

## Transcript

### Conference Call of GAIL (India) Limited

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#### *Presentation Session*

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**Moderator:** Good evening ladies and gentlemen. I am Maria, moderator for the conference call. Welcome to the GAIL (India) Limited third quarter FY16 results conference call. We have with us today Mr. Satish Mishra from HDFC Securities and the management team from GAIL (India) Limited. At this moment, all participants are in the listen-only mode. Later, we will conduct a question and answer session. At that time, if you have a question, please press \* and 1 on your telephone keypad. Please note that this conference is recorded. I would now like to handover the floor to Mr. Satish Mishra. Over to you sir.

**Satish Mishra:** Thank you Maria. Good evening to all of you. On behalf of HDFC Securities, I would like to welcome all the participants. Today we have with us GAIL management team led by Mr. Subir Purkayastha, Director – Finance, Mr. R.C. Gupta – ED (F&A) and other senior officials. We will start with the opening remarks from the management and post that the floor will be open for Q&A. Thank you and over to you sir.

**Subir Purkayastha:** Good evening dear friends and welcome to the conference call on the quarterly results of the GAIL (India) Limited for the quarter ended 31<sup>st</sup> of December 2015. So, at the outset, I would like to wish Happy New Year, because we are perhaps speaking for the first time to a large gathering, in this calendar year.

So, coming back to the results, I am happy to announce that the Q3 performance both in terms of physical parameters and on financial parameters have been better than what we had seen in the previous quarter, that is the quarter ending September 2015. However, that being said, the overall performance for the nine months period ending December 2015 is weaker as compared to the last nine months period of the last financial year and therefore, the overall profits if you look, from nine months year on year comparison, it is lower by about 40%. If we compare the financial performance for the quarter ended 31<sup>st</sup> December on a quarterly basis, the profit of course is higher in this quarter by about 10%. And if you compare, as I said before, on a quarter on quarter basis, which includes Q2 and Q3, it is up by 51%. The turnover on the other hand has been lower by 6% on a nine months comparison basis, is lower by 10% on a quarter, on year on year basis and is down by 5% on a quarter on quarter basis for this current financial year.

On the physical performance, we have tried to put up the numbers in our website and I hope that many of you have been able to have a look at it. So, in this quarter, as compared to Q2 the financial performance on all the segments, whether it be natural gas, transmission, LPG transmission, natural gas sales and LPG and other liquid

hydrocarbon sales, the physical performance numbers are higher, as compared to Q2. So far as the petrochemicals volumes, it is the same that we saw in the last quarter. There has been neither decrease nor increase. But, if you look on the overall nine months basis, first, the physical performance has been weaker as compared to what we saw in the last financial year, for the corresponding period, whether it is for the quarter or for the nine months period.

The prices of the products, particularly petrochemicals, LPG and liquid hydrocarbon products in this quarter were down by 4% to 7%, as compared to the last quarter. And it was substantially down if we look on the year on year comparison, so which was down depending upon the products. Petrochemical were 15% to 17% down as compared to the last financial year. And on the LPG segment, it was quite substantial of about 40%.

So, two things which have impacted on an overall performance, on nine months comparison basis is basically, the physical numbers have been lower as compared to the last financial year and so has been the prices, as compared to the last financial year. On top of that, on the commissioning of our petrochemical plant, we have to additionally bear the impact of the interest and the depreciation, which is a fixed cost and therefore has resulted in a downward pressure on our bottom lines as well.

On the other important physical highlights for Q3, let me share that during this quarter, we imported about twenty one LNG cargoes, out of which nine cargoes were received in Dabhol and twelve cargos we had received at Dahej. And this was mainly for the requirement for the fertilizer and power pooling, which we have started in this current financial year, which was substantially higher than what we saw in the last financial year, which was only about six cargos. So therefore, there has been an increase in the spot and midterm volumes in this particular quarter and financial year as compared to the quarter of the previous year. The gas marketing volume has also increased from 74 million cubic meters per day to 77 million cubic meters per day in this particular quarter. This has been mainly on account of gas supply to the power pooling segment, which was approximately 8 million cubic meters per day and also spot volumes, which increased from 4.7 to 9.4, that is an increase of about 4.7 MMSCMD per day.

The domestic availability of gas was down by about 4.83 million cubic meters per day, mainly due to less availability from ONGC, from some of their fields, and which was also due to some force majeure situation that we encountered for the PMT gas in the month of December. The long term LNG volumes were lower as compared to the last financial year, up to the month of December, because as you all know that these spot prices were ruling at a lower price or lower levels, as compared to the long term prices. So, as you all know in December 2015, there was a successful negotiation of the contract, the long term contract that PLL had with RasGas and consequently our agreement with PLL also was modified to be in line with the current LNG price, which is prevalent at the spot level. So, going forward, the prices for the long term LNG is going to be much more competitive than it was before. Of course, there are certain pressures on the spot side, but I think that is a short term phenomena and we should see a turnaround in that side. So, overall transmission volumes increased from 94 million cubic meters per day to about 97 million cubic meters per day in this quarter. And this was mainly on account of increased volumes from the spot and the pooling, power pooling LNG that we imported.

Polymer production was slightly lower at 94 TMT in Q3 as compared to 119 TMT in the last quarter i.e. in the quarter of the December ending for financial year 2015. And the

fall was mainly due to the fact that there were some stabilization issues with respect to our plant which was under expansion. And it has therefore resulted in lower production in the polymer side.

So far as the liquid hydrocarbon production is concerned, that was also lower. If we compare the quarterly results on a year on year basis, it was 295 as compared to 329. Again this was mainly on account of the integration issue of the new expanded PATA facilities. The Usar plant is being kept under preservation during this current financial year and some decrease in the production at Vaghodia and Gandhar, due to lower off take on the downstream side of the LPG plant.

So, these are the information so far as the physical performances are concerned. The other financial highlights, as I said that we have successfully negotiated the RasGas contract and therefore the possibility of take or pay claim from the suppliers was avoided. And as a process of negotiation, there was also an increase in the contracted volumes. So, GAIL share of increased volume is about 1 million cubic meter of gas per day, starting from January 2016, until the end of the contract. So, I am sure that the results are already available with you and without taking much time, I will have the discussions open for any queries that we would be willing to respond to. Thank you very much.

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*Question and Answer Session*

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**Moderator:** Thank you sir. Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press \* and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing \* and 1 again.

We have our first question from Mr. Niraj Mansingka from Goldman Sachs. Please go ahead sir.

