Europe, or how is that?

Devendra Kumar: We are in strict compliance with all sanctions in place and currently there are no Russian crude which is being imported and we will continue to comply with any of these international sanctions regime or government guidelines. So in near future we do not expect anything to stop our export of finished products.

Dhaval Popat: Okay, this is really helpful and second question I had was in terms of I do understand you have access to VLCC but in the terms of freight rates is the company doing anything to minimize this? And a third question I have is on fuel and loss. So you said it is going to be lower in terms of power grid. But is there anything else that company is doing for energy integration as well? So one of course on the freight rates how is company managing that? And second on energy integration. Any other programs being run by the firm?

Devendra Kumar: First question first, freight rates. We did see a spike in freight rates earlier in Q3. But the freight rates have gradually come down to the normal levels. They're still higher than the averages but it has come down significantly from its peak. So freight rates are not a deal-breaker in any of our imports. The point number two regarding energy integration. See the location plays a very crucial part. Based on the availability of the kind of energy mix, we will continue to explore further. Currently, some of our energy is being based on the grid availability is being considered. It is already online and next year this particular project should get completed. That will bring down the F&L well below 10. Right now, I do not want to put a number to it. But we are targeting somewhere between 9.5 and 10 and we'll continue to keep improving because grid availability is something which is slightly or majorly beyond our control although we continue to have interaction with the policymakers and other places in the region.

Dhaval Popat: Yeah, that is helpful. Thank you.

Swarnendu Bhushan: Mayank, you can introduce yourself and go ahead with your question.

Mayank M: Thanks, Hi, Mayank here from Morgan Stanley. A couple of questions from my end. First was in terms of you talked about the crude sourcing changes. Can you just tell us the impact on margins you have had because of these crude changes? Because you're not disclosing refining margins anymore? So if you can just give us an idea of what's the impact on the GRMs that you have kind of seeing?

And second in terms of costs that you were talking about on grid power etc can you just tell us is there a way you can also lower your costs on the gas sources side and how much has been the impact on that, if there is any.

And the third question related to was there has been a bit of an increase in terms of sulfur prices, etc. What has been the impact on margins for you and where do you see those going? Thank you.

Devendra Kumar: Okay, first is regarding the crude sourcing and GRM. If you recollect during half-yearly accounts that is Q2 accounts, we had taken a policy step that GRM computations and depictions and publications are not standardized by the different companies or in any of the forums itself. So we had discontinued publishing that and it is also in line with some of the other major PSUs and other companies also. However, we had given an indicative figure that it is double of what was the Quarter 1 margin. It is still in a similar range, at a cumulative level.

Coming to the crude sourcing part, we have consistently maintained our stance that Russian crude were opportunity crudes. They always played a marginal role in our overall strategy, they were always playing a marginal role in improving the bottom lines. But it was not kept as a crucial factor. We did have a margin on Russian barrels initially and it had come down significantly towards the later part of the calendar year. So loss of Russian barrels is not going to make a significant kind of an impact whereas on the finished product side you have seen the cracks going significantly up. So that more than offsets the loss on account of Russian Barrels. And that is how you see a very healthy Q3 performance of the company. Coming to a question to regarding gas can you just re-state that I did not get it correctly?

Mayank M: So, sir, I think the reason to ask that question on gas was that you do use like LNG, prices have been high for most of this year and fuel oil was kind of becoming the alternative source for most refiners to kind of run the refineries as such. It was much more economical. From going forward basis are you seeing any areas where you can actually lower your costs by sourcing cheaper LNG is where the question was coming from.

Devendra Kumar: See, our LNG consumption is relatively low and we already have a term contract with BPCL and it is at a significantly competitive price, it is not way above, and in fact, the newer LNG may, in fact be higher than that, I'll not disclose the final prices. It is very competitively available to us and parallelly we are also exploring other sources including CGDs including the parent company because parent company also has a certain arrangement with the CGDs especially in the southern areas where there is some untapped gases. So all those discussions are on. It is yet to be firmed up. The commerciality has to be worked out on all the ends both at parent company level, our level, as well as CGDs, but it is still in its infancy. So gas costing is not going to be a crucial issue, it is a very marginal issue. Now coming to the third point, sulfur, again, Sulfur, we still treat it as a secondary (product). It is again treated as a marginal item. If the prices are on the higher side, it is not part of a strategy, but, it is all right with us.

