

Manish Agnihotri:

Hello and good afternoon everyone.

This is Manish Agnihotri from Gujarat Pipavav Port Limited and welcome to the Earnings Call of Q2 FY24 of the Company We have Mr Girish Aggarwal, Managing Director and Mr Santosh breed, CFO. We will start with the opening remarks from Mr Aggarwal and followed by financial numbers by Santosh and then we'll open up the floor for the questions. Over to you Girish.

Girish Aggarwal:

Good evening. Good evening everyone.

GPPL reported an excellent quarter. We reported an operating profit of 150 crores.

This is the highest ever EBITDA recorded in a quarter so far.

Overall, net profits year on year were higher by 52% and margins for this quarter were 60%.

This was fueled by a growth in volumes across the board.

Container volumes year on year were higher by 16% liquid, 52% higher largely because of the LPG volumes which was 74% higher.

The RORO volume was 139% higher.

Overall revenue was higher by 12%, EBITDA higher by 25%.

And as I said, net profit higher by 52%.

Even quarter on quarter, we showed significant growth volume of container quarter and quarter was higher by 8%, bulk higher by 15% and liquid higher by 21% and RORO higher by 40%.

So overall, you know an excellent quarter from a business perspective.

Basis the results the company has announced an interim dividend of Rs. 3.6 rupees per share, aggregating about Rs. 174 crores.

This is the highest ever interim dividend that we have declared so far.

Thank you, Santosh.

Santosh Breed:

No, I think the key financial numbers were well covered in the opening remarks by Girish.

So I think let's jump to the questions directly.

So again, please raise your hand for questions and then we can take it 1 by 1.

Yea Aditya go ahead.

Aditya Mongia (Research, KIE)

Yeah, I I hope I'm audible to you all.

Santosh Breed

Yes.

Aditya Mongia (Research, KIE)

Yep, so sorry if I missed this.

If you covered it in your opening remarks, the uptick in margins and probably 1Q2Q interplay and wanted to check whether one shouldn't be focusing more on oneish numbers over here or is there something on the margin side that you would want to highlight as to why they were so strong?

Santosh Breed:

Aditya if you see the numbers and as Girish mentioned in his opening remarks,

All our business streams have done well year on year as well as quarter on quarter and on the container business mainly the volume uptick is driven by the EXIM volumes which gives the highest realization. So all these cumulative upticks have helped to improve the margins. Going forward of course, we believe the Liquid and RoRo business will do good and will continue to perform.

Container of course, we need to really keep on monitoring. The overall inputs coming from the shipping line for the Year 2024 is that it's going to be a challenging year for them, but we also see that that should also create opportunity for us as well. So we'll have to really monitor this for next few quarters as to how the volume develop at shipping line and then what's the opportunities for us out of that?

Aditya Mongia (Research, KIE)

Understood and the implied realization for the quarter gone by.

Is it just reflective of a mix impact?

Have there been any changes to your price points?

Santosh Breed:

Absolutely. there's no change.

There's no change to the Priceline and it is purely the mix, the favorable mix that we are seeing.

Aditya Mongia (Research, KIE)

OK, so the way I the way you are saying is that the margins for the quarter at 60% are reflection of broadly stable pricing and change in mix and if growth forces sustained high level, you will see these kinds of margins incrementally as well.

Santosh Breed:

That's right.

Aditya Mongia (Research, KIE)

OK. Also wanted to check have there been any new line additions that have happened in the quarter gone by for the incremental quarters?

Girish Aggarwal:

No, there was no additional service added in this quarter.

Aditya Mongia (Research, KIE)

Understood. I think I have more questions, but I'll come back in the queue. Thank you.

Manish Agnihotri

OK. Thanks Aditya. Priyankar, go ahead.

BISWAS Priyankar

Yeah. Am I audible.

Manish Agnihotri

Yes you are.

BISWAS Priyankar

So Sir the first question is so regarding, let's say what I see is that this is the first quarter you have received certain insurance claims.

