Petronet LNG Limited

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CS/PLL/LISTING/Reg-30/2026

Date: 9th November 2026

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 3rd November 2026

Dear Sirs/Madam,

This is with reference to our intimation dated 21st October 2026 and 3rd November 2026 intimating holding conference call of the Company scheduled on Tuesday, 3rd November 2026 at 1200 Noon (IST) for unaudited Financial Results of the Company for the quarter and half-year ended 30th September 2026 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,

Sd/-
(Rajan Kapur)
GGM & President - Company Secretary

Encl: as above

"Petronet LNG Limited

Q2 FY27 Earnings Conference Call"

November 03, 2026

MANAGEMENT: **MR. SAURAV MITRA – DIRECTOR FINANCE AND CHIEF FINANCIAL OFFICER – PETRONET LNG LIMITED**
MR. RAKESH CHAWLA – EXECUTIVE DIRECTOR, FINANCE &ACCOUNTS – PETRONET LNG LIMITED
MR. MUKESH GUPTA – GROUP GENERAL MANAGER, PRESIDENT, FINANCE AND ACCOUNTS – PETRONET LNG LIMITED
MR. GYANENDRA KUMAR SHARMA – GROUP GENERAL MANAGER AND PRESIDENT, MARKETING – PETRONET LNG LIMITED
MR. VIVEK MITTAL – GROUP GENERAL MANAGER AND PRESIDENT, MARKETING – PETRONET LNG LIMITED
MR. DEBABRATA SATPATHY – CHIEF GENERAL MANAGER, VICE PRESIDENT, FINANCE AND ACCOUNTS – PETRONET LNG LIMITED
MR. VIKASH MAHESWARI – GENERAL MANAGER, FINANCE AND ACCOUNTS – PETRONET LNG LIMITED

MODERATOR: **MR. PROBAL SEN – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Petronet LNG Q2 FY27 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Probal Sen from ICICI Securities Limited. Thank you, and over to you, sir.

Probal Sen: Thank you, Anam. Thank you to everyone who has made time to attend this post second quarter of FY27 earnings call of Petronet LNG Limited. We have with us members of the senior management of the company, including Mr. Saurav Mitra, the Director of Finance as well as the CFO, Mr. Rakesh Chawla, ED (F&A), Mr. Mukesh Gupta, GGM and President (F&A), Mr. Vivek Mittal, GGM and President (Marketing), Mr. Debabrata Satpathy, CGM and VP (F&A), and Mr. Vikash Maheswari, GM (F&A). Start off with opening remarks from the management, post which we will have an interactive Q&A session.

Over to you, Saurav, sir.

Saurav Mitra: Good afternoon, Probal. Good afternoon, ladies and gentlemen. A warm welcome to the earnings call for Q2 FY26-'27. I'm happy to share that the company has delivered an excellent set of results for the second quarter and the first half of the Financial Year. This has been our best ever second quarter as well as our best ever half year in terms of both PBT and PAT.

Let me briefly take you through the key numbers. Starting with operations, we processed 231 TBTU of LNG during the quarter compared to 207 TBTU in the previous quarter and 228 TBTU in the corresponding quarter last year. This represents a growth of 12% over the previous quarter and 1% over the corresponding quarter. At Dahej, throughput stood at 216 TBTU as against 192 TBTU in the previous quarter and 211 TBTU in the corresponding quarter last year.

I would like to clarify that the utilization percentages for the current and previous quarters are based on Dahej's expanded capacity of 22.5 million ton per annum compared to 17.5 million metric ton per annum last year. So while the reported utilization is lower year-on-year, the actual volumes processed have increased.

Coming to capacity utilization, Dahej operated at 73% compared with 66% in the previous quarter and 92% in the corresponding quarter. Overall utilization stood at 64% as against 58% and 78%, respectively.

The financial performance has been particularly encouraging. PLL achieved a PBT of INR1,659 crores compared with INR1,514 crores in the previous quarter and INR1,083 crores in the corresponding quarter last year. This represents a growth of about 10% sequentially and 53% year-on-year. Similarly, PAT stood at INR1,235 crores compared with INR1,133 crores in the previous quarter and INR806 crores in the corresponding quarter last year, registering a growth

of 9% sequentially and 53% year-on-year. For the first half, PBT stood at INR3,174 crores and PAT at INR2,368 crores, both registering a growth of 43% over the corresponding period last year. I wholeheartedly thank the investors and analysts for reposing their trust on PLL through the years.