**Niraj Mansingka:** Hello?

**Subir Purkayastha:** Yes Niraj.

**Niraj Mansingka:** Sir, one question, the two questions both are related. Can you give me the state of both the petrochemical plant and the LHC? You were talking of some stabilization issues. Can you give some color on that and how do you see going forward, the production of both the LHC and the petrochemicals?

**Subir Purkayastha:** Yes Niraj, I will just quickly respond. The concerned person of course from the operation is now here right now, but just to respond to your query, yes, the stabilization of the expansion project has taken more time than what we had expected. But the good news is that the teething problem that we faced during the commissioning, particularly on our gas processing unit side and on the cold section of the gas that are in it, are now behind us. They have been addressed and the problems that we faced are behind us now. So, we expect that by the end of this month, the commercial operations or commercial production in full swing would start by the end of this month. So, we will have about thirty to forty days of full throat kind of production from the second phase of our polymer plant.

**Niraj Mansingka:** And what would be the proximate run rate of the production of the polymer after stabilization?

**Subir Purkayastha:** Yes, obviously there would be some time to ramp up the production, but we expect that the initial production rates should be at least 60% to 70% in the initial stages.

**Niraj Mansingka:** And one more question. On the pooling side, where do you see the gas scaling up over the next few quarters, as the pooling takes totally (inaudible)?

**Subir Purkayastha:** No, can you make your question more elaborate? What do you mean?

**Niraj Mansingka:** Sir, your volumes have expanded because of the pooling, gas pooling for the power plant. So, basically where do you see this volume growth of your gas transmission after say, two or three quarters, because of the impact of the pooling?

**Subir Purkayastha:** So, the pooling is going to last for the financial year 2016-17. And though there are no immediate clarity that what will happen thereafter, but we expect that it should continue for some more time because, the basic purpose of setting up this pooling mechanism was to revive these stranded power plants and particularly in the South. So, I don't think so that scheme is going to go away very quickly. But of course from a very official standpoint, the scheme is valid till March 2017. And we expect that looking at the benefits which has accrued to all the stakeholders, we should continue. Of course that comes with the rider that the Government has to make the budgetary allocation to support this pooling mechanism.

**Niraj Mansingka:** Sir, my question was slightly different, in the sense that is there some more upside in your transmission volume left, because of the pooling mechanism?

**Subir Purkayastha:** Yeah, the upside is going to come because there are still many power plants, which are not being served even through this pooling mechanism, particularly in the South. So, those have happened, because there are certain tax issues, which we are trying to resolve with the respective State Governments. So, we have resolved this issue with Maharashtra. We are yet to resolve the issue with the State of Andhra Pradesh and Telangana. But, there is a positive indication from the administration on that side. So, we hope that this resolution on the tax issue will also be resolved. And some of the power plants which are currently eligible are in a position to take the gas, are not being able to take because of this constraint, that bottleneck should be sorted out.

**Niraj Mansingka:** Thank you very much.

**Moderator:** Thank you sir. Ladies and gentlemen, please restrict your questions to one or two, so that everyone will be able to be answered.

Our next question is from Mr. Raj Gandhi of Sundaram Mutual Fund. Please go ahead.

**Subir Purkayastha:** Yes Raj. Hello?

**Raj Gandhi:** Hello? Am I audible now?

**Subir Purkayastha:** Yes, yes.

**Raj Gandhi:** Sir, this notification on revised volume divisor of 75% has come in. Just wanted to check your older pipeline, the HVJ and DVPL, since they are already running above 75%, so will it help us in those older pipelines?

**Subir Purkayastha:** Certainly the benefit which may happen on the HVJ and DVPL, which are running close to 75% may not be there. But, certainly it is going to benefit, we are going to get benefited from the other pipelines. So, particularly Chainsa – Jhajjar pipeline or the Dadri – Bawana pipeline or the Dabhol Bangalore pipeline, which are the three main pipelines, and even on the K.G. Basin pipeline network. So where we have taken the maximum hits. So, if this is implemented, we see an upside on this account.

**Raj Gandhi:** So, basically HVJ and DVPL and all others should majorly benefit in this?

**Subir Purkayastha:** That's right.

**Raj Gandhi:** Okay. And sir, any update on this review of tariff which is going on?

**Subir Purkayastha:** We were expecting that the K.G. Basin network tariff would have been announced by December 2015. But unfortunately that has not happened. And we are also expecting that for some of the other pipeline system K.G. Basin, some of the other pipeline system, Dabhol – Bangalore and KKMBPL, those are expected by the end of this financial year, March 2016. So if those come, we expect an upside on that account of increased tariff. But, coming by the way things are going, it is anybody's guess that whether we will be able to get it by that time.

**Raj Gandhi:** Okay. And sir, just last question from my side. Are you reviewing the tariff discount being given on the gas pooling volumes, given that on the gas terminal side, nobody is giving discounts and the gas price having come down so much, anyway it has become viable? So, the subsidy component of the Government won't go much even if you were to increase or charge the normal tariff.

**Subir Purkayastha:** There are two sides of the coin. On the one hand, of course we have been, as a Government company, we have to go by the decisions and directives of the Government and to make the pooling mechanism a success. So, there have been haircuts taken by the transmission companies, mainly on marketing companies. So, we are charging 50% tariff for the transmission and about 25% marketing margin for the trading aspect. But, on the flipside, in the sense that perhaps this whole scheme would not have been there until or unless all the stakeholders have taken some haircut. It is not only GAIL which is taking a haircut, it is also the other transmission companies, as well the State Governments who have decided to forego the VAT revenue on these kinds of sales. So, customs duty also have also been made zero. So, there have been an all round cut taken by various stakeholders to make this as a

success. Of course the other terminal operators, they are in the private sector domain. So, that is the advantage they have got and we have got the advantage of being there in the public sector.

**Raj Gandhi:** And sorry, just the last question. Can you update on the Southern pipelines?

**Subir Purkayastha:** On the Southern pipelines, if you are talking about the Tamil Nadu section of the KKMBPL, of course the Supreme Court decision was a welcome decision, which came on the 2<sup>nd</sup> of Feb. But, what we hear, we see from the newspaper reports, it is that the State Government and both the political parties are vying with each other to file a review petition against the Supreme Court decision. So, we hope that, yes, those issues would be there. But, going by the fact that both the High Court and the Supreme Court have given their decision in favor of GAIL, so there should not be a surprise even if matter comes up for review in the first place. And we hope that it may not be, it is also quite possible that the Supreme Court may not accept to consider the review. But in anyways, so far the two decisions are in our favor. We are confident that even the Feb decision is still there, it should come our way. But now the decision is, the point is, when these decisions will come? So, looking at the fact that the State Government of Tamil Nadu is soon going to election mode and so is the State of Kerala, so there could be some time factor into that. So far as the resumption of stalled work is concerned, of course we are very keen to start our pipeline activities. But we need complete support, not from the official level in the Secretariat, but also the ground level where the pipelines are to be laid. The challenge is on the ground and not in the Secretariat office of the Chief Minister or the Chief Secretary. That is where the challenge is. But, nevertheless we are trying to put our best foot forward to start the construction activities in the State of Kerala as well.