I don't think it had happened earlier, so can you guide us where are we in the process and what sort of claims can we expect, let's say in the coming quarters?

That's the first one.

Santosh Breed:

Yeah. So the insurance claim what we see right now is of course a part payment towards our claim. But we also had received the claims in the earlier quarter as well last year as well. So this is not the first time. We are still in the process of finalizing the full and final amount for the damage that happened during Cyclone Tauktae in 2021 and we expect that full and final claim to be settled somewhere in in the first quarter of the calendar year 24.

BISWAS Priyankar

OK, Sir. And furthermore, on the LPG side, so I understood that you had made this VLGC compliant jetty and there was a further potential of expansion of volumes. So how are you seeing that traction over there and what sort of ramp up trajectory do you see, let's say you're going into the next year as well?

Girish Aggarwal:

Yeah. So LPG volumes here on year for this quarter was higher by 74% partially because of the VLGC compliant jetty, which which happened in the month of August. We believe the growth on LPG will continue. For this financial year, we're looking at a volume of about 1.2 to 1.25 million metric ton, which is very close to our capacity basis the mix that we have and we believe that we will continue to max out our capacity in 24-25 as well, which is roughly 1.3 odd million metric tons.

BISWAS Priyankar

So any capacity additions beyond that?

Girish Aggarwal:

Which we have announced.

Girish Aggarwal:

Priyankar this was announced, I think in in Q1, if I'm not mistaken, or Q4, which is an additional liquid jetty 90 million U.S. Dollars of investment subject to regulatory and statutory approvals, we expect that is all going fine.

We expect that mid 2025 we should have a new jetty ready.

BISWAS Priyankar

Yeah, just squeezing just one last question.

So can you just help us with where are we in relation to concession extension, any discussions on that front? So that's the last question from my end.

Girish Aggarwal:

We continue to engage with the relevant stakeholders, Priyankar and again as I just want to say that we are seeing no red flags. It is, of course, to the government.

Yeah. Yeah, you know, it is of course left to the government announce their policy or, you know, anything on the concession extension for us. We still hold a concession till 2028. There is still some time to go, but in all my personal discussions with the government authorities, the relevant stakeholders, we don't see any red flag.

So however, the timeline is difficult to state.

BISWAS Priyankar

Thank you, Sir.

Manish Agnihotri

Thank you, Priyankar. Mr Vipul Shah.

I think Mr Shah is not around Aditya can you go ahead with your question?

Aditya Mongia (Research, KIE)

Sure. So also wanted to get a sense that from a container growth, so you talked about liquid, but could you throw some light on the prospects of you growing in containers, at least say double digit. I think you did highlight a near term weakness, maybe if you could give us some more near term and a one year out view on how you think through the container business?

Girish Aggarwal:

Yeah, I think we are cautious on the container growth. Whatever we are hearing from a market perspective, 2024 overall looks like a tough year for the shipping lines basis you know the overall global environment, so it's difficult to give a number right now. I think we are watching this closely and we'll get back to you over the next two quarters in terms of how the volume development happens.

Again, Needless to say, we are you know, working with multiple customers and shipping lines to try and improve our throughput as much as is possible. But we have to be cautious in the container volume growth. It's very tough to say how much that impact will be, at least at this point in time. So I think Aditya will just hold off on that and then maybe we have a better answer for you either next quarter or when we announce our annual results.

Aditya Mongia (Research, KIE)

Ohh sure. Uh again?

Maybe a question on containers.

One, you're allowed to, you would see JNP thing getting connected to the DFC. I'm unsure how soon before that event does the trade start thinking through whether the opportune port for them is the inside Gujarat or the JNPT. Any views that you have to share in that front.

Girish Aggarwal:

Yeah, there are two points here. One, there needs to be space in JNPT.

JNPT is practically full if you look at where they sit today.

Second, we must look at the distance between the northern hinterland and JNPT vis-a-vis with the distance between the northern hinterland and us or Mundra? Right.

