August 07, 2024

To,

The Secretary,	Capital Market Operations
Market Operations Dept.,	The National Stock Exchange of India Ltd.
The Bombay Stock Exchange Ltd.	Exchange Plaza, 5th Fl., Plot No.C/1,
Phiroze Jeejeebhoy Towers,	G Block, Bandra-Kurla Complex,
Dalal Street, Fort,	Bandra (E),
Mumbai – 400 023.	Mumbai – 400 051.
Scrip Code: 500003	Scrip Code: AEGISLOG

Dear Sir/Madam,

Sub. : Transcript of the earnings conference call

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call held on Wednesday, July 31, 2024 at 5.30 p.m. (IST), for your information and records.

The above communication is also available on the website of the Company at www.aegisindia.com.

Request you to kindly take the same on record.

Thanking you.

Yours faithfully,
For AEGIS LOGISTICS LIMITED

Monica Gandhi

Digitally signed by Monica Gandhi
Date: 2024.08.07 18:07:56 +05'30'

MONICA GANDHI
COMPANY SECRETARY

Encl.: as above

"Aegis Logistics Limited

Q1 FY '25 Earnings Conference Call"

July 31, 2024

MANAGEMENT: **MR. RAJ CHANDARIA– CHAIRMAN AND MANAGING DIRECTOR –AEGIS LOGISTICS LIMITED**
MR. MURAD MOLEDINA–CHIEF FINANCIAL OFFICER - AEGIS LOGISTICS LIMITED

MODERATOR: **MS. PAYAL DAVE–ORIENT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to Aegis Logistics Limited Q1 FY'25 Earnings Conference Call. The company would like to give a short disclaimer. This call may contain some of the forward-looking statements which are completely based on the company's beliefs, opinions and expectations as of today. These statements are not the guarantee of company's future performance and involves unforeseen risks and uncertainties.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need an assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Raj Chandaria, Chairman and Managing Director. Thank you, and over to you, sir.

Raj Chandaria: Thank you very much. Good evening everybody. I'm joined by our Chief Financial Officer Mr. Murad Moledina and Ms. Payal Dave from our Investor Relations team. And we will be presenting performance for the quarter 1 ended 30th June 2024. So I'm pleased to share that the company began FY'25 on a strong note achieving an EBITDA of INR250 crores. We reported the highest ever Q1 figures for volumes, EBITDA, profit before tax and profit after tax in both the gas and liquid divisions.

The liquid division's operating EBITDA was INR108 crores while LPG division was INR142 crores. Our Q1 FY '25 profits reached INR158 crores marking a 19% year-over-year growth. Main drivers for this have been the continued growth of our volumes in our Kandla terminal and continued growth in the liquids through the addition of new capacity and full utilization of newly commissioned tax.

With the commissioning of new projects currently underway, we are confident that the positive momentum that we observed in this quarter Q1 will be sustained in the coming quarters. The outstanding Q1 performance strengthens our confidence in meeting our guidance of achieving a 25% CAGR over the next 3 years supported by new capacity coming in the form of Greenfield and Brownfield expansion leading to higher revenues and profitability.

As I've noted in our previous call, Aegis is dedicated to helping India transition to more sustainable fuels, aligned with our vision and mission. Our core objective is to develop and manage energy infrastructure that supports India's shift from polluting fuels to cleaner alternatives. In line with our vision, we had announced plans for our first ammonia terminal which will be located in Gujarat.

We expect to commence construction during this fiscal year after receiving all the necessary permits from regulatory authorities and we expect to build more ammonia terminals as this business matures and our endeavour in this business will be to become vertically integrated just like we are in the LPG business.

Now you may recall, we announced a capital expenditure program of INR4,500 crores by FY'27 and nearly 50% of this is already completed or currently in progress and we anticipate that the Pipavav and Mangalore LPG terminals will be commissioned on schedule and on budget with revenue expected to start in Q1 of FY'26. The pace of capital spending is expected to persist beyond FY'27 as we explore further opportunities in our pipeline.

Now let me just give you a quick update on the progress of expansion at each of our ports. As far as **JNPT** is concerned, we established a foothold in this second port of Mumbai with our 110,000 kilolitre terminal which will be commissioned later this year. It's proceeding well on time and on budget.

As far as **Pipavav** is concerned we are also expanding our LPG capacity as you know, at that port by adding two cryogenic LPG tanks with a total capacity of 45,000 metric tons and we expect this to be commissioned in Q1 of FY'26. As I mentioned in our previous call, the Kandla-Gorakhpur pipeline is expected to link up with Pipavav which will significantly enhance the Pipavav LPG terminal role as a hub for handling this traffic.