**Raj Gandhi:** And just on this Kochi – Mangalore section where there is?

**Subir Purkayastha:** That is what I was talking about in the State of Kerala.

**Raj Gandhi:** But, there again there is no court, no legal hurdles, so where are we?

**Subir Purkayastha:** No, there is no legal hurdles as such, but there are actual hurdles in the sense that, if you don't get the permission and support of the local authorities on the ground to allow you to do your construction activities, so of course, there are no legal restriction. On the paper, everything is fine. But, when you go to lay the pipeline, you need the permissions, you need the Panchanama in your favor, so that the contractors can work. And there should be general administrative support. If that is not available, howsoever best effort you may try, you will not be able to move forward. So, we are hoping that this time around possibly there could be more support from the administration on the ground level. So, if that happens, we will be proceeding on the laying of the Kochi and Mangalore pipeline section out there.

**Raj Gandhi:** Okay. But sir, how much percentage of ROW acquisition has been done for this pipeline?

**Subir Purkayastha:** I will hand over this question to my colleague Mr. A.K. Singh, who is the project in-charge.

**Raj Gandhi:** For the Kochi Mangalore at least sir.

**Subir Purkayastha:** Yeah, he will be able to give a guideline on this.

**A.K. Singh:** In fact the entire ROW legally has been acquired long back, four years back. It is the question of people registering at the ground level. So, legally we have the ROW. Then there is the next process of doing the Panchanama, that agreement with individual farmers to start the job. And State Government is supporting us and out of seven districts, five districts almost we are through. More than 90% Panchanama has been done, except two districts we are struggling, Malappuram and Kozhikode district. There also, there is some breakthrough. Around 10% Panchanama has been done. And State Government is telling us that once we start the job, these two districts also we will be able to convince the people and you can lay the pipeline.

**Raj Gandhi:** Okay. And for the Bangalore pipeline, how much similar update, if you could just give for Kochi – Bangalore?

**A.K. Singh:** The Bangalore sector also, entire ROW has been acquired. And it was because of the Tamil Nadu Government directives that project was to be abandoned and we went to the High Court. High Court gave in our favor. And then they have gone to the Supreme Court. The Supreme Court has given the decision in our favor. And again, what Director – Finance told you, there is some paper news that people are trying to approach for the new position. But, we are not sure whether it will be admitted or not. And this was a very high, three Judge bench headed by the Chief Justice of India and they have given very good judgement. And we are hopeful that we will be able to make breakthrough in Tamil Nadu also.

**Raj Gandhi:** Okay. Thanks a lot sir.

**Subir Purkayastha:** Thank you.

**Moderator:** Thank you sir. Ladies and gentlemen, a gentle reminder, please make sure you restrict your questions to one or two, so that we will have room for others also. Thank you.

And our next question comes from Mr. Dhaval Joshi of Emkay Global. Please go ahead.

**Dhaval Joshi:** Hi sir. Just wanted to know that what is the current long term LNG prices? I am talking about the RasGas. And what is the spot price (not clear) your subsidy? Hello?

**Subir Purkayastha:** Yes Dhaval, your question is, what is the current long term LNG price?

**Dhaval Joshi:** Yeah, RasGas price and what is the current spot which we are off taking from the international market?

**Subir Purkayastha:** Okay. I can possibly answer the first question, but perhaps not the second one right now. The long term price is around 7½ dollars per MMBtu at this point. And it is likely to go down further in the next two months.

- Dhaval Joshi:** It is landed?
- Subir Purkayastha:** Yeah, landed.
- Dhaval Joshi:** Okay sir. And what is the debt and cash position at this point in time?
- Subir Purkayastha:** Debt equity ratio is 0.29:1. Cash position is close to about 800 crores to 900 crores, somewhere around that.
- Dhaval Joshi:** Okay. Thank you very much sir.
- Moderator:** Thank you sir. Our next question is from Mr. Amit Shah of BNP Paribas. Please go ahead.
- Amit Shah:** Hi sir. Just couple of questions. One, can you talk a little bit about the US LNG which is coming and there is a fair bit of concern with regard to the end to end contract on that. So, if you can give some clarity on that, especially the Sabine Pass gas, which is due almost in 2017. And also the second question is, if you can just tell us the CAPEX plans for FY17 and 2018. Thank you.
- Subir Purkayastha:** Okay, just a minute. So far as the Sabine Pass volumes are concerned, we are expecting in early part of 2018, it is not 2017. But nevertheless, we have been so far been, particularly in the last financial year been struggling with the long term volumes from the RasGas, because that became a major challenge for us in the last financial year. And now we have started to initiate, once again start the activity with respect to the marketing of the Sabine Pass volumes as such. Some of the volumes, as you may have come to know in previous discussions as well, have been sold outside India. And we are looking at opportunities to some more volumes. So, discussions are on with some of the prospective buyers, so far as the international market is concerned. But having said that, we have now just started the marketing activities for marketing this volume. And of course, I would concur that there are some challenges, but we expect that by the time the volumes are expected about two-two and a half years from now, by that time we should be in a position to tie up these volumes with our customers.
- Moderator:** Thank you sir. Our next question comes from Mr. Malik Patel of Equiris Securities. Please go ahead.
- Malik Patel:** Thanks for the opportunity. Sir, I have a first question on the pooling volumes. Can you give us, how much contribution from the pooling side is in the current volume and the revenue?
- Subir Purkayastha:** Okay. On nine months comparison, of course the pooling started somewhere in the month of June-July 2015. The benefit on the transmission side is close to about 80 crores and on the marketing side is close to about 16 crores.
- Malik Patel:** 16 crores. And what could be the volume?
- Subir Purkayastha:** For the power sector it is about 8 million cubic meters of gas per day in Q3.

**Malik Patel:** 8 MMSCM per day.

**Subir Purkayastha:** Which we hope that the issues once getting resolved, particularly on the tax issues, it should go up maybe up to, at least anywhere between 12 to 15 million cubic meters.