So clearly moving cargo on DFC or otherwise, will attract higher tariffs, rail tariffs for goods moved from the northern hinterland to Nhava Sheva.

So there are two challenges that I see.

One is the cost of movement from the hinterland.

The second is space itself you know in Nava Sheva. So while I think the DFC is the right way to go and Nhava Sheva will be connected, but I would be very doubtful that we'll see movement of cargo into Nhava Sheva simply because you know honestly I would take it the other way round. We are now connected to DFC.

While Nhava Sheva is not so, we could potentially see movement of South Gujarat volumes, which traditionally go to Nhava Sheva come to us.

So I think you know I'm not worried about DFC and Nhava Sheva connection.

Aditya Mongia (Research, KIE)

And just one more data point, if you could share, one of your logistics service provider on the rail front suggested that the meaningful part of whatever leaves the port today and goes towards the northern hinterland actually plies some on the railways itself at this point of time. Just trying to get a sense whether this would be an accurate judgment. Because it then puts into question what benefits would DFC eventually bring. We're just trying to get your view.

Girish Aggarwal:

So we couldn't get your question, do you?

You will have to repeat.

You're not very clear what is your the logistics provider said, sorry.

Aditya Mongia (Research, KIE)

Could you give us a sense that, of the cargo that comes to the Gujarat ports, including yours and moves to the northern hinterland, how much is already plying by rail and how much is still going on road to the northern hinterland.

Girish Aggarwal:

Yeah. So the rail coefficient is roughly anywhere between 60 and 65% Aditya and most of that if not all of it comes from Northern hinterland on rail.

Aditya Mongia (Research, KIE)

Sure, those were my questions and thanks a lot.

Girish Aggarwal

Thank you, Aditya.

Manish Agnihotri

Mr Vipul Kumar, can you please go ahead?

Vipulkumar Shah (Guest)

Am I audible?

Manish Agnihotri

Yes. Yes, please go ahead.

Vipulkumar Shah (Guest)

No, Sir. you had regarding in your opening remarks you said that expansion of margin is due to change in mix.

So can you give more color regarding the change in mix during this quarter?

Santosh Breed

So Vipul the change in mix which what we referred was mainly in our container business where we had done more of the EXIM volumes of the growth which is coming on year on your basis and that's the reason why we see a better realizations and better margins from the container business. In the past calls also we have mentioned that EXIM gives the highest realization as compared to the coastal and transshipment volume that we handle. So that's the favorable mix which was referring to, which has helped to improve the margins.

Vipulkumar Shah (Guest)

OK.

Can you quantify the Exim mix in this quarter

Santosh Breed

Frankly we don't really split the volumes between EXIM, coastal and transshipment. But I can probably share with you is an overall percentage so roughly an increase of 22% year on year in the EXIM volumes.

Vipulkumar Shah (Guest)

That's really helpful. And so since we have, reasonable amount of cash on balance sheet any inorganic opportunity, you are looking at, so your thoughts will be really helpful.

Girish Aggarwal

No, I mean if you say acquisition if that's your question, we're not looking at acquisition at this point in time.

Vipulkumar Shah (Guest)

OK.

Santosh Breed

The focus Vipul is to grow at Pipavav and that's why we announced an investment of Rs. 720 crores into liquid berth and we still have a lot of opportunity to grow within Pipavav itself. So that's our current focus.

Vipulkumar Shah (Guest)

OK. Thank you.

Manish Agnihotri

Thank you, Mr Shah.

Mr. Nikhil Abhyankar please go ahead.

Nikhil Abhyankar /EQTY RES/ISEC/MUMBAI

Am I audible, Sir.

Manish Agnihotri

Yes.

Nikhil Abhyankar /EQTY RES/ISEC/MUMBAI

Can you give us the LPG volumes?

Exactly how much it was out of 310 kilotons of liquid.