In **Mangalore,** we are constructing 71,000 kiloliters of liquid capacity set to be operational within the next 12 to 15 months. And additionally, of course, our cryogenic LPG project with a capacity of 85,000 tons is progressing on schedule and is expected to be completed on time. In **Kandla** well during the recent months we have aggressively expanded our capacity through both Brownfield development and acquisition.

Our current capacity has now reached 970,000 kiloliters just shy of 1 million metric tons. And we are adding 25,000 kiloliters of tank capacity which is expected to the operational next year. In **Kochi**, we had acquired the 16,000 kiloliters liquid storage terminal during last year, and the same is doing well. We're also expanding our capacity as support by another 25,000 kiloliters of liquids.

In **Haldia**, we completed the expansion of the 50,000 kiloliters last year and the same will reflect in our revenues and profitability in this fiscal year. In **Mumbai**, we are excited to announce that we have been allocated land by the port in Mumbai for future expansion. And we plan to build a storage terminal with a capacity of about 150,000 kiloliters on this site with an estimated project cost of INR250 crores. This was just approved by the board yesterday.

The company is on course to achieve increased revenues and profitability with the completion of its expansion projects and additional capacities currently under construction are expected to come online in phases by the end of FY '25 and '26. Alongside these new capacities, the ramp-up of the Kandla LPG terminal, improved utilization at Mumbai and Pipavav, JNPT and Kochi offer strong prospects for volume and EBITDA growth.

We expect to maintain our earnings growth in line with recent trends and leverage the benefits of our investments in both terminaling and the distribution business. I'd now like to hand over to Mr. Moledina to present the financial performance in detail. Murad, over to you please.

Murad Moledina: Yes. Good evening. Let me say that both of our divisions performed exceptionally well for the quarter ended June 30, 2024. We achieved another record-breaking quarter with the highest EBITDA and profitability ever recorded in Q1 FY'25, supported by highest revenues and EBITDA in our liquid segment and record high volumes in our LPG logistics business for Q1.

For the group **EBITDA** for Q1 FY '25 stood at INR250 crores, an increase of 18% compared to the same quarter last year. **Profit after tax** increased by 19% to INR158 crores in Q1 FY '25 as against INR133 crores in Q1 FY '24. **Earnings per share** also increased to INR3.75 in Q1 FY '25 as compared to INR3.30 for Q1 FY '24, an increase of 14%.

I would now like to provide you with some details on the individual segments.

Liquid business. The Q1 FY '25 revenue from the liquid segment stood at INR143 crores as compared to INR115 crores in Q1 FY '24, an increase of 24% year-on-year basis. We delivered the highest ever Q1 EBITDA at INR108 crores versus INR79 crores in previous year same quarter, which is an increase of 38%. This improved performance can be attributed to the new capacity coming online as well as acquisitions at Kandla, Kochi and Mangalore.

LPG business in Q1 FY '25, the EBITDA from LPG was INR142 crores as compared to INR134 crores in Q1 FY '24, delivering a growth of 7%.

Now let me give you volume details of each subsegment.

Logistics volumes- throughput volumes. In Q1 FY '25, the LPG volumes handled at our 4 terminals Mumbai, Haldia, Kandla and Pipavav were 10.12 lakh metric tons versus 8.8 lakh metric tons in Q1 FY '24. This is an increase of 15%.

Distribution volumes. The auto, commercial and industrial bulk segment handled 1.29 lakh metric tons in Q1 FY '25 as against 1.59 metric tons in Q1 FY '24.

Sourcing volumes. The sales volume of the sourcing business, Q1 FY '25 was 124,000 metric tons versus 226,000 metric tons in the same quarter last year. The financial position of the company remains robust with low debt, strong cash flows and a solid balance sheet. With this, I now hand over this line to the moderator to start the question-and-answer session. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. We have our first question from the line of Chirag Vekariya from Budhrani Finance. Please go ahead.

Chirag Vekariya: I have two, three questions sir. So what is the reason for our distribution segment getting impacted?

Murad Moledina: Well, if you look at -- do you want to ask all the questions and then answer or we take one by one?

Chirag Vekariya: Please take that one by one, sir.

Murad Moledina: Okay. So distribution segment, we have done not bad as compared to Q4. As I have said earlier that Q1 is always the lowest of all the quarters in the year. We expect these volumes to increase going forward. Also, in this quarter, the natural gas prices were brought down by Gujarat Gas substantially, which now have reversed in the month of July because that obviously would not have held for too long. It was a very kind of suicidal attempt by Gujarat Gas to lower down natural gas prices so low.