**Malik Patel:** Okay sir. Sir, second question is on the trading side of the business. This quarter the profitability was significantly higher. Is there any prior period adjustment into the number?

**Subir Purkayastha:** No, there were no prior period adjustments. You can say that we have been able to realize better margins on our trading activity, because the pricing formula that we had with our customers and the advantage that we got in view of the fact that the crude prices have come down, so we were able to monetize on that particular aspect. And trading volumes, margin also increased because due to the participation in the fertilizer pooling activity. So, there again we could make. And besides that we were able to market some of our midterm volumes at a good price to some of our customers. So, these are basically the three reasons why we could achieve a better profitability in this particular quarter of the trading segment.

**Malik Patel:** Is this sustainable?

**Subir Purkayastha:** I would say that maybe it is not sustainable to the level that we have seen in Q3. But, certainly we are hopeful that there would be a fair amount of margins generated in the future quarters as well.

**Malik Patel:** Okay sir. Thank you very much.

**Moderator:** Thank you sir. Our next question is from Mr. Sujith Lodha of BNK. Please go ahead.

**Sujith Lodha:** Hi sir. Sir, last quarter you had educated that you transferred your Lakwa plant to BCPL. So have you received any consideration for that or have you booked anything in this quarter?

**Subir Purkayastha:** I will just hand over this question to my finance colleague Mr. R.C. Gupta to respond on this.

**R.C. Gupta:** This Lakwa plant, yes, it has been transferred to BCPL and the consideration has been fixed. It is around 100 crores. So, that we will receive.

**Sujith Lodha:** Sir, it is not booked in this quarter?

**R.C. Gupta:** Yeah, not booked. No, not booked so far.

**Sujith Lodha:** Okay. Sir, my second question is, in RGPPL, Ratnagiri power plant, sir what would be the breakeven utilization levels? Because, in the last year we know that the company incurred the net loss of somewhere around 400 crores. So, what do we see? What could be the utilization for the company to report like breakeven on PAT levels?

**R.C. Gupta:** The RGPPL, there are two segments. One is power and the other one is the LNG. So, in LNG terminal, currently the capacity is not been fully utilized because there is no break water facility. Currently during the non-monsoon period, we are able to utilize it to the maximum extent. And we have been able to bring around twelve cargos, we have brought it. Twelve, up to Q3 of this year, the whole twelve cargos have come. So this and this trend will continue till the monsoon period. So, as far as the LNG block is concerned, this is generating good revenues and good profit. And now the power block has also started running because of the gas pooling scheme, the power pooling scheme. So, 500 megawatt power is being generated and that is being sold to railways. So, as far as RGPPL is concerned, currently it is running smoothly.

**Sujith Lodha:** But, at this 500 megawatt, if we analyze it for the full year, still we make losses going forward or the losses will be close to negligible?

**R.C. Gupta:** That detailed analysis is being done. At what level of operations it will give breakeven and give profits, because demerger activities have already started. And from 1<sup>st</sup> January 2016, there will be two separate companies.

**Subir Purkayastha:** The power block, there is no return on equity. It is only (inaudible). In case of under the scheme. In case of (inaudible).

**Sujith Lodha:** Sir, can you be little loud please? Hello?

**Subir Purkayastha:** In case of, under the pooling scheme of the Government, the power plant receives only the money for the debt servicing, there is no return.

**Sujith Lodha:** I understand sir. But, at least the interest cost is covered, right?

**Subir Purkayastha:** Yes, that is covered. And whereas the LNG terminal is in the money.

**Sujith Lodha:** Okay, that would be useful. Thank you sir.

**Moderator:** Thank you sir. Our next question is from Mr. Sabri Hazarika of PhillipCapital. Please go ahead.

**Sabri Hazarika:** Sir, I have got two questions. The first one is on the power sector volumes. Actually like you said that you are transporting around 8 MMSCMD of volumes for the power sector. So, is it the same amount for even like the marketing, the marketing volume also includes that much amount?

**R.C. Gupta:** Yeah, yeah, same.

**Sabri Hazarika:** Okay. Since you are taking 75% cut on the marketing margin for this power sector volumes, but still your marketing margins have improved significantly. So, almost 10% of the volumes you are like subsidizing so much. So, is there any specific reason behind there or is there a possibility that you are actually earning good margins even on the power sector volumes?

**R.C. Gupta:** Marketing margins we are getting for all grades. For the power pooling scheme we are getting only 25% marketing margins. So, marketing margins is received on the basis of the rates which are prevalent today. And if you see the total profitability of the marketing segment, then there has been improvement, because of the marketing spread, trading profits.

**Sabri Hazarika:** Okay. Sir, can you give us some clue on what kind of prices you were selling gas during quarter three to the power companies?

**Management:** Price is different to different companies. For power companies, actually it will be pooled finally and we will decide the final pool price for the six months period, from October to March. So, all the cargoes will be averaged out. And then one price will be declared. So, for the time being it is an ad hoc price. But, we will be well below those ad hoc prices. But, anyway it doesn't affect anyone.

**Sabri Hazarika:** Okay, but since the contract is done at the beginning of the period, so is there a possibility like you have like fixed prices at a higher level? And over the course of the time, then the prices have dropped, then you were able to like.....

**Management:** No, for power pooling actually, one, it is pass through. Two, we are procuring spot cargoes only and that too we are carefully planning, so as that we are not stuck with unusually high inventory or high prices etc. So, it is very, bare minimum we have to procure whatever is required, that is all. And anyway it is pass through. It doesn't affect anyone.

**Sabri Hazarika:** Okay sir. And the second question is, on your LNG and liquid hydrocarbon also, despite drop in realizations, still your earnings are quite robust. So, is there anything specific or is it like because of lower gas prices, which supported the numbers?

**R.C. Gupta:** In the LPG segment, of course the prices were down. But if you see, there is improvement in the production. Production numbers have gone up in the quarter three as compared to quarter two, around 14% to 24%. And the other factor is that the cost of production has come down because of, of course that is at the domestic gas, in the LPG segment.

**Moderator:** Thank you sir. Ladies and gentlemen, a kind announcement, please make sure you restrict your questions to one, since we have a lot of participants in our queue for Q&A.

Our next question is from Aishwarya Agarwal from Reliance Mutual Fund. Please go ahead.

**Aishwarya Agarwal:** Thank you for the opportunity. Good evening sir.

**Subir Purkayastha:** Good evening.

**Aishwarya Agarwal:** Sir, just want to know in this petrochemical and LPG business, what is the mix of feed which we are using right now?

