



GAIL (India) Limited

Q1 FY '26 Earnings Conference Call

July 29, 2025

MANAGEMENT: **MR. RAKESH KUMAR JAIN – DIRECTOR (FINANCE), GAIL (INDIA) LIMITED AND
OTHER SENIOR EXECUTIVES**

MODERATOR: **MR. BAIJU JOSHI – MACQUARIE CAPITAL**

Moderator. Hi, good morning, everyone. Welcome to Q1 FY26 Earnings Call of GAIL India Limited hosted by Macquarie. From the management team we have Mr. Rakesh Kumar Jain, Director Finance and other Senior Executives. So, without any further delay, I would like to invite Mr. R.K. Jain for his opening remarks which will be followed by a Q&A session. Over to you, sir.

Rakesh Kumar Jain. Thank you, Mr. Joshi from Macquarie Capital. Dear friends from investors and analyst community and my colleagues present here, a very good morning and warm welcome to GAIL's earning call for Q1 financial year '26. At the outset, I seek my apologies for being eight to nine minutes late because of unavoidable circumstances. There was a heavy rain in morning and a lot of water logging. So, my apologies for that.

I take pleasure to inform that the Durgapur-Kolkata section of Jagdishpur-Haldia-Bokaro-Dhamra pipeline has been completed and dedicated to the nation by our honourable Prime Minister on July 18, 2025. With the commissioning of this pipeline now Bengal Gas will be connected to natural gas pipeline and they need not take the molecule through cascade, and there is a potential of 0.4 MMSCMD for these CGDs on immediate basis once they start taking. One another development on July 23, 2025, GAIL has got PNGRB's authorization for capacity expansion of GAIL's Jamnagar-Loni LPG pipeline. The current capacity as you know is 3.25 MMTPA. With the authorization of expansion this capacity will increase to 6.5 MMTPA. This pipeline will involve a Capex of INR 5,000 crore. And as per authorization, we must complete this project within three years.

GAIL's result for quarter ended June 30th, 2025, have been declared yesterday, and you must have gone through those results. And now I would briefly touch upon the major highlights for this quarter post which we may open the session for queries. GAIL's gross turnover stood at INR 34,735 crore in Q1 financial year '26 as against INR 35,602 crore in quarter four financial year '25, you can say which is almost at same level. Profit before tax stood at INR 2,533 crore as against INR 2,701 crore in Q4 financial year '25. This is down by 6%. And you know mainly because we do not receive dividend income Q1, and that was around INR239 crore in Q4, which is not available. So, this may be one of the major reasons for this.

Further, PBT for Q1 financial year '26 also includes one-off item that is INR 133 crore on account of differential settlement of unified tariff. This pertains to previous period. So, this is a one-off item. The profit after tax for the quarter decreased to INR 1,886 crore as against INR 2,049 crore in Q4 financial year '25 and this is down by 8%, and reasons are same. When we compare with the corresponding quarter for last financial year, that is, Q1 financial year '25 as compared to Q1 financial year '26, GAIL achieved turnover of INR 34,735 crore as against INR 33,623 crore. An increase of 3% in PBT. PBT stood at INR 2,533 crore as against INR 3,642 crore. And profit after tax stood at, this quarter I shared, INR 1,886 crore as against INR 2,724 crore in corresponding quarter last year.

Now I will touch upon the physical performance of the company during the quarter as compared to previous quarter. Gas marketing volume during the quarter stood at 105.45 MMSCMD as against 106.53 MMSCMD in Q4 financial year '25 almost a million difference we can say it's a flat volume sale. And natural gas transmission is also almost flat in Q1 '26 as compared to Q4 '25. So, there was a physical volume transmission of 120.62 MMSCMD as compared to 120.83 MMSCMD in Q4 financial year '25. And our capacity utilization we talk on overall basis it is 58%. If you talk of integrated pipeline system which is our major pipeline system, it is 67%. Polymer production is down to 177 TMT in Q1 as against 215 TMT in previous quarter. And this is normal phenomena. We basically take our annual turnaround shutdown during Q1, and therefore this

reduction in production is because of that reason only. LHC production is almost flat, and it stood at 199 TMT as against 196 TMT in previous quarter. LPG transmission was also flat, it was 1,131 TMT as against 1,132 TMT in previous quarter, and the capacity utilization is 99% during this quarter.