Mayank M: Okay, great, thank you.

Devendra Kumar: Yeah.

Swarnendu Bhushan: Thanks, Mayank. Kaushal, you can introduce yourself, unmute, and go ahead with your question.

Kaushal Kedia: Am I audible?

Devendra Kumar: Yes, Kaushal.

Swarnendu Bhushan: That's good.

Kaushal Kedia: Thank you for the opportunity, sir. I'm a little new to the company. Just wanted to know what is the revenue mix, as in, like, what is diesel, what is ATF? Can you just throw some light on that? And what are the cracks, what are the cracks in Q3, and what are the cracks currently?

Devendra Kumar: Excuse me. Yeah, Avin is going to read out the numbers.

Avin Gupta: So I'll come to the cracks first. The Q2 cracks were comparatively healthy when we compared it to the Q1. HSD was around, 15. ATF KERO was around 13 and MS, also marginally improved from whatever we were earning in Q1. Coming back to question number one, volume-wise our product slate gives us HSD plus ATF at around 50% and MS at around 15% and the remaining 35% comes from other products. So this is what a broad level breakup of our product slate is. This also includes 10% of fuel and loss that straight away goes into our fuel part of it.

Kaushal Kedia: So, I can understand the cracks question. So, Q2 cracks were around $15 to $13, and Q2.

Avin Gupta: Yeah.

Kaushal Kedia: And Q3 was... how much is it currently?

Avin Gupta: Okay, so currently, it jumped, from Q2 was 15, and Q3 was 21 for HSD. Similar for ATF, and MS from 8 to 13.

Kaushal Kedia: And currently, how much is it? Like, how much is it the ongoing? Maybe it's what we can expect.

Avin Gupta: Currently, it is not as high as 21 and 13 that I told you. It has come down, and it has moderated to around 14-15. This is what, the current published cracks are.

Kaushal Kedia: So, from 21, it's come down to 14, 15, and...

Avin Gupta: As of now, as on date.

Kaushal Kedia: So it's similar to what Q2 levels were, basically.

Avin Gupta: Yeah cracks are right now in the trajectory that was in Q2.

Kaushal Kedia: Understood. Okay, so thank you very much for that.

Devendra Kumar: Thanks, Kaushal

Swarnendu Bhushan: Thanks, Kaushal. Akash, you can, unmute yourself and go ahead with your question.

Akash Mehta: Hello, yeah, hi. I just wanted to understand what would be the impact in terms of higher freight rates in the 3rd quarter, maybe in dollars per barrel or rupees per barrel?

And second relating question, you said the freight rates are kind of normalized right now. I mean, the disruptions still remain, right? I mean, is it normalized for you, or the industry, or... How to look at it here.

Devendra Kumar: Thanks, Akash, for this question. I'll be repeating myself, the freight rates were a concern both from investor analyst perspective, as well as our perspective. There was a supply issue, but in the current context, other than the Middle East tensions, there is no supply crunch for these vessels, rates are gradually coming down. It is no longer what it was at the peak in Q2. It has come down significantly, but it is not close to the Q1 levels. So, there is a big mix of rates. I can only say in general terms that it is slightly higher than the Q1 rates, but way below the Q2 and early Q3 rates.

Akash Mehta: Sure, sure. That helps, yeah. Yeah, that's it. Thank you.

Devendra Kumar: Thank you, Akash.

Swarnendu Bhushan: Thank you, Akash. Sumeet, you can go ahead and ask your question.

Sumeet Rohra: Thanks. Hi, sir, good morning. Firstly, sir, I would like to, you know, get if you take a 5-year perspective, can you throw light on, you know, where do you see our company, in terms of, you know, refining, in terms of marketing, because you're also adding some outlets? So if you, so if I take a 3-5 year view, can you just show, you know, share what are your big growth plans? Going ahead, sir?