**Subir Purkayastha:** In LPG it is the domestic gas which is being used for the total production. But, for the petrochemical segment, we get very little domestic gas and rest is the spot gas which we are consuming currently.

**Aishwarya Agarwal:** So sir, if I ask you, in this quarter have we used any quantum of RasGas with the old prices or it is all spot gas which we have used in this quarter?

**Subir Purkayastha:** RasGas is not in this quarter.

**Aishwarya Agarwal:** Not at all?

**Subir Purkayastha:** Yeah.

**Aishwarya Agarwal:** Okay. And LPG, are we getting enough APM gas to run our plant at full capacity?

**Subir Purkayastha:** Yes, we are getting.

**Aishwarya Agarwal:** So, going forward will it be right to assume that LPG will be running at almost 90% kind of capacity and the existing petchem plant will also run at 90% and the new plant, as sir said, some 60%-70% utilization?

**Subir Purkayastha:** Yes, yes.

**Aishwarya Agarwal:** Okay. And you reiterate that LPG, everything will go on APM gas and the petchem, everything will go with this RasGas new pricing.

**Subir Purkayastha:** RasGas new pricing, spot gas or whatever gas we are able to tie up for, we have to be competitive in the market. It is a market driven product prices. So, we have to see that our cost of production remains low. And whatever efforts are required, including some modification, we have also taken up a project called Sanchay to reduce the cost of our operations. So, all efforts are being made, so that our petrochemical plant overall basis becomes profitable.

**Aishwarya Agarwal:** Sir then in this quarter, despite spot gas use, we have made some losses in petrochemicals?

**Subir Purkayastha:** The point is that the production which we thought will happen from plant two has not come because of the stabilization issues. So, there are fixed cost, like depreciation and interest on PATA-2, because of that there are losses in phase two projects.

**Aishwarya Agarwal:** Okay. So, I guess as and when your capacity ramp will happen, these losses will move out is what you want to say?

**Subir Purkayastha:** Yeah, definitely when the production improves, then we will be able to recover our fixed cost more from the increased production. And if the prices also do favor to GAIL, then obviously the plant will turn profitable.

**Aishwarya Agarwal:** Sure. And last thing sir, what is your CAPEX guidance for the current year and the next year?

**Subir Purkayastha:** CAPEX for the current year is, let me give you the number. Current year we expect it to be around Rs. 1700 crores. And for the next year it will be around Rs.1500 crores. And going beyond that, maybe for the next two years, it will be around Rs. 4000 crores.

**Aishwarya Agarwal:** Why such a steep increase sir?

**Subir Purkayastha:** The projects which we are taking up like Jagdishpur Haldia or Vijaipur – Auraiya project, they will get executed in that period.

**Aishwarya Agarwal:** Sure. Thank you sir. These amounts include your spend on Kochi – Mangalore pipeline also?

**Subir Purkayastha:** Yeah, yeah, these include that also. But, that we are taking in a very phased manner. So, once this Supreme Court decision is implemented or this Kerala issue is sorted out, when we get actually ROU, then the spend maybe more.

**Aishwarya Agarwal:** How much you need to spend for Kochi – Mangalore and Mangalore – Bangalore, what is left out to be....?

**Subir Purkayastha:** That is Rs.1800 crores is the expected amount which we are going to spend on this project.

**Aishwarya Agarwal:** Sure, that is very, very helpful. Thank you very much.

**Moderator:** Thank you sir. Our next question is from Mr. Vaibhav Goyal from SBI Life Insurance. Please go ahead.

**Vaibhav Goyal:** On the profitability of the LPG segment, still the loose ends I am not able to tie up, because the reduction in the prices are like 10% quarter on quarter, even after some increase in volumes. Could you please explain, because the overall reduction in gas prices are only around 8% to 10%? So how does this entire (not clear) work sir?

**Subir Purkayastha:** This is, you are asking about LPG?

**Vaibhav Goyal:** LPG and your liquid's profitability, because sir, the reduction in international prices are, these are to the extent of like 10% quarter on quarter, even after considering the cost reduction; the EBIT number improvement from Q3, so is there any one off or whether there is something which is there, which we are missing?

**Subir Purkayastha:** No, in this, just to respond, you are right the sales price have been lower by about 5% as compared to the previous quarter. But, you will recall that we are mainly using the APM gas for our LPG production. And the LPG prices, the gas prices, the APM gas price was reduced from 1<sup>st</sup> of October 2015. So, this has resulted in increase in margin on the LPG segment.

**Vaibhav Goyal:** So, there is no one off in this sir?

**Subir Purkayastha:** There is no one off. It is the gain that we have received, because of the fall in the APM gas price.

**R.C. Gupta:** There is an increase in the quantity also. If you see, the quantity has increased from the quarter two to quarter three also, there is a quantity increase from 254 TMT to 294 TMT.

**Vaibhav Goyal:** This is just, on the same side if I am looking for the quantity produced, what the cost saving what I am getting is to the extent of around 25%. So, on per tonnage basis, so that is where I am getting a bit confused that entire savings is coming off gas price reduction or there is some one-off?

**R.C. Gupta:** There is no one off. You have to consider the increase in quantity has also given the profit. The increase in quantity....

**Subir Purkayastha:** And if you are comparing calendar 31<sup>st</sup> of December on a year on year basis, in Q3 of 2015, we had a subsidy of Rs. 500 crores, which of course is not there in this current quarter.

**Vaibhav Goyal:** But sir, that time sir, gas prices, LPG prices were almost half then.

**Subir Purkayastha:** No, you are making a comparison between which two periods?

**Vaibhav Goyal:** No sir, Q2 to Q3, I was making a comparison.

**Subir Purkayastha:** Okay. From Q2 to Q3 there is a 14% increase in the sales. And though there is a fall of 5% in the prices, but there has been substantial fall on the input cost as well.

**Vaibhav Goyal:** Sir, any ballpark figure on the fixed cost of this segment, either on the per ton or the total basis?

**Subir Purkayastha:** We can discuss separately on this particular issue.

**Vaibhav Goyal:** Sure sir. And second, again on the previous question on the marketing margin side. So, when you had said that we have contract with customers based on some linkages, and that is resulted in higher margin, so could you please explain a bit on this part?

**Subir Purkayastha:** This has some trade secrets which cannot be discussed over the phone.

**Vaibhav Goyal:** But, the large portion of this, what I am trying to gauge is that, even the way you said that most of the things would continue, so how much reduction on a per MMBtu terms or something you can expect from next quarter onwards?