Santosh Breed

Actually, we don't really split the liquid volume between LPG and non LPG.

What I can certainly share is a percentage of a growth.

If you can just give a minute to me, I'll share that with you.

So on the year on year basis as Girish mentioned in his opening remarks, the LPG volume had grown about 74%.

Nikhil Abhyankar /EQTY RES/ISEC/MUMBAI

OK, OK and Sir, also on the bulk volume, the bulk volume has reduced almost half. It has become, and the coal volumes are also down despite the power demand being higher. So any specific reason around it?

Girish Aggarwal

Yeah. Year on year Bulk volumes are down by 40% as you rightly point out, but that's essentially because the previous year we were handling bulk for the Ultratech cement plant which is nearby because their jetty was under repairs post the cyclone damages which henceforth has now been fixed and that volume has shifted back to their jetty.

Nikhil Abhyankar /EQTY RES/ISEC/MUMBAI

OK, OK. So one last yeah and the sorry, the PAT contribution from PRCL substantially increased to 45 million in this quarter as compared to Yon Y. What exactly is the reason, Sir volume increase? Or have we gotten any tariff hike?

Santosh Breed

No tariff hike per se but it's the volume as you see the volume that has grown in the port that has corresponding impact also on the PRCL result because as Girish also explained that the coefficient what we have on the rail is almost 60 to 65%.

So those volumes which goes on the PRCL also helps them in improving their revenue. PRCL of course the cost if you look at is significant part of it is fixed.

So any incremental volume certainly helps in improving their profits.

Nikhil Abhyankar /EQTY RES/ISEC/MUMBAI

OK, so as the container volume grows should we expect that PRCL contribution to increase as well?

Santosh Breed

Absolutely. That's right.

Nikhil Abhyankar /EQTY RES/ISEC/MUMBAI

OK. OK.

Santosh Breed

Yeah. So container, liquid LPG moves on rail so that it also helping them and even the fertilizer volumes.

Nikhil Abhyankar /EQTY RES/ISEC/MUMBAI

Thank you. Understood, Sir. Thank you. All the best and happy Diwali.

Santosh Breed

Thank you. Wish you the same. Happy Diwali.

Manish Agnihotri

Thank you, Mr Abhyankar.

Achal please go ahead with your question.

Achal Lohade

Yeah. Good afternoon.

Thank you for the opportunity.

Just to clarify, you know you mentioned 22% EXIM growth YoY. Have I understood right for the second quarter and can, can you help us understand what has driven this?

Santosh Breed

That's right. Yeah, that's right.

Achal Lohade

Can you help us understand what has driven that any service line addition? Any particular geography edition or simply the wallet share gain

Santosh Breed

As compared to the last year if you remember earlier quarter narrative, we had mentioned about addition of some services, so we had added a service to Far East and Middle East. One was Shaheen, which was for Middle East, which is the Maersk Line service. And then there's another service, CIX for Far East.

So those volumes have been ramped up now and that's why we can see the effect of those volumes in the current quarter.

Apart from that, even other services are doing good as compared to last year.

Achal Lohade

Understood. Understood.

So is it possible to quantify these two lines?

How much would they have added incrementally for the quarter?

Santosh Breed

Uh, sorry, actually, I don't think we're able to give those details right now.

Achal Lohade

No problem, no problem.

Secondly, you know in terms of the pricing what has been the pricing for the quarter for container, coal and container bulk.

Santosh Breed

So pricing wise the range has remained the same.

If you look at the realization Rs. 7000 to 7900 has been broadly the range for the container per TEU, which was also given in the earlier quarter and same thing with bulk and liquid.

So we're not taking any price change in the current quarter.

Achal Lohade

Right. OK, so you know container Rs. 7000 to 7900, so approximately let's say Rs. 74 or 7500, how does that stack up versus Mundra and JNPT terminals?

Santosh Breed

I think we are very competitive So what we can certainly answer at the tariff level, right, so at the tariff level we are I think we are very competitive with the ports, Mundra and JNPT

Achal Lohade

OK, understood.