But now I think July, again, natural gas prices have risen by INR2 which is substantial. Of course, I can tell you this, that in this quarter, even though the volumes were 129,000, but the EBITDA realizations were quite strong. So compared to Q1 of last year where we did around 160,000 metric tons volume, generating around INR45 crores EBITDA. Here in 129,000 metric tons volume, we have generated around INR42 crores EBITDA. So that way, in terms of EBITDA, it's much better than Q1 of last year.

Chirag Vekariya: Two things from that, sir. One is that you mean that industrial volume would have got impacted because of the pricing, and this will reverse, right?

Murad Moledina: You can say that to some extent. Also, please understand that Q1 of last year is when propane really made inroads into the Morbi sector and that's how. But after Q1 of last year, you would see that there's a stable volume growth -- there is a stable volume of distribution quarter-to-quarter. We expect this to become even more better once our terminals at Mangalore and Pipavav cryogenic terminals come online because then holding and selling would be much easier.

Chirag Vekariya: But sir, I think that will come under the logistics side, right? The volumes will come there, correct?

Murad Moledina: No, no, the distribution division of Aegis is going to use the terminals, right?

Chirag Vekariya: Okay. And sir second thing on this is the same that you said you had a better margin. So is this margin one-off or that looks sustainable?

Murad Moledina: No, it looks sustainable going forward now.

Chirag Vekariya: And around 3...

Murad Moledina: Yes, around INR3,250 crores.

Chirag Vekariya: And this was what number in Q1?

Murad Moledina: It was less. You can just do the division and get a INR45 crores over 160,000. So that should be just about 2,750 I believe.

Chirag Vekariya: Okay, sir. Sir, second thing is from the division liquid expansion that you mentioned in the slide, so what is yet to come from, say, from this financial year or the next?

Murad Moledina: A lot of it, like we said, 110,000 of JNPT, 71,000 of Mangalore, 25,000 in Kandla. So these are already underway. And in the current year, another 75,000 which has already completed in Mangalore, over and above 71,000, which is under construction. So it's already you can see -- and of course, we are also doing expansion in Kochi. So it's almost 300,000 underway and more to come.

Chirag Vekariya: And sir, just last thing on, sir, the new Mumbai port, you were talking about new terminal. So can you give some sense what is it and what capacity and what...

Murad Moledina: It is too early, but we would come up with more details probably next call. We have already said that we tend to put up to 150,000 kiloliters additionally in Mumbai at a cost estimated to be around INR250 crores. So that's what is available as of now. We will come up with more details in the next quarter.

Chirag Vekariya: Okay sir. Thank you. All the best.

Moderator: Thank you. We have our next question from the line of Priyankar Biswas from BNP Paribas. Please go ahead.

Priyankar Biswas: So my first question, so it is on Mumbai again. So Mumbai, you have highlighted that land has been allocated at the port. So is it just Mumbai or does it include JNPT as well? So that's number one. And is there -- besides a liquid terminal that you mentioned, like 150,000 kl additional, is there a plan or, let's say, a possibility to expand the LPG as well?

Murad Moledina: Okay. In Mumbai, as of now, it's liquid expansion of 150,000 kiloliters and it's only Mumbai. We are not counting JNPT in that. JNPT is separate. I'm sure there will be more to come as far as JNPT is concerned. But as of now, it's Mumbai, where we have been allotted land so we can confirm that up to 150,000 kl of liquid is what we plan at a cost of INR250 crores as on date.

Priyankar Biswas: And sir, another question. So you had already provided us with a capex plan of around INR4,500 crores. So that will be probably incurring till FY '27. Now going a little beyond that so -- because you often highlight that there are a lot of opportunities in India and several other -- and in several verticals. So can you elaborate on that?

Like what can be the opportunities beyond this INR4,500 crores? And let's say -- in a 5-year view, let's say, what sort of volume targets that you may have or even capacity targets should be fine as well for, let's say, the gas and the liquids -- gas, I mean, both logistics and distribution?

Murad Moledina: Yes. So Priyankar, we have -- Mr. Raj has earlier said in the call that this INR4,500 crores capex plan which was expected to be completed by FY '27, 50% is already underway. The balance is also like we have been saying. In fact, we expect it to get over with a little before FY '27 instead of 5 years, maybe 4, 4.5 years and will be done with around INR4,500 crores capex plan which we had envisaged when we started the JV.

Mr. Raj had also said that going forward, this space probably is going to be more because of the pipeline of projects that we are citing. So you can very well expect, for example, INR4,500 crores over 5 was a INR900 crores capex per year. But because it is getting completed earlier, probably the pace which is INR1,000 crores plus every year would continue beyond FY '26 and FY '27 also in view of the projects that are under pipeline and are being cited by us. I would leave it at that.

Priyankar Biswas: Okay. So understood. So if I just may clarify, so essentially, like even beyond FY '27, you have a strong robust pipeline to at least go at INR1,000 crores take capex rate. So there are a lot of opportunities essentially?