With this, we open the floor for questions-and-answer session. Thank you.

Moderator: Thank you very much sir. We will now begin the question and answer session. The first question is from the line of Mayank Maheshwari from Morgan Stanley. Please go ahead.

Mayank Maheshwari: Hi, sir. Thank you for a call and good set of volume numbers. I had 2 questions. One, in terms of a big picture view around how you're thinking about India's gas consumption and elasticity to gas prices? And second was more on the petchem project. If you can just elaborate on the progress for that project as well as what are your capex numbers, etcetera, that you spent and the outlook for the second half?

Saurav Mitra: Okay. So I would like to take the first question -- second question first, Mayank, and thank you for joining the call. So total capex during the first half of the year stood at INR1,626 crores. However, we expect an uptick in the capex during the second half because we have been able to place all the major orders and the project progress is on schedule.

So although on ground - although financially, the progress appears to be a little less, but if you see the on-ground physical progress, it is as per the schedule. Secondly, coming to your first question, Vivek, if you can please.

Vivek Mittal: So in terms of gas demand in India, we have seen an uptick in gas demand despite the fact that Qatar volumes are not coming in. In fact, we have done certain analysis. So last year, 2025 calendar year, India imported 25.3 million tons of LNG. In the first 9 months of this calendar year, which is 2026, India imported 20.15 million tons. So if we do a flow rate of 25 million tons, it works out to around 19 million tons.

So vis-a-vis 19 million tons, India imported 20 million tons in the current calendar year. In terms of sources, we have seen US Oman, Nigeria, Angola, Trinidad and Australia going up. Of course, Qatar and UAE has come down. So this entire demand decline from Qatar and UAE has been compensated by these sources.

And this is despite the fact that the prices are in the range of $20 to $25 from March till September. So we believe that Indian demand is resilient. In terms of sectoral, I think fertilizer is a major sector because Qatar volumes used to go into fertilizer in a big way. So that demand is being now met through cargoes being sourced either by other suppliers for long term or on spot basis. Other sector which is picking up, we have seen is CGD sector, despite the fact that CGD companies are not doing well, but the demand continues to grow.

And the PPAC numbers also reflect now. In fact, CGD is probably the top consuming sector in India, very closely followed by fertilizer sector. So these 2 sectors have contributed to demand growth. Power also supported because coal supplies were impacted during this period. Power

also, we have seen gas going into power sector. So these 3 sectors primarily we will attribute this demand to.

Mayank Maheshwari: Yes. So if I was just to kind of extend this question a bit in terms of...

Moderator: I'm sorry to interrupt you, sir. Your voice is breaking a lot. I request you to please use your handset.

Mayank Maheshwari: Is this better?

Moderator: No, sir, it's not.

Mayank Maheshwari: Is it better?

Moderator: Yes, sir. Please go on.

Mayank Maheshwari: Okay. So I was just extending the question in terms of like, if consumer demand's been reasonably resilient. Any timelines you can give us in terms of trying to kind of secure the contracts for the capacity that you have at Dahej? Anything that you can kind of share around that?

Vivek Mittal: So in terms of utilization, as you would have seen, the capacity holders continue to bring in their volumes in a bigger way. So we are in discussions with certain capacity holders to do a tie-up on long-term basis also, the existing capacity holders, I mean.

And in addition to this, the new players who are entering the market or the ambition to enter the market, they are also in discussions to tie-up capacity. But the existing players, primarily GAIL, IOC, BPCL, GSPC, all continue to do well and bring more volumes and contractually committed.

Mayank Maheshwari: Got it. Thank you.

Moderator: The next question is from the line of Bineet Banka from Nomura. Please go ahead.

Bineet Banka: Hi, sir. Thanks for the opportunity. I have a couple of questions. Firstly, on the demand, I think in September there was a sharp decline in LNG imports, if you look at PPAC data. And during the second half, September, I think the spot LNG prices also touched around USD30 per mmBtu. So how is the demand tracking now? And do you think we will be able to achieve this strong demand that we see in second quarter inthe third quarter as well? And how is October tracking for you?

Vivek Mittal: We have not visualized what the October looks like, but the demand has been constantly steady. We are not seeing any major decline in demand till October. That's all we can say at this point of time. And I don't think the prices touched USD30 in September.