Another question I had, you know, you know one of the answers you mentioned that JNPT is congested or fully utilized or something, right?

Have I understood right?

So is that on the yard front or waterfront?

Where do you see the blockage?

Actually, you know, because we were under the impression that JNPT is seeing significant capacity addition by PSA.

So the yard side capacity or the waterfront capacity won't be a challenge, is that right?

Girish Aggarwal

So you're right, BMCT PSA is coming up with a 2.4 million TEU capacity, but that's going to come online in the Year 2025 or 26.

The JNPCT, which is now the NSFT terminal they only they are also going to increase their capacity. But you know, I'm talking just current right?

So there is there is this capacity constraint.

Broadly, I think there are today would be about 6 million six to seven. Six and a half million TEU capacity, which broadly will be full today.

Achal Lohade

OK, OK. but I mean, I think the the question was also with respect to the JNPT DFC connection. So eventually this capacity will come in, right? I mean, that's the. If we make that assumption, does that impact us?

I know you mentioned about the cost and the time, the distance part of it, but is it possible that some of the lines which are calling us may actually call only JNPT and not us anymore. Could that be a possibility?

Girish Aggarwal

Right, everything is a possibility. Honestly, Achal, but I would like to believe in the possibility that they will start calling us only and not JNPT. Right.

So there's no reason for me to believe that we are worse off than JNPT. And as I said, from a hinterland connectivity perspective, we are significantly better and significantly cheaper than JNPT.

So there is no reason for me to believe that the coefficient of rail which is 14% in JNPT will suddenly start to jump up.

I really don't see that possibility and by the time they will be up and running, we would be really fully entrenched in utilizing the DFC.

So I think we have, we have the first mover advantage and that will continue.

Achal Lohade

Fairpoint, Sir? Yeah.

Santosh Breed

And just to add, I think there is also one additional factor, right.

Because when we look at the capacity, one is of course the waterfront second is the yard and third is a rail head as well.

So when you look at JNPT the railhead which is there is a shared facility between the terminals. So that also acts as one of the challenge on handling the rail volumes.

And today, JNPT is anyway, catering to the central India and Maharashtra market, which itself is utilizing the capacity in full. So that's the another factor.

Achal Lohade

Fairpoint Fairpoint, no Sir. If I may ask just a very simple, statistical question. How many of our total liners or customers?

How many of them are calling both JNPT and us?

Girish Aggarwal

There are several

Achal Lohade

Would you know the percentage as to how many of the vessels or the containers?

Manish Agnihotri

I don't have a percentage, but ONE has two services. They call both JNPT and us. We have Maersk which calls both JNPT and us. We have OOCL service which calls us and JNPT. So there's quite a bit of sharing between JNPT and us.

Achal Lohade

Understood. This is very, very helpful.

So thank you and wish you all the best.

Manish Agnihotri

Thank you. Achal

Dipak, can you please go ahead? Deepak MAURYA.

Deepak Maurya (Guest)

Hi am I audible.

Manish Agnihotri

Yes.

Deepak Maurya (Guest)

Yeah. Great.

So Girish and Santosh, I had a question around the service. You mentioned previously that the two services to the Middle East and the Far East are now fully ramped up. Just want to understand if there are any other services which are yet to be fully ramped up or all the services that we had are now almost fully operational and so the growth going forward would be driven by the underlying growth in those regions rather than a service ramp up.

Girish Aggarwal

You know, all are fully ramped up.

Santosh Breed

That's right. That's right.

So what I mentioned was about a new services which were added and the new services generally take some time to fully ramp up, right.

Deepak Maurya (Guest)

Yeah, of course.

Santosh Breed

So that's why we see this increase volume. Having said this, again, all the services, existing services, right, they always look at opportunities to add more volumes for this for their slots, so that we also seen some organic growth on the existing service as well.

Deepak Maurya (Guest)

Of course.