Murad Moledina: Yes. And mind you, this INR4,500 crores ammonia is still -- was out of that, has come now as an opportunity. So which is why I say that this space which is expected would probably be more going forward, yes.

Priyankar Biswas: Sir, one more question from my side.

Raj Chandaria: Murad, if I can just add to this point, and thanks for asking this, Priyankar. So I think the opportunities, as we see the clarity about Indian economic growth, of course, with now political stability and robust economy and so on, we see the opportunities coming rapidly and frequently, more -- we can't obviously talk about everything -- of every opportunity materialize into an actual project.

But there are -- based on the strong economic backdrop that we see, opportunities are there every day. So I think we are pretty confident that the long-term growth plan that we have talked about in terms of our vision and so on, moving India to a more sustainable energy infrastructure definitely is there. So we are very confident about the future of the company, even beyond FY '27.

Priyankar Biswas: That's perfectly explained. Sir, just squeezing one more thing. So this is on the liquid. So I remember in the fourth quarter, you had some take-or-pay revenues that actually increased the margin. But in this quarter, just to clarify, there were no take or pay, right, in this quarter?

Murad Moledina: Correct. Yes, Priyankar. You're right.

Priyankar Biswas: And so should I take that because the margins are quite come strongly like significantly north of 70%. So do we expect that to sustain maybe for, let's say, on a full year basis?

Murad Moledina: Yes, Priyankar, you can expect that.

Priyankar Biswas: Okay sir. That's all from my side for now. In case if I have I will rejoin back.

Moderator: Thank you. We have a next question from the line of Gautam Rajesh from Everflow Partners. Please go ahead.

Gautam Rajesh: I had 2 questions. My first question was for your Pipavav terminal. So which markets do we primarily cater to from this Pipavav terminal currently? And with this expansion, would we be largely using KGPL pipeline or do we cater to other markets from the Pipavav plant too?

Murad Moledina: Currently, we are catering to markets up north by rail. And with KGPL coming in we would also be then serving the market across Central India. And yes, I think there are road tanker filling base also. So in and around radius for 300 to 500 kilometers would be the market which would also be we'll be able to serve.

Gautam Rajesh: Okay. And my second question was we are coming on like a large expansion capacity in Mangalore. Can you break down how the time line would be or that we can expect? Is there more breakup that you can give from Q1 FY '25? And over there also which all markets would be primarily catered to from that region?

Murad Moledina: Again, as we have said, these are -- all our terminals are now open source terminals and they are used by our distribution division as well as national oil companies as well as other distribution companies, which are engaged in serving the LPG market. So we expect this cryogenic terminal to come up and be commissioned by March '25 and be operational in Q1 of FY '26.

As always, these terminals are expected to start off with the capacity utilized -- throughput capacity utilization of around 20% to 25% and then gradually grow and serve the customers over a period time frame of 7 to 10 years, gradually increasing the utilization year-on-year. So that's how we expect Mangalore also to be here.

Gautam Rajesh: Yes, sir. But like regarding the region, it's just open. So there's no particular region that you would primarily, let's say, supply?

Murad Moledina: No, we are in a position to connect and serve through road, which is again, 300 to 500 kilometers with Mangalore as central point. Also, we are expected to have a rail gantry. Rail gantry means we can serve any market across India. And then we expect that along the way, we may also be able to connect into Mangalore [inaudible 26:21] LPG pipeline grid, thereby serving all the way up East as well as South of India. So the range is quite big because the evacuation modes are multi. So we cannot say that we will only serve market down South. When you connect to a rail, you can reach any corner because of our extensive rail network that India has.

Gautam Rajesh: Okay sir. Thank you so much.

Moderator: Thank you. We have our next question from the line of Rajit Agarwal from Atharva Investment Managers. Please go ahead.

Rajit Agarwal: Congratulations on a good set of numbers. I have two quick clarifications and a request. So starting with the clarifications, there was a news item in November 2023 which said that the JV had received approval to set up an ammonia terminal in Gopalpur, Odisha. So that is one, if you can clarify or if you can share more details on it. Second is again there was a news item [inaudible 27:39].

Murad Moledina: Your voice is breaking. We can't hear you.

Rajit Agarwal: I'm very sorry for the delay. I said there were two clarifications. One is regarding the news items that said that the JV has received an approval to set up an ammonia terminal in Gopalpur, Odisha. And the second one was regarding again news item about the IPO of the JV. So if you can throw some more light on them?

Murad Moledina: Yes. About the ammonia terminal in Odisha, we are always looking, like Mr. Raj said earlier, at opportunities and as and when we are able to secure land and permits, we will come up and disclose the same. As of now, it's in exploratory stage. Nothing finalized as of now. So this is one of the many opportunities, which we are always looking to grow and set up facilities.