**Subir Purkayastha:** I would not respond to this question at this point of time, because we keep on formulating our policies and tactics from time to time.

**R.C. Gupta:** It is a continuous process of buying and selling early then sell later. There are so many trading management which can be done.

**Vaibhav Goyal:** Sure sir. Because, I was much keener, because with the liquids getting cheaper and cheaper and probably some benefits being there, still that margin scheme was a very, very decent surprise for us. So, that was good on the positive side, so I was just looking at the sustainability.

**Subir Purkayastha:** Yes, performance of the LPG segment is one of the bright spot in this particular quarter.

**Vaibhav Goyal:** Thanks. Thanks a lot.

**Moderator:** Thank you sir. Ladies and gentlemen, please restrict your questions to one, since we have a lot of participants in our queue.

Our next question is from Mr. Rohit Ahuja from Religare Capital Markets. Please go ahead.

**Rohit Ahuja:** Thanks for the opportunity sir. I just wanted to know about the petrochemicals. You mentioned that you are going to raise the utilization to 60% to 70%.

**Subir Purkayastha:** No, I said that that would be the rate of production. I didn't say that 60% would be the capacity utilization in the next month itself. I think we will start with the cap production rate of about 60%, which will go up in the say, next three to four months. So, we are expecting to start the phase two production, somewhere I was expecting that it would start by the end of February, but now I have got the latest information and we may start at fifteen days earlier to that.

**Rohit Ahuja:** Right. So, in the next quarter, that is April, May, June, can we expect that you will able to do something like 120000 to 140000 tons kind of volume?

**Subir Purkayastha:** That is at 100% capacity utilization basis. So, as I said that we will perhaps, I do not know, we will be lucky if we touch 100% capacity rate production by April or so.

**Rohit Ahuja:** No, I was talking about your expanded capacity here.

**Subir Purkayastha:** I am talking about that only. I am talking about the expanded facility.

**Rohit Ahuja:** If you take all the old and new capacity together, then you will be able to go from current level of 84000 to about 120000 to 140000 in April, May, June?

**Subir Purkayastha:** Yes. We expect that so far as the phase one is concerned or the original plant is concerned, that should be running close to 100% capacity. But, for the expanded capacity, in the initial phase, the rate should be around 60% to 70% at least for the next three to four months. And if you are able to improve that, then it is

good for us. Of course we are making all efforts to ramp up the rate of production to 100% as fast as possible. But, as we have experienced that there are sometimes some teething problems, then you have time to ramp up the production from 70 to say, 100.

**Rohit Ahuja:** So, given the cost currently...

**Subir Purkayastha:** Are you talking about the total production of the company or just for....

**Rohit Ahuja:** Total production. Total production that is 140 and above.

**Subir Purkayastha:** Yeah, yeah, I was thinking that you are talking 120000 for the new plant.

**Rohit Ahuja:** Sir, definitely you will be able to go above 140000-150000, total production?

**R.C. Gupta:** We should be able to reach to that level.

**Rohit Ahuja:** So, given the current cost, then we can expect you to at least report profits at the EBITDA level from Q1?

**Subir Purkayastha:** Yes. Yes.

**R.C. Gupta:** From next year, yes.

**Rohit Ahuja:** From next year, that's right. That's right. So, I believe the spot prices at 7½ dollar for MMBtu and the (not sure) prices at close to 1000 dollars per ton, that is good enough for you to start reporting at least operating incomes?

**Subir Purkayastha:** Yes.

**Rohit Ahuja:** Sir, secondly on the RasGas deal, now that is been done. Do you see big increase in volumes, because I believe that the new contract says 8.5 million tons per annum that is roughly about 2 million tons per quarter; so, would we see that kind of a volume run rate from Jan, Feb, March quarter onwards?

**Subir Purkayastha:** We are already receiving that volume and we are able to market. We have been able to so far been successful in marketing that volume.

**Speaker:** Off take has increased definitely.

**Rohit Ahuja:** Right. So, do we see that similar increase in your transmission and trading volumes as well?

**Subir Purkayastha:** Yeah, that is a natural corollary.

**Rohit Ahuja:** Right. So, that is margins should be much better I believe this quarter, in terms of gas trading?

**Subir Purkayastha:** Yeah.

**Rohit Ahuja:** That's it. That's it sir. Thanks for answering the questions sir.

**Moderator:** Thank you sir. Our next question is from Mr. Sanjay Mukund of DSP. Please go ahead.

**Sanjay Mukund:** Thank you. Good evening sir.

**Subir Purkayastha:** Good evening.

**Sanjay Mukund:** Couple of quick questions on the financials. Just to clarify, is there any sort of one off in the numbers? Your other income looks a little bit seasonally high.

**Subir Purkayastha:** Other income?

**Sanjay Mukund:** Yeah, is there any one off in any segments or the other income?

**Subir Purkayastha:** There is one off adjustment provision has been made for, in the transmission segment, for trading segment. There is a one off adjustment in, but that has been utilized. There are no net impacts so far as onetime adjustment is concerned.

**Sanjay Mukund:** So, there is no non-recurring income in this quarter?

**R.C. Gupta:** On the other income, there is only one element which we can share that we got refund. Interest on income tax refunds is around more than 40 crores, that is the only one item.

**Sanjay Mukund:** Alright, okay sir. Sir, secondly, I earlier pointed out to one of your colleagues, there is a bit of a totaling error in this segmental EBITDA gross margin sheet that has been sent out. I was wondering if you have an updated split available for us?

**Subir Purkayastha:** That has been corrected.

**Sanjay Mukund:** It has been. Okay, we will look it up in the website.

**Moderator:** Sir, he has left the queue sir. Our next question is from Mr. Avadhoot Sabnis from CIMB. Please go ahead.

**Avadhoot Sabnis:** Yeah sir, in terms of the RasGas volumes, I presume out of the 8½ volumes, now you have to mark it 4.8. Has there been....is that a smooth process in terms of all the 4.8 you have arrived at similar use of the contract with all your customers and that is fully tied up?

**Subir Purkayastha:** More or less, I would say.

**Avadhoot Sabnis:** Okay. Would that customer include your own petrochemical plant?

**Subir Purkayastha:** Yes. That is also one of our customers.

**Avadhoot Sabnis:** Okay. And is it possible to share some balance sheet items? I wanted to know if it was possible to know the number on trade receivables and long term receivable as on 31<sup>st</sup> of December?