Devendra Kumar: From a strategy point of view we have realized that Retail is going to be a big game changer for the refinery. Early it was just like a base refinery but over a period with capacities coming up in other refineries so we expect that this is the major area where we need to work much smarter, and that is how we are focusing majorly on retail outlets. Because the margins available on retail is superior to what you get only at the refinery transfer. And, in fact, export sales can be a little volatile. Occasionally, it favors us, and occasionally there are pitfalls in that export sales. Retail will give us a sense of stability going forward. So, in 3 years' time we are planning about 500 outlets. And we are keeping this target as reasonable and modest. We don't want to go overboard. And in 5 years' time about 1,000 and that is where the expansion is supposed to reach a very crucial tipping point where the growth rate 5 years down the line should be much higher. In a typical retail marketing outlet, establishing the first few hundred outlets is very difficult because you start from scratch but then you are way ahead on the learning curve and it becomes speedier and speedier, so you will see a significant growth in terms of our retail portfolio. And we are targeting that particular segment.

Sumeet Rohra: So how many fuel outlets do we have today?

Devendra Kumar: Today we have 200 we're targeting 250 by this year-end, 500 by 3 years' time, and that is keeping it as a conservative figure.

Sumeet Rohra: Okay, very nice. Thank you so, so much, and I wish you all the best, and good luck, sir.

Devendra Kumar: Thank you Sumeet

Swarnendu Bhushan: Then, Nilesh you can unmute yourself and go ahead with your question. Nilesh, you're not audible if you are speaking.

Nilesh Ghuge: Am I audible now?

Devendra Kumar: Yes Nilesh.

Nilesh Ghuge: Yeah, yeah, thanks. Thanks for the opportunity. So, as you mentioned, that you are planning to expand from 200 currently to 500 and then subsequently to 1,000 retail outlets. So what kind of investment you see over next 5 years in marketing? And this is just on the retail side you are mentioning, but what about the depots and the pipeline infrastructure that you are planning to develop over, let's say, 5 years?

Devendra Kumar: We are already, that is, aligned, with our retail outlets. The question is absolutely right. Any kind of retail expansion requires the secondary capacities to come up and we are targeting the states which are adjoining Karnataka in the near future and we are also targeting establishment of deports in all these locations both on the East Coast as well as the West Coast. So Mumbai is a target, Maharashtra, Vizag, and we are looking for capacities. Kerala is target. We already have capacities, we are also looking at expansion of those capacities based on our retail offtake. And we will continue to also look at the pipelines. The latest being, we are targeting the Bangalore airport pipeline. The tenders were already on the final outcome is awaited and that is the Devangonti-Devanhalli pipeline. And as and when future opportunities come we'll continue to look at those.

Nilesh Ghuge: And sir what kind of investment in marketing you envision over let's say a couple of years or 3 years down the line?

Devendra Kumar: See these kind of infrastructure will depend on the licensing, the time, because the retail outlets do take certain time, so I'll not give it timeframe. But typically the depots could be in the range of 50 to 100 crores annually depending on the capacities. The pipeline would be in the range of 200 odd crores. So major planned is in Mumbai, Vizag. This will help us to take care of the entire Southern India and smaller depots at other areas. So you can say it will be in the range of approximately 500 plus minus in the near future.

Nilesh Ghuge: Okay, teek hai. So, my second question what percentage of our product sales is through our own retail outlet currently?

Devendra Kumar: Right now the percentage it is not going to be very significant because we are in that expansion phase. We have still not captured the kind of market. It is a very small fraction of the total volumes and total revenues. It is approximately 2%, 1.5% I believe.

Nilesh Ghuge: Yeah, and once you achieve that 1,000 retail outlets in your own retail outlets so what kind of a revenue you expect from your own marketing business marketing sales?

Devendra Kumar: As I had mentioned earlier, we are targeting retail as a major revenue earner in future. Reason is that 1,000 is only an intermediate target. In future we want this refinery to be a full-fledged refinery and marketing business, not just limited to only refining. So, right now, we are keeping that 1,000 as an intermediate target, about 5 years target, because we do have certain challenges when you are entering the market for the first time in many of the states. So, that is a critical inflection point we expect. After that, we should be targeting higher numbers based on the experience. So it is targeting retail outlets, as well as the depots, that is the support. We're also opening offices, like Chennai offices is a major office. We also intend to have more marketing offices in the Upper Karnataka region, Andhra region, Telangana, and Mumbai region. So, these are our medium-term targets.