As far as the second news item is concerned, I can tell you, we always explore many possibilities of funding our capex program and nothing finalized as of now as and when it is, we will disclose it formally to the stock exchange. So this -- as of now, nothing finalized.

Rajit Agarwal: Right. And a quick request. Is it possible that you can incorporate a chart or a table in the presentation with the capacities as on the quarter-end and the projected capacities as of immediate financial year and the next financial year? Would that be...

Murad Moledina: I think we have a capacity chart with the expected coming in, but we cannot go beyond one year time frame or considering only the projects which are actually underway. So you cannot...

Rajit Agarwal: Fair enough. Yes absolutely including that only.

Murad Moledina: Yes, liquid and gas both I think you will find it in our presentation, but point noted, we'll again look into it.

Rajit Agarwal: All right. Thank you. That's it from my side.

Moderator: Thank you. We have our next question from the line of Shivam Dave from Prodigy Investments. Please go ahead.

Shivam Dave: Congrats on the decent set. Most of my questions are answered. I just have one question. How should we expect the distribution volumes kind of shaping up for FY'25?

Murad Moledina: We have always said that we expect to grow between 25% to 30% year-on-year. And we probably expect a step-up more the next year when our two new cryogenic terminals are commissioned. As of now, we are looking towards that club. So I'll leave it on that.

Shivam Dave: And another question I had was that on the KGPL pipeline. Has the volume still set up with the Pipavav port already? Or when does that start flowing in?

Murad Moledina: No, no. Kandla-Gorakhpur pipeline is -- the construction is underway, and the expected date is December '24 as per their guidelines. So the construction is well underway. Once it is completed and commissioned, which we expect in FY '26, we will see volumes coming in from the Pipavav terminal.

Shivam Dave: So that should be about 1.5 million tons per...

Murad Moledina: It will grow. And ultimately, it will be 1.5 million tons, yes. But we'll see how it starts. FY '26 you will see the volumes coming in.

Shivam Dave: Okay. That's it from my side. Thank you. All the best.

Moderator: Thank you. We have our next question from the line of Jolyon Loo from Amiral Gestion. Please go ahead.

Jolyon Loo: Just two quick questions. First on the KGPL, are we expecting any debates for the construction?

Murad Moledina: I think what we see from what is available publicly almost 95% of welding is done of the pipelines. So they have been delivered, placed and welded. 95% is a very good number. So maybe instead of December it could be March, but only now, the last leg is left. I don't see much possibility of any further delay beyond that.

Jolyon Loo: Okay. Fingers crossed. Okay. And my second question is more of the LPG terminal. So as I was looking at the PPAC data, I noted that the national import of LPG grew 31% in the first quarter, whereas our terminal growth is at 15%. So wondering why is there a discrepancy because 6% lower than national import level seems quite drastic. If you could clarify this please?

Murad Moledina: Yes. MoPNG data, I think, does not capture private imports, which is Aegis, Total, SHV, Adani, all of them. So I think you will need to see the fine prints in the MoPNG numbers. As far as our throughput volumes are concerned, I think they will continue to grow at a healthy rate of over 25%, which we have always maintained.

Jolyon Loo: But I suppose to clarify, 21% is just for the national oil and marketing companies. But if you were to include the private imports, what are the numbers be higher than 21% and not lower than 21%? Am I thinking about this correctly?

Murad Moledina: No. Are you -- I'm sorry, I missed it. So what you are saying is their numbers are 21% and our number is 15%. Why so? Was that -- I'm sorry I misread it.

Jolyon Loo: Yes, exactly. That's my question.

Murad Moledina: Yes. So what you have to look at is annual numbers, not quarter numbers, but you will find very low numbers, annual import numbers published by MoPNG. So these numbers quarterly will depend on inventory position on the plan of imports by the national oil companies, they really do not give a correct picture if you try and look at it quarter-to-quarter.

So -- and as far as we are concerned, please keep in mind, Mumbai is saturated. It's not expected to grow much because we are already 90% there. Yes. And therefore, out of our 4 terminals, one terminal is already at 90% throughput capacity utilization. So these two things you have to keep in mind. When checked the yearly numbers, they will be very low as far as MoPNG is concerned, and we would be achieving much more. And as I said, we expect 25% increase in throughput for FY '25, 25% growth over the previous year anyways.

Jolyon Loo: Okay. Thank you so much. That’s all.

Moderator: Thank you. We have our next question from the line of Kunal Ochiramani from Kitara Capital. Please go ahead.

Kunal Ochiramani: All of my questions have been answered. Thank you.