**R.C. Gupta:** So, the number on trade receivables is 3112.

**Avadhoot Sabnis:** 3112. And the number on long term receivables which you put in other non-current assets?

**R.C. Gupta:** Long term?

**Avadhoot Sabnis:** The long term receivables.

**R.C. Gupta:** Other non-current assets is 1000 crores, 1055.

**Avadhoot Sabnis:** Thank you sir. Thank you so much.

**Moderator:** Thank you sir. The next question is from Mr. Nitin Tiwary of Antique Limited. Please go ahead.

**Nitin Tiwary:** Hi sir. Good evening. In the last quarter we had reported that there was a one time adjustment in the trading segment, which was 149 crores provision which was made due to difference between APM and non-APM prices. So, I just wanted to understand, is there a part of that one time provision recovered in this quarter or that is still left to be covered during the course of this financial year?

**Subir Purkayastha:** We have totally recovered that in the provision, in this particular quarter.

**Nitin Tiwary:** So, am I right, if I understand that that provisioning is actually leading to this inflated sort of a trading margin in this quarter and probably next quarter onwards the run rate would normalize?

**Subir Purkayastha:** No, as I said, so far as the one time impact is concerned, I said that net one time impact is zero. Thereby what I am trying to say is that, we reverse this 149 crores of provision, because we got credit notes from the supplier. But, on the other hand, we made an additional provision or a fresh provision of about 166 crores in this quarter, which are basically on the claim made by ONGC for increased tariff in one of the section. So, on a net-net basis, it is about 16 crores or 17 crores. So, overall there is not much of a significant impact on the trading segment.

**Nitin Tiwary:** So, the claim which was made by the ONGC on tariff differences, that would accrue in the transmission business or would that accrue in the trading business.

**Subir Purkayastha:** Under the trading business, because it is part of the purchase cost.

**R.C. Gupta:** Part of the purchase cost.

**Nitin Tiwary:** Alright. Okay. So, that is it from my end sir. Thanks.

**Moderator:** Thank you sir. Our next question is from Mr. Vikash Jain of CLSA India. Please go ahead.

**Vikash Jain:** Hi. Thanks for taking my question. Just wanted to understand this spot LNG number that you mentioned that has risen from 4.7 to 9.4 MMSCMD, am I getting the numbers right?

**Subir Purkayastha:** Yes, that is what I said I think in my opening remarks.

**Vikash Jain:** Okay. And just to understand, your spot volumes would have definitely gone up, because of RasGas volumes being absent in 3Q. So, these would also be the customers whom now you are marketing the RasGas volumes. Is that understanding right?

**Subir Purkayastha:** Yes. You are right to some extent. The customers, who otherwise on a long term basis have been supplied through spot, so obviously spot volumes going forward.....

**R.C. Gupta:** Those who were lifting less of long term volumes, they were making their requirement by sourcing spot volumes.

**Vikash Jain:** Yeah, that is what I meant.

**Subir Purkayastha:** But, just to clarify further, this Spot which has been purchased for meeting the power pool requirement was not through the long term volumes as such, those were separate.....

**R.C. Gupta:** And based on that spot rate was sold at long term volumes.

**Subir Purkayastha:** So, those would continue going forward.

**Vikash Jain:** And just one more clarification, again I missed this number, the contribution in gas transmission for this power pooling, you said it is 18 crores for nine months, is it?

**Subir Purkayastha:** Eighty, 80.

**Vikash Jain:** 80 crores for nine months?

**Subir Purkayastha:** Yeah.

**Vikash Jain:** And this number was for 2Q? Was this number, I have possibly wrong number written, was only 8 crores or was that a different number?

**R.C. Gupta:** There are two elements in that, that is transmission tariff and marketing margins.

**Vikash Jain:** So, 80 crores is transmission and 16 crores?

**R.C. Gupta:** So, transmission and marketing margin, both, that is 80 crores for Q3.

**Vikash Jain:** 80 crores is total.

**R.C. Gupta:** 8 crores is on account of the marketing margin in Q3

**Vikash Jain:** Okay. Just to throw, essentially you are kind of in a way benefiting in terms of gas trading with RasGas volumes not being there. And also on the other hand, you had very limited or no RasGas used in third quarter as petchem feed stock, is that understanding also right? That is what you mentioned?

**R.C. Gupta:** Your understanding is not correct Vikash, because this 80 crores that I said was for the power pooling, that has nothing to do with long term volume

**Vikash Jain:** No, no, okay, this is a separate question, that is done. What I was saying is that, I am just clarifying that your petchem feed stock, you said that there was no RasGas which was used in third quarter, is that right?

**Management:** Now, the customer including our petrochemical plant, who were not utilizing long term volumes, they were being supplied by spot. So, in this, some customers are also included and our own petrochemical plant is also included.

**Vikash Jain:** Sure. So, although it might sound counter intuitive, so what might happen, although it is a big relief that take or pay is gone; but, from an income statement perspective, RasGas settlement will not really lead to any positive benefits coming in. The positive benefits going ahead will come from higher volumes from petrochemicals, is that right?

**Management:** In that business RasGas, which we were not getting, because the consumption has gone down. In spot what happens is, sometimes you make good profit and sometimes we do not.

**Management:** In the year 2015 overall the RasGas volume off take had dropped. So, correspondingly the marketing margin had reduced. So, that will get restored going forward.

**Vikash Jain:** Okay, here I am talking 3Q versus say, 4Q, when all of the RasGas volumes will get restored. In 3Q you actually benefited from lower RasGas volume leading to higher spot LNG volumes and therefore gas trading profits. And you also did not get impacted from feedstock cost, because you are hardly using RasGas. So, essentially in 3Q versus 4Q, RasGas per se will not have any major impact. Of course you will have benefits coming in from higher volumes in petrochemical as your plant stabilizes, but RasGas per se will not have any positive impact. If anything, it will be slight negative, because spot LNG will be lower.

**Management:** Actually RasGas volume, today which will be coming will be at the prices which we have been procuring spot for the entire Q3. Entire Q3 the average price has been around 7 to 7½ dollars. So, now RasGas volumes will come at that price only. And going forward it will reduce further.

**Vikash Jain:** Sure, okay. That's it. Thank you so much.

**Moderator:** Thank you sir. Our next question is from Mr. Sourabh from Citigroup. Please go ahead.

**Sourabh:** Thank you sir for the opportunity. Sir, on your gas marketing, the LNG that you have contract with Sabine Pass, could you tell us how much of that you have already tied up?

**Subir Purkayastha:** Sourabh, I think I have answered that question before also. That was the second question which I repeated. If you have missed out, you can go through the manuscript.