In September, we were doing what we did in the previous months, I mean, to say in August 2026. Even October has been more or less similar. But what it would be future, we believe it should be more or less around the same lines.

Bineet Banka: And sir, in second quarter, what was trading and inventory gains?

Debabrata Satpathy : From now onwards, we will give only guidance on -- we will not give guidance on trading and inventory gains separately. There will be only one figure, which is the gain from operational and commercial efficiencies, which is INR 658 crores.

Bineet Banka: Okay. INR 658 crores gain from some efficiency measures. So if you adjust that INR658 crores and divide by the volume brought in total, so we guess tariff implied number will be much lower than the usual run rate. So was there any additional cost with respect to maybe the freight on the Qatar volume that you had brought in, and you had to pay a higher cost which you will not be able to pass on to off-takers? Was there something like that in the second quarter?

Debabrata Satpathy: There could be some additional cost this time. Couple of cargoes were brought from Qatar also.

Bineet Banka: Okay, sir. Okay. On the LNG vessel charters only. So on the note, I can read that there is INR625 crores of claims with respect to LNG charter companies. But if I look at FY26 lease expense, this number was INR690 crores for full year. So how come you have INR625 crores claim only on 7 months of this year? And then this is for 3 vessels, whereas the lease expense is for 4 vessels.

Debabrata Satpathy: If you read the note, it is mentioning that there is -- the charter has charges and related associated costs also, which include the cost of fuel, etcetera, as well. So you see, there is some claims from the charter side. There are some counterclaims from Petronet also. So that's why this figure has come. And as a prudent practice, we have disclosed the entire claim elaborately in the note.

Bineet Banka: Okay, sir. One last question, if I may. So you have, I think, the charter market for LNG, unlike crude tanker market, is softer. I would agree to that. But why is Petronet not looking to, say, use the 3 vessels which are currently not being used to maybe give out to as a sub-chartering and maybe earn some money on that? Why it's not being done?

Saurav Mitra : So you must have noticed that we have suspended the time charter agreement, and all the 3 vessels are under suspension. So the lessors are free to use the vessels. And since we have suspended the charter, so we cannot use it, and we will not use it also. It's up to the lessor who have leased the ships to us. They are now going to use it if they wish to.

Bineet Banka: And this suspension is valid only till force majeure from Qatar. And if that is lifted, the suspension will also be lifted. Is it correct?

Saurav Mitra : Yes. Till now, yes. But you never know tomorrow what happens.

Bineet Banka: Okay. And sir, lastly, on same lines, for your vessel Aseem, I think the contract is till 2034, and your Qatar volume is till 2028. So 6 years, what is the plan for using the vessel? Are we going to pay lease expense on something which we are not using or we are going to sublease to somebody?

Saurav Mitra : Definitely, there are business opportunities. We will not definitely keep the vessel idle. And we are also in touch with various off-takers for -- who can effectively use this vessel.

Moderator: Thank you. The next question is from the line of Siddharth Rath from InCred Capital. Please go ahead.

Siddharth Rath: Hi. Thank you for this opportunity. So basically, when we see in the volume terms, sequentially, it grew by around 11%. However, the revenue grew about 30%. Is it largely due to the marketing volumes or it is something else? Can you comment on that?

Debabrata Satpathy: Yes, we have answered that in the other question. That gain from operational and commercial efficiencies, due to that, it has increased.

Siddharth Rath: Sorry?

Debabrata Satpathy: Due to the operational and commercial efficiencies that we have mentioned in the other question, due to that, this difference is there.

Siddharth Rath: Okay. So can you just bifurcate the volumes in terms of your marketing part and regasification part?

Rakesh Chawla: That is composition of two volumes. 12% growth is total volume growth. Some is Qatar and some is other than Qatar. The Qatar volume is against turnover. So turnover growth is higher than that.

Moderator: Thank you. The next question is from the line of Nitin Tiwari from PhillipCapital India Limited. Please go ahead.

Nitin Tiwari: A couple of bookkeeping questions from my end, sir. What was the, basically, the regas revenue in this quarter, the service revenue?

Debabrata Satpathy: Yes. It's INR 1,272 crores.

Nitin Tiwari: INR1,272 crores. And also, if you can give the details around any forex gain or losses, trading gain loss or any inventory changes?

Debabrata Satpathy: See, as I answered in the previous question, from now onwards, we will give guidance only on one figure, that is operational and commercial efficiency. Gain from operational and commercial efficiency, that comes to INR 658 crores, instead of different trading gains or inventory gains.