Moderator: Thank you. We have our next question from the line of Yash Dedhia from Maximal Capital. Please go ahead.

Yash Dedhia: Sir, I just want to know one thing that the LPG cryogenic terminal. Is that it can handle VLGC fleet directly that is they don't need to wait at the port. So will the tank automatically have a higher throughput ratio than the normal tank, which is there in Mumbai or say Haldia or anywhere else?

Murad Moledina: Mumbai, Haldia also has got cryogenic -- you are talking about cryogenic tank versus VLGC, right?

Yash Dedhia: Cryogenic tank versus VLGC cryogenic tank, which is what we are doing at Mangalore.

Murad Moledina: Yes. So please, I think there is some confusion with you. VLGC ship berthing is dependent on the port Jetty capability to berth a VLGC. It has got nothing to do with a cryogenic tank.

Yash Dedhia: No, no. I understand that. I understand that. I just wanted to know that, say, for example, at Mumbai, VLGC fleet if comes at berth of Mumbai, then obviously, our tank does not have enough capacity to unload it once -- at one go, unlike our Mangalore tank, which will have a much higher capacity.

Raj Chandaria: I think the answer to your question is that VLGC can do 2 port discharges. So for example if the VLGC port...

Yash Dedhia: Correct. But in order to do 2 port discharges, they will have to stay a little while longer at the port?

Murad Moledina: No, you're right.

Raj Chandaria: I think it will offload and then move to the next drop off point.

Yash Dedhia: Yes. But then it will have LPG still in it....

Murad Moledina: Let me answer that. You are right that in case VLGC berth and if you have cryogenic capacity like in Kandla and upcoming in Pipavav and Mangalore to unload the whole VLGC at one go, there is always a possibility of doing much more throughput because when you evacuate the whole lot -- when you unload the whole lot and then evacuate, probably yes you are right that your strength is more when you have tankage to unload at one go, the whole of VLGC, whereas Mumbai and Haldia may not -- are still good because they can still berth VLGC, they can do a 2-port discharge. But then probably if it would have been more static capacity, then it would have resulted in a little bit...

Yash Dedhia: Throughput ratio.

Murad Moledina: Yes. You are right.

Yash Dedhia: So currently, in Mumbai, what is the throughput ratio between our total static capacity?

Murad Moledina: We are doing a turn of around 80-plus times in a year. So we are -- let's say, the static capacity is 20,000, so we are berthing more than 7 ships in a month.

Yash Dedhia: Yes. 6 -- so 6 and 7 ships and so at Mangalore what will be our ratio at peak -- at its peak?

Murad Moledina: Yes, at its peak with all evacuation modes in place, it would do similar 80x turnaround.

Yash Dedhia: And to do similarly, but this could increase more than 80?

Murad Moledina: No, it is dependent on three things. One is the Jetty should be capable of birthing VLGC, then the capacity should be cryogenic...

Yash Dedhia: Assuming that Jetty is capable?

Murad Moledina: Yes. And to unload the whole VLGC and then the evacuation mode of all three should be there rail, road and pipeline. So when you have all of these things in place then you have 75x plus turnaround which is there in case of Mumbai and also surprisingly we would be able to achieve it in Haldia too, that is possible because we have a higher number of road tanker loading base and the consumption centre is close by.

So therefore, the demand is there, evacuation is there. So in spite of not having rail and pipeline connection yet in Haldia we would still be able to achieve that. So it depends on a lot of things.

Yash Dedhia: Okay. And so typically, the contracts that are customer is for long tenures or short tenures for a year or so?

Murad Moledina: Look, they are only terminaling contract with no MCT and no period kind of lock-in, except for Haldia, where we have a 20-year agreement...

Yash Dedhia: With HPCL. Yes, that is with HPCL. But in Mumbai, so there is no specific contract where they have to...

Murad Moledina: There asked terminaling contract because they also want to be secured that they should not be turned out. So they would always get into contracts which would get renewed periodically, let's say, 3 years, 5 years types of contracts which will keep rolling over.

Yash Dedhia: I'm asking this because -- so there might be a possibilities of other tank coming up JNPT? In that case do we see volume shifting from our ports, our tanks to do larger tank since it is borne by VLGC fleet will not be there.

Murad Moledina: No, no. We are here in Mumbai connected to Mumbai Chakan pipeline. And the consumption zone is in and around, and we are connected to the refineries who are the users. We don't expect any change in -- and we are already saturated here. So the market is not growing. And -- yes, let's see. It's still not there. We will see going forward. But we don't expect any difference in our throughput volumes in Mumbai with whatever capacities that are expected to come in.

Yash Dedhia: Great sir. Thanks. Thank you so much.