**Sourabh:** No sir, you just said that this is something that you all have revealed in the past. Now, in the past it was revealed as 0.5 or 1 million tons. So, I just wanted to recheck the numbers.

**Subir Purkayastha:** Those numbers still remain. What I said was that during the last one year, we were more grappling with RasGas volumes, which were at a higher price. So, we were trying to find the market, alternative market for that. Now that hump is over, we have crossed that hump; we are now concentrating on the new volumes. So, we are in discussion with couple of customers to market these volumes as well. So, we will give you information as and when new developments come up. At this point of time, I have nothing more to add.

**Sourabh:** Sir, as of now out of the 3½ million tons you have placed around 1 million tons that's something which we....

**Subir Purkayastha:** Mathematics is yours, I can't add anything further to that.

**Sourabh:** And there is nothing on the DCP volumes that you have placed as yet, right?

**Subir Purkayastha:** Yeah, that is correct.

**Sourabh:** And sir, any progress on the Gorgon, because even there you market I think around 0.4 million tons. So, any contracts out there or those are still being marketed?

**Subir Purkayastha:** Those are still being marketed. Of course the lack of pipeline system is there, major substance that we have to sort it out. And therefore, we will try to address that problem, how that is to be sorted out. Of course our share of volume is not that very big. But, of course connectivity is a big challenge.

**Sourabh:** Okay. And there have been articles saying, press reports that you are looking to renegotiate the Gorgon volumes. So, I just wanted to understand

this renegotiation is primarily on the price, because at the current slope I think it works out to around 5-5½ dollars, which is comparable to spot prices. So, what is the negotiation being sought?

**Subir Purkayastha:** I am not aware about any such press reports. So, I really can't comment.

**Sourabh:** Okay. And can you just confirm that there is no destination restriction on RasGas, so you can bring it to say, Dabhol terminal or a Dahej terminal?

**Subir Purkayastha:** I think those questions are better addressed to PLL, who have got the contract with RasGas.

**Sourabh:** Fair enough sir. Fair enough. That is all I had. Thank you.

**Moderator:** Thank you sir. Our last question is from Mr. Pranay Shah of Spark Capital. Please go ahead.

**Vishnu:** This is Vishnu from Spark. Thanks for your time sir. On the tariff revision which you are likely to get from PNGRB, what exactly is the tariff review period? Is it from March 2010 to March 2015 or for the next tariff review period?

**Subir Purkayastha:** I have not been able to get your question, if you could frame your question once again?

**Vishnu:** For the pipeline, generally the tariff reviews happens for every five years, if I am not wrong, for all. So, the one that we are likely to get in terms from PNGRB soon which you are stating maybe will come in the next couple of months. That will be for the tariff review period from March 2010 to 2015 or from 2015 to 2020.

**Subir Purkayastha:** Okay, I will request my colleague Rakesh to respond to this.

**Rakesh:** As of now PNGRB has approved only provisional tariff. And we are submitted final tariff. As CFO said earlier that we are expecting six tariff order to be available by March and we are expecting that that will come. And regarding your question for review, as per the PNGRB, the review should talk place for five yearly basis. And that review was due on April 2015. What we are expecting from the issue, the final order it will cover the review also, because they have to do nothing. Already the actual data have already been submitted. So, we are required to wait, process has been done. So, final order will also cover the review process.

**Vishnu:** Sir, again the gazette notification states that in case if you get a review say, in the next year, which is FY2017, will you get the benefits from FY16 also or it is going to be only for the next four years or you will get it from....?

**Rakesh:** With respect to prospective revision?

**Vishnu:** Correct.

**Rakesh:** The notification says that if the orders are issued before 30<sup>th</sup> September, it will be applicable for the same financial year. So, whatever tariff order now comes, say by March, will be implemented from April 1<sup>st</sup>, 2016.

**Vishnu:** Okay. So, you will not get the benefit for one year then?

**Rakesh:** This year. This year. Current year. Current financial year we get.

**Vishnu:** No, assume the order comes in April of 2016, you will not get the benefit for FY16?

**Rakesh:** Current financial year we will not get, but next year certainly. Because it will be implemented from 1<sup>st</sup> April 2016.

**Vishnu:** Okay, got it. Sir, my second question would be that assuming on the Tamil Nadu section of the Kochi – Bangalore pipeline, assuming everything goes through well and let's say if somebody files the review petition and it is squashed off, how many years does it take to complete the pipeline?

**Subir Purkayastha:** A.K. Singh will respond to it.

**Vishnu:** Okay. And sir, are there any current marketing teams already working to build in terms of the network opportunities or that will only happen once you have the pipeline in place?

**A.K. Singh:** Once everything is clear, it will take maximum two years to complete the pipeline sections in Tamil Nadu. However, this marketing effort is continuous basis. And we had made lot of efforts, but since the pipeline is not coming, we could not proceed further with the final agreement. So, once the clarity comes, then there is a huge potential along this pipeline section in the Tamil Nadu section of that Coimbatore, Tirupur, Salem, Erode, lot of industrial belt is there.

**Vishnu:** I agree. Will you also get for the Madras section of it, from Krishnagiri loop line to Chennai, is that also available or that will not be part of this?

**A.K. Singh:** Right now the PNGRB has awarded the pipeline from Madras to Tuticorin. So, probably Madras connectivity is with IOCL.

**Vishnu:** Okay. So, we will not get the Krishnagiri to Chennai loop line?

**A.K. Singh:** As on today, it seems that IOC should do. But it all depends how fast they are proceeding on the LNG terminal. And if there is no progress, then again we have to see that if some loop line can serve faster, if this pipeline is completed from Kochi to Krishnagiri.

**Vishnu:** Okay, got it. Thanks for your time sir.

**Moderator:** Thank you sir. There are no further questions. Now, I would like to hand over the floor to Mr. Satish Mishra for the closing comments. Over to you sir.

**Satish Mishra:** Thank you all for the participation in the call and especially the GAIL management for giving us the opportunity and their valuable time. Thank you sir.

**Subir Purkayastha:** Thank you very much. Thanks for also to all the investors and analysts who have been participating. Thanks for the questions being asked. And we hope that we have been able to provide the answers to your satisfaction. Of course there are certain questions, which cannot be answered in detail, which you should accept. And those can be discussed separately on an individual basis. Thank you very much.

**Satish Mishra:** Thanks sir. Thank you.

**Moderator:** Thank you sir. Ladies and gentlemen, this concludes your conference call for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a pleasant evening.

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**Note:**

- 1.This document has been edited to improve readability.
2. Blanks in this transcript represent inaudible or incomprehensible words.