Nitin Tiwari: Understood. So basically, this operational efficiency gain comprises of trading and inventory-related changes or it also includes forex?

Debabrata Satpathy: No, forex is separate. Basically, this is, you can say, it includes both of them.

Nitin Tiwari: Okay. Any forex-related changes, sir, in this quarter?

Debabrata Satpathy: Forex, due to this lease accounting, there is a forex loss of INR27 crores.

Nitin Tiwari: INR27 crores. Okay. Right, sir. And lastly, like, any further updates on basically Gopalpur Terminal and PDH-PP project? What is the completion rate at this moment? And although,

basically, DF sir indicated that second half capex would be higher, but a figure would be helpful, what you are looking for in the second half?

Saurav Mitra : So definitely, we plan to achieve the target capex, but there are several factors. If you follow the S-curve, generally, at the beginning, the financial progress is at a higher level. And then over the period, during the peak project, the physical progress always -- the curve goes ahead of the financial progress. So as I told you that we have ordered all the major contracts, so we expect that physical progress definitely will be as per the schedule. And the financial progress will be definitely much, much better than what we have achieved in the first half of this financial year.

Nitin Tiwari: Got it, sir. So basically, when you say that we are on target for our capex this year, which is about INR9,000 crores, what we have targeted, right? So we have done about INR1,600 crores in the first half. So second half would be making up for the rest of it. Lastly, sir, if I may, one more. What was the Gorgon volume at Dahej, if any, in this quarter, and also in the previous quarter, if you may help me with that number?

Debabrata Satpathy: Yes, it's 12 TBTUs, YTD. Last quarter it was 10, this quarter it is 2.

Moderator: The next question is from the line of Aaryan Vadaria from Aequitas Investments. Please go ahead.

Aaryan Vadaria: Sir, what was the regas tariff for your Kochi and Dahej terminal this quarter?

Saurav Mitra : Regas tariff for Kochi and Dahej.

Aaryan Vadaria: Dahej, yes.

Saurav Mitra : Entire industry -- rather than speaking out on the tariff in this call, I would prefer that you gather this information from the industry sources. But I can tell you that the Dahej tariff is the lowest in the country.

Aaryan Vadaria: No, no, sir. Of course, not. All right, no issues. Actually, my second question was just on the depreciation line item, because I think the force majeure, which is getting taken into lease accounting, that is having some kind of volatility on our depreciation line. So could you maybe just quantify and give some color on that?

Debabrata Satpathy: Yes, yes, you are right. Because of the force majeure, basically, there is a lease accounting. And you rightly said that we have modified the right-of-use asset. According to that, the depreciation has changed a bit.

Aaryan Vadaria: So if the force majeure continues, what we have in this quarter, can we take that as the run rate?

Debabrata Satpathy: For depreciation?

Aaryan Vadaria: Yes.

Debabrata Satpathy: Yes, you can take that, but then we will guide in each and every quarterly call.

Moderator: Thank you. The next question is from the line of Keshav from Kotak. Please go ahead.

Keshav: Hi, sir. Thanks for the opportunity. Sir, you mentioned that FY27 aggregate capex is around INR9,000 crores. Can you share the similar guidance for '28 and '29 as well?

Debabrata Satpathy: '28 should be at the same level. And from '29 onwards, the gradual trough phase will start.

Keshav: Okay. That's very helpful. Thank you.

Moderator: Thank you. The next question is from the line of Achal Shah from Axis Capital. Please go ahead.

Achal Shah: Hi sir. Am I audible?

Debabrata Satpathy: Yes.

Achal Shah: Sir, you mentioned efficiency gains worth around INR650 crores. So my understanding is that it will have components which you refrain from disclosing. But the sense is that once things normalize and spot LNG prices moderate, you could see a sharp reversal in the inventory part and even on the trading gain's part, and there will be some obviously efficiency part. So is the understanding correct? Once things normalize, we could see a sharp fall or even a negative figure on this efficiency part?

Debabrata Satpathy: No, we cannot comment on the efficiency. What we can comment on is the throughput. Basically, everybody knows that if the price falls, then the normal throughput will go up. The sales will -- the normal sales of the volume or the service component will go up. So -- and in case of rising prices, basically, there could be some kind of efficiency gains. So this is all we can tell you.

Vivek Mittal: So basically, they offset against each other. That is the message we are trying to give.