Nilesh Ghuge: Yeah, sir. And just last question from my side before I join the question queue back. So, you're talking about the retail outlets, I mean you mean the petrol and diesel, but what about the other products marketing? What are your plans? Because that there will be some pressure for the other products as well with the other oil marketing companies are expanding, their crude throughput, or refining expansion. So what are your plans for the other products?

Devendra Kumar: So the next apart from MS and Diesel the next is the ATF. ATF we are very well placed and technically as I mentioned we would be one of the first to be compliant with that CORSIA Standards, and based on our tie-up with Shell, affiliate company, we expect this particular business to keep growing and we expect this market share to be completely with us. We do not see any dent in our ATF holdings going further.

Nilesh Ghuge: Okay, okay. Thanks, thanks a lot, sir. Thanks, and all the best.

Devendra Kumar: Thank you, Nilesh

Swarnendu Bhushan: Thank you, Nilesh. Kaushal, you can go ahead with your question.

Kaushal Kedia: Yeah, thank you for the opportunity once again, sir. Am I audible?

Devendra Kumar: Yes, Kaushal

Kaushal Kedia: Sir, I just wanted to understand we have a 15 MMTPA plant what would be the replacement cost for a plant like this, if we were supposed to set up this plant from scratch, if someone was to set up from scratch? What is the Capex required for maybe 1 MMTPA? Can you just throw some light on that?

Devendra Kumar: See, typically, there are certain thumb rules, and it varies from location to location, and also on the complexity, what you are planning, ultimately. So, if you take the latest Barmer as the latest addition, it is almost like 8,000 crore per MMT. It could be higher if you are planning a more complex sourcing and more complex processing but 8,000 crore per million ton. That is like a benchmark.

Kaushal Kedia: So. complexity that we have currently. For that, also, it's 8,000 crores per year.

Devendra Kumar: No, it will of course increase because you are not just refining crude for your primary products but then there are other intermediate plants which have to be put up for the Petchem. That will take it to higher than 10,000 also.

Kaushal Kedia: Okay so 7,000 to 10,000 is a reasonable point of view if I was to just include replacement.

Devendra Kumar: Yes, that is right.

Kaushal Kedia: And, sir, why were the cracks? Why did the cracks suddenly shoot up in Q3? What was the reason? Was there some global reason or anything that you look back you could pin to?

Devendra Kumar: You follow the market more than us, you know the reasons. We have a lot of uncertainties prevailing in the market sourcing commercial under these sanctions. So these are playing, a very complex I can only say that this is a complex play it is yet to stabilize and this complexity is not going away immediately. So as it was mentioned in the first very first question that end of January what are going to be the implications of the sanctions who are all compliant? That will also come into picture. We are also waiting and watching and aligning ourselves to evolving market.

Kaushal Kedia: So if we want to have a management meet, how do we get in touch with you?

Devendra Kumar: You are welcome to Mangalore anytime, and all of you, you are welcome to Mangalore. You can also see the refinery, I'm sure it is going to impress you.

Kaushal Kedia: So, how can we get in touch? Should we, who's the concerned person who we can get in touch? Any email addresses?

Devendra Kumar: Avin Gupta is our...

Avin Gupta: You can get in touch with me anytime, whenever you want to visit, we can plan that.

Kaushal Kedia: Sir, can I have your email address, please?

Avin Gupta: This is avin_gupta..

Kaushal Kedia: A-V-I-N.

Avin Gupta: avin_gupta@mrpl.co.in.

Kaushal Kedia: Thank you, sir. Sir, thank you very much for your patience.

Devendra Kumar: Thank you, Kaushal.

Swarnendu Bhushan: Thanks, Kaushal. Dhaval, you can unmute yourself and, go ahead with your question.