Santosh Breed

And we hope that will continue. But as Girish mentioned about the calendar year 2024, the indication coming from shipping lines looks quite challenging.

So we have to wait and see how the performance continues in the coming quarters.

Deepak Maurya (Guest)

And then the follow up to the same service question, with the ramp up of these two services, how is your split between at one level on the export import, the mix and at the second level by region like which regions are now if you can give some color of like by geography or by region how much volumes

of your export import are directed like Far East versus Middle East, opposes any other region for that matter?

Santosh Breed

So in terms of the import export roughly around it is in the range of around 65 to 35 ratio. What we have of most of the imports are 65 of course imports and most of the imports are Far East based.

Deepak Maurya (Guest)

Yes. OK.

Santosh Breed

And of course, the narrative, which also was saying about the overall the global implication, what we're seeing at the shipping line on the volumes is mainly driven by export because of the US and Europe economy where we see some demand challenges and that's why we still believe that as a port where we have been mainly a import heavy port and India story being strong so far, we believe that we will still have some opportunities in 2024 to continue with a good volume performance.

Deepak Maurya (Guest)

Thank you. Umm.

Of course.

And the second question which I had was around the LPG CapEx, if you could also provide some color on how much has already been spent and for the remaining sums to be spent, what is the timeline?

Santosh Breed

Also, we are in at a very initial stage of this project where it is been the initial studies and initial designing has been done. So this is a very minimal spend as of now on CapEx for this project. So most of this will start happening somewhere in the Year 2024.

Deepak Maurya (Guest)

OK. 24 and then what would be the time frame like 18 months or 24 months?

Girish Aggarwal

Yep, so but as I said, I mean the expectation is that we are able to, complete this by mid of 2025 subject to timely statutory and regulatory approvals, which are still you know work in process.

Deepak Maurya (Guest)

OK. And then and one final question which I had if I can, is on the concession renewal, you did mention that you had in discussions, but just wanted to understand what else is pending from your side or from the government side the next steps before final decision could be taken?

Girish Aggarwal

No, there's nothing pending from. I guess our side for sure, I mean it, it is left to the government how they want to approach the concession, right?

Deepak Maurya (Guest)

Yeah.

Girish Aggarwal

So I mean, they will come out with a process themselves. It's not fair for me to comment on how the government wants to approach this.

Deepak Maurya (Guest)

I don't know. I just wanted to understand if there any steps or any procedural aspects which are still ongoing.

Girish Aggarwal

There must be at the government level.

Deepak Maurya (Guest)

OK, understood. Understood. That's clear.

Thank you so much and I'll fall back in the queue and good wishes.

Manish Agnihotri

Thank you Deepak.

Mr Kunal Tokus, please go ahead.

Kunal Tokas

Yes, Sir.

Am I audible.

Manish Agnihotri

Yes.

Kunal Tokas

OK. Thank you.

My first question was about the Kandla Gorakhpur pipeline that is coming up.

I wanted to know if we will have sufficient capacity to cater to that given that we are already operating at close to maximum capacity.

Girish Aggarwal

Yeah.

I mean, I think it's a, it's a good question.

We expect the KGP to be ready somewhere between middle to late next year and as the volume starts to ramp up, I mean you're not expecting a full ramp up of the line immediately, the volume will ramp up over a period of time for which the new jetty will then be online and enable to cater to that increased volume.

Kunal Tokas

OK.

Girish Aggarwal

So I think you know the timing of our jetty as well as the ramp up of the KGP should be, you know coinciding.

Kunal Tokas

OK. So the new jetty will cater to the demand from this new pipeline.

Girish Aggarwal

Yeah, that's right.

Kunal Tokas

OK. And my second question was about the Dholera Industrial city.

Are we seeing any traction from that and like can it be a major driver for the future?