Moderator: Thank you. We have our next question from the line of Anil Sarim from K16 Advisors. Please go ahead.

Anil Sarim: Great. So I think this question has been partly answered earlier. I'm referring to the news article that came out that you may be seeking to raise capital in the subsidiary, that AVTL. So I think you have clarified that it's not a done deal and you would be evaluating it on merit as and when the opportunity comes up. Am I right, so far?

Murad Moledina: Yes.

Anil Sarim: Yes. So I just wanted to convey something from the market side. Is that -- as investors, if you pursue that part, I mean, what the -- it's good that you are -- it's good that you need the capital because you are actually seeing an opportunity. But it's not so good from the investor standpoint, from a minority shareholder standpoint because then we get confused whether to own AVTL or to own the parent co, the Holdco. So -- I mean this is just a suggestion from my side.

And I speak on behalf of a lot of people who otherwise would not speak up. Is that -- it would be so much better if you retain that in the consolidated hold and raise money in the Holdco. There is no shortage of capital for the Holdco and the other partner brings their money from their markets and the JV is being capitalized. That would be a suggestion and a request from our side. You may please like to consider that?

Murad Moledina: Noted, but this is too premature discussion. Only when we have decided we will come out with -- whatever path we choose, we will come out with our reasoning for the same. But as of now, nothing finalized. It's premature to get into a discussion on this. Thank you.

Anil Sarim: Great. I had a follow-on on that. We have been -- we have this understanding that the nature of the relationship between the Holdco and the JV is that the Holdco, which is a listed company called Aegis, that is the one which does the project work, which is the one which is in charge of completing the project.

And for rendering that service and handing over to the AVTL, it gets certain compensation and that compensation is substantially enough to make up for the equity component of the Aegis side for the JV called AVTL. So as such, if the compensation for the turnkey project work is adequate. I'm not clear as to why additional capital would be required at least from the Aegis shareholders?

Murad Moledina: Again noted and again a premature discussion because there are so many considerations which one has to take into account when one takes a decision. So as and when we decide on the path that we intend to pursue, we will come up with more details and reasoning for the . same.

Anil Sarim: Thank you so much.

Moderator: Thank you. The next question is from the line of Hemant Agarwal from Everflow Partners. Please go ahead.

Hemant Agarwal: I have a couple of questions based on the competitors, right? So there have been talks about a new LPG terminal like JNPT in number by a competitor. So how do you think that it could affect the volumes for us at Mumbai port? And is there any other ports like Pipavav or Kandla or any other which could get impacted by these terminals that's supposed to come at JNPT?

Murad Moledina: Okay. Let me put some points very clear on all of this. First is that LPG demand is growing at 5% to 7% CAGR year-on-year. So effectively, it means 2 million tons are added every year. And therefore, terminaling space is needed. Second, when you set up -- when you announce and set up, there is a big difference. We have heard of projects in the past you know Chhara, etc which never saw the light of the day.

Third is when you set up any infrastructure, there are some skill sets, which are a must for you to succeed. Number one is least cost setting up of the infrastructure. Second is operating safely. Third is operating it effectively. That is the turnaround. All of these skill sets are there with

Aegis, demonstrated historically, and we see no threat whatsoever with any competition announced or if and when it comes up.

We work very hard year-on-year, not complacent. We keep looking at our infrastructure and ways and means to improve efficiencies and delivering great service to our customers. We work hard on all of those aspects. We have experienced. We have got a world-class partner with us. Funds are no constraint. We are not that dependent. I can go on for another 0.5 hour. So no worries whatsoever of any projects -- projects have been announced and not come up and projects have come up in the past. And we remain very competitive to those that have come up, and we continue to maintain so.

Hemant Agarwal: Right. A very confident answer. Next question I had again was on the line with the competitor itself. So are there any capacity expansions happening for the LPG or cryogenic plant at other ports by any other competitors? And any activity at Dahej or any other ports? And -- as you said, I'm assuming that it's not going to affect our volumes, but do you have any idea of any other capacity expansions happening?

Murad Moledina: At least not to my knowledge under construction any, yes.

Hemant Agarwal: Sure. Thank you. That will be my questions.

Moderator: Thank you. The next question is from the line of Saurabh Shroff from QRC Investment Advisors. Please go ahead.

Saurabh Shroff: First, just a clarification. The new Mumbai liquid storage terminal that we have just got approval for, this will be under Aegis because Mumbai is still part of the Listco and not under the JV, is that the right way to think about this?

Murad Moledina: Yes.

Saurabh Shroff: So this will remain with the Listco. And secondly, sir, just a request. Given that we have sort of one subsidiary, which is the JV and then a bunch of others which are part of the Mumbai business or a step-down subsidiary which is a holdco for the JV or some other assets.