Dhaval Popat: Yeah so basically now that the Russian crude is no longer in the part of the slate can you provide a broader percentages? I understand Middle East is a majority but still if you can give us where exactly the crude is being sourced in terms of the percentage or broader percentage if you can draw out some guidance on that.

Devendra Kumar: See about 40% of our crudes, we have collectively, together with Government of India, we are committed to Middle East crudes led by Saudi Aramco. So that gives us a very stable kind of sourcing whatever may be the geopolitical conditions and we would continue with that. Apart from that we have the tender process and tender process is aligned because we do have a complex refinery and our product mix will decide the kind of crudes which are required. Sometimes you require very sweet and light crudes, sometimes something which is heavier. And it is a combination, it could be from Middle East also but it could be from the domestic suppliers, domestic producers from ONGC both East and West Coast, as well as, Mangala Crude. And we also have this arrangement of that is one-to-one sourcing and those arrangements or MOUs are in place in some of the cases like with TOTSA or ADNOC those can always be relied upon in near future.

Dhaval Popat: Yes, okay, I understand. And is there a minimum percentage of high sulfur crude that you maintain in your state?

Devendra Kumar: I didn't give you minimum number of...

Dhaval Popat: Minimum percentage of high sulfur crude that could be maintained, that would be maintained, in your refinery slate. I understand there will be different products and different requirements, but is there a benchmark that is, that we can keep, like, the high sulfur crude that you would have in your refinery?

Devendra Kumar: High sulfur crude we don't target high sulfur crude, we target based on other components and if it turns out to be high sulfur it is not a no-go for us. It's not a deal-breaker. Because we have a sulfur treatment facility in our refinery so for us it's not an issue.

Dhaval Popat: So, let's say if I have to gauge how much percentage of heavier crudes, do you particularly use or is there a minimum benchmark that you have for heavier crudes?

Avin Gupta: Yeah, Avin this side. So see as you already know that our refinery is a complex refinery. We can even process heavy crude such as Merey or Maya apart from whatever we are processing currently but we can go up to 16, 15 API also. This is the capability the refinery has, but it really depends on the economics at that particular day, when we are purchasing the crude, what crude we are going towards. Our refinery is obviously biased towards heavier crude because that is economically more suiting us, because of the complex nature of the refinery. But I cannot tell our thumb rule percentage that this much only or around a set percentage we are process only heavier crude and not the lighter crude. It really depends on the opportunity that we are getting, and the complexity and the economics that the products will bring us to the table.

Devendra Kumar: Dawal, I'll put the same thing in simpler terms. See, a more complex refinery, heavier crudes can be processed more easily.

Dhaval Popat: No, no, I understand that, yeah.

Devendra Kumar: If we don't get the heavier crudes at a cheaper rate, we would not go for heavier crudes. That is the simple commercial reason for that.

Avin Gupta: Currently for the 9 months, I can mention that it is around 70-72%.

Devendra Kumar: The heavier crude.

Dhaval Popat: Oh, okay, understood. That is helpful. Thank you.

Devendra Kumar: Yep.

Swarnendu Bhushan: Thanks, Dhaval. Sir, we have two questions in the chat box. I will read that, and please try to answer that one. So, the first question is asking that the throughput that we have declared in our press release is 4.7 million metric tons, whereas PPAC is measuring 4.561 million tons. Any reason for the discrepancy in the two?

Devendra Kumar: See what we have published is.... regarding the PPAC numbers, I can only get back to you. I'll not be able to comment immediately, because I don't have that with me immediately. You said it is 4.56.

Swarnendu Bhushan: Yes

Devendra Kumar: I hope there's no confusion between the production numbers and throughput numbers. We'll get back to you, and...

Avin Gupta: 4.56....

Devendra Kumar: You have the number.I was gonna say that. One sec,

Avin Gupta: So, the thing is, Avin this side, the 4.56 that you mentioned was the gross crude, the 4.7 Million Metric Ton that we reported in our financials that was the net crude percentage. So our revenue and the rest of the things and the bottom line is driven by the net crude that is why we focus on net crude and not the gross crude.

Swarnendu Bhushan: Ya, The second question is, is MRPL looking to buy Venezuelan oil, for processing?