Girish Aggarwal

It's a fantastic question that you raised. We believe strongly that Dholera SIR will be a strong driver of growth to start with project cargo as new the factory start to come up and then we will be the natural

port of choice as we are the closest as production ramps up at that place. So we are quite hopeful in the medium term Dholera SIR will be another area of growth for us.

Kunal Tokas

And my third question was about the concession lease. Say that does not get approved further. So what kind of replacement value are we building for your business?

Girish Aggarwal

Yeah, we're not working on a scenario that this will not get approved, honestly. So there's no replacement value discussions that are happening, at least at this stage in the company.

Kunal Tokas

OK. Alright, I'm.

I'm just last question from my side.

After the completion of the new jetty what kind of margins are you looking at? Will they be the same as before or?

Santosh Breed

Yeah, the margins are expected to maintain going forward as well.

Kunal Tokas

OK, Sir, I guess.

Yeah. OK.

Thank you for answering my questions.

Manish Agnihotri

OK. thank you, Mr Kunal Tokas. Mr. Nikhil Abhyankar, you have any questions? Mr Vinay Jain, you can go ahead with the question.

Vinay Jain

Yeah. thanks for the opportunity.

I have just one question on the other expenses piece.

So couple of quarters back, we had mentioned that there has been an increase in the insurance premium, which you are paying on a quarterly basis. But somehow if I look at the Q1 Q, there has been a decline in the other expenses. So if you could give me just explain or maybe some throw some light on this would be really helpful.

Santosh Breed

Yeah. So your observation has been right. So what we have been doing so the other expenses also includes power charges and what we have been consistently working on, how we can improve our power source to green and by virtue of that also get a reduction in our power bill. So the two initiatives, what we've taken, one we already mentioned earlier, which was about the solar system installed inside the port.

Vinay Jain

OK.

Santosh Breed

So that certainly is helping. And then we also entered into some power purchase agreement through green sources.

Vinay Jain

OK.

Santosh Breed

That also helping to reduce the overall electricity bill.

Apart from that, the earlier quarter also had some repairs and maintenance cost, which is more of a preventive maintenance for the equipment, which is of course not there. So that's the key deviations.

What you see in the other expenses?

Vinay Jain

So this 35 crore is a normalized expense. There are certainly no ones in this.

Santosh Breed

There's no one off in this.

Vinay Jain

Got it, Sir. Alright. Yeah. Thank you so much.

Manish Agnihotri

Thank you. Anybody has any questions?

Yes, Mr Vipul Shah please go ahead.

Vipulkumar Shah (Guest)

Yeah. Thanks for the opportunity.

So what will be the payback time for this upcoming LPG, jetty Sir.

Santosh Breed

Vipul I don't think we will be able to share all those details because those are based on a lot of internal assumptions and projections, so I don't think we will be able to share the details.

Vipulkumar Shah (Guest)

OK, Sir. Thank you.

Manish Agnihotri

Thank you. Aditya you can go ahead with your question.

Aditya Mongia (Research, KIE)

I'm sure thanks. I just wanted to clarify that from a royalty perspective.

One more time we called.

That is a part royalty and a full royalty and the full royalty hits you in 2029. Is my understanding correct and can you give us a sense of the difference between these two numbers?

Santosh Breed

So I need to so we our concession is 2028.

So I don't know where this 2029 comes from and until 2028 of course our existing concession allow us to enjoy the concession royalty because of the investment that we made in the port. So we don't expect to move to any full royalty regime within the concession period.

Aditya Mongia (Research, KIE)

Understood. So the base case is that whatever is the current share of royalty of current formula for royalty?

Absolutely nothing will change and that is how we are progressing towards it and that's what you're suggesting, right?

Santosh Breed

That's right.

Aditya Mongia (Research, KIE)

Understood. That was the only question remaining from my side.

Thank you.

Manish Agnihotri

OK. Thank you.

Any last questions from anyone?

Doesn't seem to be the case, so thank you very much for your interest and for your time and wish you all a very happy Diwali.

Santosh Breed

Thank you everyone and wish you a happy Diwali.