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

Amit Murarka: I think the obvious question which is around the contract renewals in April '28. So where are we on the discussion with the current off-takers? And when do you expect the finalization of that to come through?

Vivek Mittal: So we are already in discussion. Those discussions we have been seeing every call are ongoing. So the status continues ongoing. But I don't think it's a matter of concern. We are very hopeful that before the contract starts, everything will be certified and proven.

Amit Murarka: Right. And regarding this 5 million tons Dahej expansion, are you looking for take-or-pay right now or do you think that you will be looking for it once the current environment settles down?

Saurav Mitra: The take-or-pay will take place once there is a committed offtake agreement. So for the additional 5 million tons, we have not signed any off-taker agreement, or any commitment is there from the off-takers.

Amit Murarka: No, what I meant was, are you even looking for it right now in this current environment or will you look to kind of close the take-or-pay later?

Vivek Mittal: Definitely, capacity tie-up on a long-term basis is always preferred, so that gives the sustainability. But having said that, as we mentioned previously, the LNG spot price will decline. Definitely, there are many players in the market who are looking to tie-up capacity alongside the volume. So we are very hopeful that tie-ups can be done very quickly once the current environment is normalized.

Amit Murarka: Got it. And also, if you have any update on the pipeline, the Kochi-Bangalore pipeline.

Vivek Mittal: I think GAIL has been very, very hopeful, though we have been saying that for many quarters. But I think within this financial year, it should get connected with the national grid. In fact, GAIL is still saying December, but as a company, we are being slightly conservative, and we believe within this financial year, it should get connected to the national grid.

Moderator: Thank you. The next question is from the line of Saurabh Handa from Citigroup. Please go ahead.

Saurabh Handa: My first question is, there have been some press reports that Qatar has been tying up some long-term US LNG volumes. I just wanted to check, is there some sort of discussion that you are having where they could offer a portion of some of these volumes to you in lieu of the fact that they are not being able to service their current contracts?

Vivek Mittal: So these volumes tie-up which they have done, as you may have noted in those press releases, start from 2030-'31. So it's not immediate basis that these volumes are being tied up. And definitely, we have had some discussion with Qatar to diversify supply under the renewed contract, which will start in 2028. So definitely, they are willing to consider that they may offer certain portion of volume from other sources which they have tied up. But at this point of time, it is not relevant because these contracts taking only 2030-'31, the Woodside as well as the Cheniere one.

Saurabh Handa: Okay. So on your existing contract, there is likely not too much of flexibility for them to source some volumes for you from other sources?

Vivek Mittal: Currently, of course, the US volume whatever is there is all mostly tied up. Currently there is no surplus volume which is uncommitted in the US

Saurabh Handa: Okay. Got it. And just my second question, you spoke about the efficiency gains of INR 658 crores. Could you tell us the number in the previous quarter in Q1 as well as in Q2 of last year?

Debabrata Satpathy : Q1, it was INR494 crores.

Saurabh Handa: Okay. And in the corresponding quarter, Q2 of last year?

Debabrata Satpathy: Corresponding quarter, it was INR41 crores.

Moderator: The next question is from the line of Hardik Solanki from ICICI Securities. Please go ahead.

Hardik Solanki: First on the petchem capex, can you mention what capex so far we have spent? And secondly, in terms of, we are able to source the additional volume from US, Oman, Nigeria, to offset the fall in volume from Qatar. So is this a long-term contract or they are just the feeder for near term? And if it's a long term, what's the contract size we are doing?

Vikash Maheswari: Total capex on petrochemical project we have incurred around INR 3,300 crores till date, up to 30 September.

Saurav Mitra: Can you please repeat the second question?

Hardik Solanki: Yes. In terms of, we are able to source the additional volume from US, Oman and few other countries to offset the decline in volume from Qatar. So are they the long-term contracts, and what would be their contract size?

Vivek Mittal: This is basically not necessarily that Petronet is sourcing. This is being supplied by our capacity holder. So this is a India aggregate number, not necessarily the Petronet number. And of course, it includes a mix of long-term as well as spot short-term contracts.

Hardik Solanki: Okay.

Debabrata Satpathy : And those are processed at our facility under the tolling agreements with the off-takers.

Moderator: The next question is from the line of Bineet Banka from Nomura. Please go ahead.