Devendra Kumar: Yes so we are actively looking at it. We've not decided, but we are looking at it. Moreover, it depends on the commercial terms. Because freights are expected to be on the higher side when you get, when the rate is also, that is, low API crude. So, we will look at the total terms and conditions and the commercials.

Swarnendu Bhushan: Sure, sir. And the last question is if you can highlight what Capex you need in the Q3?

Devendra Kumar: So we, have, committed, earlier also in Q2 that, overall CAPEX on an annual basis is in the range of about 1,500 crores. That is the kind of Capex we target, which is a mix of revamping, as well as small-time... that is, some capacities which we keep adding. It's not a capacity addition of total this, but intermediate products. Like IBB was one such product, our grid infrastructure, there are some other minor projects also, some pipeline, that is, you change... yeah, rerouting, yes.

Swarnendu Bhushan: Sure, sir. Sir, one last question from my side. So, we have also announced this Isobutyl Benzene pilot that we said that we'll do in the, next year. So, before we take, our question, I think Sarthak also has a question. Sarthak, if you can unmute yourself and go ahead, sir.

Sarthak Tita: Yeah, hi, morning, am I audible?

Devendra Kumar: Yes, Sarthak, please.

Sarthak Tita: Yeah, thank you for answering all the questions. I just had one follow-up question on the Capex part. So, you mentioned that 1,500 crores that we are planning to do in FY26. If you could just help me as to how much we have incurred till December, and also your guidance on FY27 basis, because I believe there should be some tapering off in Capex. If at all, we include the IBB part. And also, how do we see the return metrics and the project of isobutyl benzene that is coming up, and how it will add to the profitability part? And lastly, sorry for the elongated question, lastly, how should we see as the dividend payout policy for this year and next year as well, considering we are going to do good numbers in Q4 as well. Similar, like, Q2 numbers, so...a bit of clarity on this will help, yeah. Thank you.

Devendra Kumar: I'll answer the last question first. On the dividend part. A dividend, per se, is not out of discussion. And it has to be seen in the context of the three requirements. One is our own CAPEX requirement. Second is the kind of debt which we carry and the third is of course dividend. So compared to last year's annual profitability, this three quarters have been relatively good. And we did push some of our ongoing CAPEX to this year. Those should get completed. And if Q4 remains profitable that we might… that is the… not me personally, the board might actually look at a dividend also. So that, I will leave to the decision of the board. But that is definitely on the anvil, that looking at the overall fourth quarter, there could be a dividend possibility. Now, coming to the first question, first question was… In December. The capex was 887 crores. That is first 3 quarters. And some of our, these, projects should be coming to a major technical closure by end of March. So, this could go up to about, 1500.

Sarthak Tita: Got it, sir. And, any clarity on next year's Capex numbers? FY27?

Devendra Kumar: It will be in this similar range, because revamping is something which keeps happening constantly. You need to maintain the plant in best of working conditions. As you can see, but for the first quarter shutdown, we would have continued to have throughput of almost 18 MMT. So it is almost 120% above the nameplate capacity, and to keep the plant running at the top performance, you need to continuously keep looking at your equipment, and whatever requires revamping has to be attended to, so we do have some ongoing projects plus some are opportunity projects, like I said, the rerouting of pipelines. So, the target remains in that ballpark point of 1500 crores.

Sarthak Tita: Sure, sir, thank you. And just very lastly, any debt number that we are looking at, considering that we have a commendable achievement to push the debt below 10,000 crores as of now, so how should we look at the debt numbers moving in this year end, as well as 27?

Devendra Kumar: You have seen our balance sheet. We have NCDs on our books. Those NCDs are not due till 28. So, whatever has been paid in December, after that, the next due date is, 28. So, it's almost, 4,500 crores is locked till 28. So the next big item is the ECBs. And ECB is right now, there's some volatility, but otherwise, the ECB gives us a certain cushion. So, we are actively evaluating that. It's a trade-off between debt reduction because if I have to pay off that ECB right now there is a foreign exchange loss. We do expect Forex market to move if the U.S. trade deal comes through and we'll take a call accordingly. Right now, it is 9.3 and it could come down, not very significantly, but it might come down if the market remains favorable.