If perhaps you could just in your presentation, just help us understand the breakup of the financials to the extent possible. Because like this quarter, for example, if we see your stand-alone net profit is actually higher than your consolidated net profit and this sort of just leads to a lot of confusion as to how the assets are doing.

So while you may not -- obviously, I appreciate for competitive reasons, we want to disclose asset level information, but at least if you could club it as JV assets versus, let's say, all the assets which are under Aegis, the listed company, I think it would go a long way for us to understand the business better and how things are progressing on the various segments?

Murad Moledina: Thank you for raising this. Very good question. And I request you to refer to our annual report for all the breakups that are there between the standalones, the subsidiaries, etc. But regarding the stand-alone Aegis profit being more than the consolidated profit, let me just highlight here one more event which happened in Q1 was that we realized INR180 crores by -- as envisage in our JV by selling our compulsorily convertible preference shares in our subsidiary AVTL to Royal Vopak as it was envisaged in the JV.

Now this INR180 crores does not come into consolidated profits because of the Indian accounting standard, therefore, it goes and directly sits into results, even though we have realized it in cash. I wish it would have been reflected in P&L to give the correct picture of what we have earned in the quarter. But that's how Indian accounting standards require you to do so. And therefore, you will see it reflected in the stand-alone, but not so in console.

Moderator: Thank you. The next question is from the line of Priyankar Biswas from BNP Paribas. Please go ahead.

Priyankar Biswas: Since Mangalore is the biggest asset that is currently on the pipeline today, so as I'm aware there already exists 2 competitors in that port currently. So what is our USP there that we should be able to probably do better than them and gain market share adequately enough to, let's say, quickly ramp up volumes?

Murad Moledina: Thank you. That's also a very good question. As you are aware, in Mangalore currently, it's the spheres -- LPG spheres that are there and HPCL has got their own terminal. But Indian Oil and BPCL are doing their business through the 8,000 -- I think around 8,000 metric tons of spheres, which even though the port allows VLGC to berth, they are not able to unload because of constraint of static capacity and also these fears are not cryogenic. Therefore, the VLGC has to berth around 5, 6x in order to unload its entire cargo leading to huge inefficiency and high -- very high logistics cost for the national oil company.

What we bring on the table here is a cryogenic terminal of 82,000 metric tons which can unload 2 VLGCs at a time. And the unloading rate is 2,000 -- around 2,000 tons per hour, so we can get the VLGC out in a day or 1.5 days whereas -- because these are spheres, they are very low unloading rate even in addition to very low static capacity. Also, this cryogenic terminal will have rail evacuation. We have connections going forward by pipeline. It will be one of its kind. We are so excited and proud for this infrastructure facility, which would be one of its kind probably in Asia.

Priyankar Biswas: Sir, if I understand correctly, so you will be able to evacuate a VLGC in, say, 24 to 36 hours. So how much time does it take today like at a pressurized terminals that are there right now?

Murad Moledina: The pressurized terminal would have a rate under 400 tons, probably if I am not wrong. And that means that you can then calculate -- several days. And it's a cost which would run into hundreds -- probably INR100 crores on account of inefficiency at Mangalore port on NOC's account. If and when this cryogenic comes up and hopefully, there will be a shift, then it would lead to a lot of savings for our customers that I can tell you for sure.

Raj Chandaria: Just to add some details. I think there is a Total terminal and there's an HPCL terminal there. I think the Total terminal is 8,000 tons of spheres and the HPCL is 16,000 tons. So they're both in today's context of scale. And really as compared to an 80,000 cryogenic terminal, we will be much more efficient and economical in terms of logistics costs.

Priyankar Biswas: Okay. So understood. Sir, also one more thing is like we had witnessed a quarter-on-quarter dip in the LPG volumes in the logistics segment. I guess this would be seasonal probably. So would it be fair to expect like where do we see in the Q2 versus Q1, a jump of around, usually that have observed in your numbers around 150 to 280 quarter-on-quarter. Should that is the reason like you would say like based on the trends that you are already seeing in July for the next few quarter?

Murad Moledina: Yes possible, Priyankar.

Priyankar Biswas: Okay sir. That's broadly from myself.

Moderator: Thank you. In the interest of time, this was the last question of the day. And now I would now like to hand the conference over to Mr. Raj for closing comments.

Raj Chandaria: Okay. Thanks very much. We appreciate the interesting and engaging questions, and I hope we've been able to answer all of them. We are -- I just want to summarize by saying that we are optimistic about the company's future and anticipate further gains in revenue and profitability through improved utilization of our assets and more favourable product mix as we go forward during this year. Thank you again for joining our call and we will speak again in October. Thank you.

Murad Moledina: Thank you.

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