Bineet Banka: Sir, just one more bit on the petchem plant. So for the PDH process and also for the polymerization process, what is the total opex per ton, if you can give a guidance? Is USD100 a ton a fair assumption or it will be higher?

Saurav Mitra: No, I think it is too premature to comment on that. We will talk about this maybe about a year from now.

Bineet Banka: And sir, for this plant, what will be the useful life for the petchem facility?

Saurav Mitra: 25 years.

Moderator: Next question is from the line of Siddharth Rath from InCred Capital. Please go ahead.

Siddharth Rath: So my question is, you said that when the LNG prices are high, the tolling volumes will increase and the regas volumes will increase in the normal circumstances when the LNG prices are softened. Can you explain to me like how or why that happens?

Vivek Mittal: No, no. We never said that. What we said is, once the spot prices soften, of course, there are two things. One is our Qatar volumes are not flowing in. So the Qatar volumes, once they start flowing in, that will definitely have a positive impact.

Siddharth Rath: Sorry to interrupt, your voice is breaking.

Vivek Mittal: So what we are saying is that once the Qatar volumes normalizes, the Strait of Hormuz issue is resolved, the Qatar volumes will start flowing in. So that will automatically increase our gas sale and purchase volumes. Secondly, if the spot prices soften, the numbers could be even better than vis-a-vis what we are processing today because demand in India will increase.

Saurav Mitra: So in other words, I would like to clarify. What we have said is that our business model actually is such that whenever the spot prices are high, we tend to gain through our trading activities and operational efficiencies. And whenever the spot prices are low, then the long-term volumes, they come in, and our margins are protected. So in any way, either way, our capacity utilization of the plants remain the same as well as our margins are protected.

Siddharth Rath: Got it. So sir, is it the case that whenever the spot prices are high your force majeure coming up from Qatar.

Saurav Mitra: No, you are not audible. Can't hear you. Sorry.

Siddharth Rath: I am audible now?

Saurav Mitra: Yes.

Siddharth Rath: Hello? So I was saying that, is it the case that whenever there is a force majeure, for example, right now you have force majeure coming on from Qatar, and definitely you would have extended the same kind of force majeure on your customers. So right now, you are not bound to get the same kind of regasification tariff. You will definitely source the LNG from somewhere else, let's say, US, Nigeria. You will put some marketing margin over and above that, and definitely you will sell it to the same kind of customers. And hence, you are gaining the trading gain or the marketing gain, which will compensate the loss which you would have incurred due to the low throughput in the high-price environment like this.

Is it the case that in a high-price environment, you would be making a trading inventory gain, basically which will offset the losses of the low throughput? And in the low-pricing environment, basically the increase in throughput would compensate for definitely the decrease in the trading and inventory and the marketing gain. So this is how it works?

Saurav Mitra: Yes, we agree with the last part of your reply.

Siddharth Rath: What about the former one?

Saurav Mitra: The former one, actually, we don't import on our own. In case of other than the long-term contract that we have, whenever there is a force majeure situation like the present one, our off-takers are actually bringing in cargoes and compensating their loss in volume. And they are making up the volume required for the nation to sustain its energy needs. So this is the bottom line that we want to clarify, that whenever there is a force majeure situation, like the present one, we don't bring any molecule on our own. It is only our off-takers who are bringing in volumes.

And we say, when we say that we are having some operational efficiency gains, these gains are out of the various operational saving, operational efficiencies through fuel cost save, lesser fuel

used and minimizing the boil-off loss. So these are the operational efficiencies gains through which we balance out the loss in our long-term volume.

Siddharth Rath: But if that is the case, sir, then definitely the gain which you would have posted in this quarter, the previous quarter, that should remain as it is irrespective of whatever LNG prices, global LNG prices is. Even if it falls down to, let's say, $10, $9, if it is purely due to the operational efficiency gain, why would it fade away or go away with the low prices?

Vivek Mittal: See, the operational efficiency gains, we are able to trade in the market. So that is where the gain comes from.

Debabrata Satpathy: In very short form, the efficiencies are always there. The best place to monetize it is when the prices are high. That is the answer.

Siddharth Rath: Got it. So right now, you are along with the regasification tariff, you would also be procuring your own cargoes. You would be putting some trading and marketing you are gaining through that, and you are selling to the off-takers?

Debabrata Satpathy: No, we never take exposure on volume. We never take exposure of volume or price. We never procure any cargo without tying it up downstream. What we are speaking about is the internal efficiencies, basically, the operational and commercial efficiencies, due to which we secure certain molecules and we monetize it at the appropriate time.