Sarthak Tita: Okay, got it. This was very helpful, yeah. Thank you so much, and congratulations to the team.

Devendra Kumar: Thank you.

Swarnendu Bhushan: Sumit, you can unmute yourself and agree with your question. Sumit, you can mute yourself right. I think there's no response from his line, sir, so, is there one more person in the…

Sumeet Rohra: Can you hear me now?

Swarnendu Bhushan: Yeah, ask him. He can hear you now, go ahead.

Sumeet Rohra: I mean, sorry about that. So, sir, coming back to your point on fuel marketing since you're looking at a 5X kind of growth over the next 5 years. If I recall this correctly when Reliance and BP had done a deal the valuation which they took was basically at about 10 crores per fuel outlet. So, can you basically concur with the same that, the cost to set up one fuel outlet should be you know, something like at least about 5 to 6 crores? I mean, the pure reason I ask this is, sir, today in the listed domain we've got our parent, as well as oil marketing companies which are trading at subpar valuation. So can you just help understand on one side, we see the reality is that there is substantial amount of growth in the market that, not only you, but all the companies are adding retail outlets and you're kind of clearly seeing from Mr. Hardeep Singh Puri also talking about making India a refining hub of but to the other side you have the stock markets which don't value these companies. So, can you help understand, the digress between the two? And on the valuation of fuel marketing would really help a lot?

Devendra Kumar: That's a very interesting question, and I would love to answer that. So, thanks for the question. So, first things first, the retail outlets, the cost is significantly different depending on the location. So, if it is an urban location, you are right, it could be much higher. But all the newer outlets which are coming up, so we have a mix of outlets coming up. We are also bound by certain guidelines of the ministry, government guidelines. So, it cannot be only urban, or only in the cities or only on the highways. There is a mix and match. So, the outlets, and we also have, that is, plain vanilla kind of outlets, and a slightly smarter outlet. So, the cost would vary from as low as about 1.5 crores for a smaller outlet, to something, what you have mentioned, and that will be for a bigger city kind of environment. So, for us also, it is a very similar mix and match. Right now, going forward, we have advertised, depending on the responses, on an average, it is coming out to be in that range of 2 crores. That is the current, but whether it will continue to be in that range, same range going forward, I cannot comment on that. It will depend on the market response.

Sumeet Rohra: Understand. And sir, just one question, to the earlier participant you said that the cost to set up 1 MMT of refining is about 7,000 if I heard correctly. So today for example you have about 15 MMT, and your throughput as you mentioned is about 18. But you clearly see your market cap is only 25,000 Crore. So the point I'm trying to make is that what steps are you guys taking to increase market capitalization? Because these companies need to start trading at a much higher PE multiple than what they trade today. So, can you share some thoughts on that as well?

Devendra Kumar: Sumit, you have, asked a question which we also ask yourselves. But yes, depending on the feedback this is a common troubling point for all the OMCs. It's not just us it is all the OMCs, PSU OMCs that the valuation is much below you rightly pointed out that. One very crucial factor is that almost the entirety of the pricing and the taxation is still considered controlled by the government, despite all the deregulations happening in this space. I'm referring to your fraternity. We keep getting that feedback. One is like we had the SAED although it is no longer there you never know if in a crisis you might again come up with some other kind of tax. That is the kind of feedback which we have got. In case of MRPL, one peculiarity is that our float is very limited. Almost 88% is with ONGC and HPCL and only balance 12% approximately is in the open market even in that 12% about 1% would be locked up in those non-participants. So the float is also an issue and we are examining it together with our parent companies to address that float issue.

Sumeet Rohra: Sure, sir. Thank you so much, and I'll probably connect with you offline. Thanks a lot, sir.

Devendra Kumar: Thank you, Sumit.

Swarnendu Bhushan: Thank you, Sumit. Sir, we have a couple of more questions on the chat box. What is the initiative to reduce the crude sourcing cost? What is the initiative to reduce crude sourcing costs?

Devendra Kumar: Sorry, I didn't get the question correctly. Is it referring to the freight or overall?

Swarnendu Bhushan: So, it would be on overall sense. So, I think whatever we are doing in terms of reducing the total cost of purchase as far as the crude basket is concerned, be it freight or maybe be say sourcing change in terms of long-term, short-term or taking benefit of arbitrage crude or freight rate as well.

Devendra Kumar: Okay. Thanks for this clarification. Like any other refiner we are also marked to market. We are not in a league to be actually dictating any of these things like OPEC or any other large company. However our margins are derived not from the absolute rate. It is derived from the cracks and that is where we make our major earnings from. And this is where we keep targeting that is a mix of export a mix of domestic term sales and now we are also targeting the retail outlets. That is where the margins for the company are. It is not just the sourcing, it is the margins which are important to us.

Swarnendu Bhushan: Another question is on our retail throughput outlet. What volumes are we doing for outlet per month?

Avin Gupta: I'll come back on the retail outlet volume part. You may proceed with the next question. I'll clarify in a minute.

Devendra Kumar: And can you just correct? NCD number, what is that number? 3000?

Avin Gupta: The NCD that was asked the number is 3,260 crores that we are having.

Devendra Kimar: Right now, it is... this is the balance amount, 3,260.

Avin Gupta: And, ECB amount is 500 million, that comes to around 4,500 crores.

Swarnendu Bhushan: Sure, sir. So, next year and, next year we have also guided around 1,500 odd Crore of capex. Is there a breakdown of the same thing in terms of what the maintenance Capex is and what will be going into IBB or anything like that?

Devendra Kumar: I'll request my team, they'll give you the breakdown shortly. We can go take the next question.

Swarnendu Bhushan: Question is, how much percentage of refined products are we exporting currently?

Devendra Kumar: We export almost 40% of our products in exports right now that is the percentage. It may change quarter on quarter, but I'm giving you the figure on a running basis last year.

Avin Gupta: And additionally the retail outlet sale is around 120KL per month per outlet.

Swarnendu Bhushan: Thank you, sir. The person is asking what is our expectation on GRM considering that capacity is becoming constrained globally.

Devendra Kumar: GRM, if you follow the markets, it is still quite healthy, although we did say that it is going closer to Q2. In fact, it's not as high as Q3, but it is still quite healthy. And it suits us because very high GRMs we know market will not be able to sustain the kind of GRMs which we saw in Q3. We did have spikes beyond that 21 (cracks) also.

Swarnendu Bhushan: Sure, so that's all from the chat box also, sir. If you have the Capex breakdown, we can take that, and otherwise we will just close.

Devendra Kumar: Capex breakdown we have. Just give us half a minute, yes.

Avin Gupta: So, in 1500 crores around 400 to 450 crores will be towards the growth part of it so retail outlets and other projects or grid power import and all those things. The rest you can take towards maintenance, okay?

Devendra Kumar: Revamping, that is what we got.

Swarnendu Bhushan: Sure, sir. One last question. What is the IRR we are expecting from IBB? If you could share some financials in terms of absolute building project that we are doing. What capacity is required, capacity and all that stuff?

Devendra Kumar: So regarding IBB it's a pilot project and we are still quite a few years from its commercialization. So we need to go across many decision gates. First is the technical inspection of that. It has to meet stringent quality norms. And we are quite hopeful of that. After that to get the licenses we still see about 3-4 years down the line. And only after that we'll be in a position to take a realistic view on the IRR. It also depends on the market conditions at that point in time. So right now taking a call on IRR is a little too early to comment on that.

Swarnendu Bhushan: Okay, sir, so that was the last question, sir. On behalf of PL Capital we would like to thank all the participants for their valuable time. We'd also like to thank the management on sharing their insights. Thank you very much sir. Have a nice day.

Devendra Kumar: I would like to thank each one of you who has shown interest in the company and taking time out. I would like to re-emphasize, each one of you is invited to visit our plant, and we are available to meet once again in person, also. Thanks for your time, and if there are any questions which remain ambiguous or unanswered, please feel free to contact my investor cell, Avin Gupta is the person, and we'll be happy to respond to you once again. Thank you.

Swarnendu Bhushan: Thanks a lot.

Devendra Kumar: Thank you.