Siddharth Rath: Okay, sure. Thank you.

Moderator: Thank you. The next question is from the line of Vikash Jain from CLSA. Please go ahead.

Vikash Jain: This is more to do with the demand -- macro demand setup. It's been quite resilient broadly if you look at the PPAC numbers or any of that roughly flat demand for the quarter, despite where prices are for the September quarter.

So do you think that at this juncture, we have more or less all of the less price-sensitive demand which is there, and the incremental increase is, of course, more dependent on as LNG prices versus crude cools off, and that's something which is -- and which industries would that be coming from?

Is it refinery, petchem and/or anything else which I am missing over there? What is -- I mean, the surprising resilience despite the fact that when I look at Y-o-Y, in fact, power demand is actually not up versus the previous similar September quarter last year. So what has -- really, it's been surprising, it's been completely city gas or anything else which I am missing here?

Vivek Mittal: So I think refinery, petchem, city gas, these sectors, if the prices soften, could further drive up the demand.

Vikash Jain: So you believe there could be further upside in city gas with the softer prices?

Vivek Mittal: We definitely -- refinery, petchem is not consuming to their full potential, because the volume is short in the market, so they are optimizing with liquid fuel, so consuming more of liquids rather than gas. But if the prices soften, they could definitely consume more.

Vikash Jain: That part is easier to appreciate, Vivek, but in terms of city gas also, do you sense when you talk to people that there is further upside? Because that's one area which is up 10% Y-o-Y?

Vivek Mittal: No, it's a growing demand sector. The numbers itself in PPAC reflect it. It's now more than fertilizer. So definitely that sector will continue to grow. And if the prices soften, there could be more conversions, more LPG getting replaced with the CNG. So all that could drive up the demand.

Vikash Jain: Okay. And the other thing was, effectively in this current demand situation, Petronet's volume, not the mix, the volume hasn't really got worser than what it would have been or worser than what it would have been even with the long-term LNG flowing through, right? I mean, your Y-o-Y volume is up despite the fact that overall Indian gas demand is flat. So long-term LNG coming in, why would that lead to higher volume? It's just replacing one versus the other. Isn't that the right way to -- the way it will play out?

Vivek Mittal: The long-term volume, once it flows in, definitely the spot prices will soften. And as we previously just discussed, if the spot prices soften, the demand could further go up.

Debabrata Satpathy: We can see the trend of January and February this year. Actually, we can surpass that trend.

Vikash Jain: Okay. And just one thing, this nomenclature change that you were talking about -- sorry, operational and efficiency gain, till the previous conference call, if I were to compare these numbers, this is what we used to call trading and inventory gain. Is that -- or it includes anything incrementally beyond that?

Debabrata Satpathy: Largely, it is both of them, nothing extra.

Moderator: Thank you. The next question is from the line of Khushboo Balani from Equirus Securities Private Limited.

Khushboo Balani: Yes. So actually, we saw that the Qatar volumes came in, in the 2Q, and they are slightly, of course, recovering in October month also. So how much of this catch-up will be of previously deferred cargoes versus the delivery against the current contractual schedule? So that was my question.

Vivek Mittal: It was part of the current contractual schedule only. Some of the cargoes which were able to cross Strait of Hormuz were delivered to us. It is not a catch-up of the previous volume. It was primarily out of the, let's say, in the month of -- or from July to September, they were to deliver 28 cargoes. They were able to deliver 6 cargoes. So it is against that only.

Khushboo Balani: Okay. Thanks.

Vivek Mittal: And why I say 6 cargoes is because it was larger cargoes, so it is equivalent to 6 standard cargoes, because these were delivered through Q-Flex vessels.

Moderator: That was the last question for today. I now hand the conference over to the management for closing remarks.

Saurav Mitra: So thank you for participating. I would like to end the conference call on a very positive note, which I didn't share in my opening address. So considering the performance, the Board of Directors of the company has approved an interim dividend of INR7 per share.

So as we have been committing all our stakeholders that despite the huge capex program and cash outflow projections, we will be able to maintain the dividend outgo per share, obviously, not in terms of dividend yield. And that we have been able to keep our words, keep our commitment. So with that note, thank you once again, and see you again at the end of next quarter.

Moderator: Thank you. On behalf of Petronet LNG, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.