Let me take you to consolidated financials of Q1 financial year '26 as compared to Q4 financial year '25. The consolidated turnover in Q1 financial year '26 stood at INR 35,369 crore as against INR 36,443 crore. PBT in Q1 financial year '26 stood at INR 3,029 crore as against INR 3,240 crore in Q4 financial year '25. Profit after tax in Q1 financial year '26 stood at INR 2,369 crore as against INR 2,492 crore in Q4 financial year '25.

I will also take you through the GAIL's CGDs. As you know we have six geographical area authorized under the GAIL's balance sheet. So, GAIL is having direct authorization of six GAs and has an infrastructure of 212 CNG stations and 4.4 lakh DPNG connections. During the quarter, 2,600 new DPNG connections were added and the physical values remained at 0.46 MMSCMD during the quarter with the share of APM gas at 0.169 MMSCMD and RLNG 0.291 MMSCMD. In the next 2 years GAIL targets to add 85 new CNG stations and around 1,50,000 new DPNG connections.

I will also take you through the performance of Q1 financial year '26 with respect to GAIL Gas Limited. As you know this is our 100% subsidiary. In Q1 financial year '26 turnover of GAIL Gas stood at INR 2,927 crore as against INR 3,051 crore in Q4 financial year '25. PBT increased by 1% and stood at INR 146 crore as against INR 144 crore in Q4 financial year '25. PAT was up by 6% and stood at INR 108 crore as against INR 102 crore in Q4 financial year '25. Physical volume stood at 7.03 MMSCMD. During Q1 financial year '26, GAIL Gas, along with its JV/subsidiaries has added 23,593 new DPNG connections and 3 CNG stations. GAIL Gas with its subsidiaries have an infrastructure of 11,30,000 DPNG connections and 664 CNG stations. In next two years GAIL Gas along with its JV/subsidiaries target to add around 260 new CNG stations and around 2,60,000 new DPNG connections.

I will also take you through the status of ongoing projects which GAIL is taking up. Pipeline projects, majority of pipeline projects viz. Mumbai-Nagpur-Jharsuguda pipeline, as you know this is one of the major pipeline projects we are executing currently. Jagdishpur-Haldia-Bokaro-Dhamra Pipeline, Kochi-Koottanad-Bangalore-Mangalore Pipeline, Srikakulam-Angul Pipeline – all these pipelines are scheduled to be completed during current financial year in a progressive manner. We have one more authorization of pipeline Gurdaspur-Jammu Pipeline, and this pipeline is scheduled to be completed in financial year 26-27. In respect of petrochemical projects as regards the petrochemical projects PP Pata 60 KTA project and 1,250 KTA GMPL, these two projects we expect to be commissioned during current financial year. With respect to PDHPP, that is, 500 KTA plant, this is bit delayed and is likely to be completed in next financial year, that is, FY26-27.

Now I'll also take you through the Capex of Q1 financial year '26. During this quarter, a Capex of INR 3,176 crore was incurred, out of which, INR 536 crore incurred on pipelines, INR 542 crore incurred on petrochemicals. There is equity contribution of INR 1,458 crore, operational Capex and some other Capex INR 549 crore in CGD, E&P, renewables etc.

And now, I will take you through the short to medium-term outlook of GAIL's business. We have been giving you regularly guidance about our marketing margin, and this quarter our marketing margin stood at INR 994 crore. And as per our guidance, which we gave during our analyst meet, annual analyst meet in May, we said that during this year we will earn around INR 4,000 crore to INR 4,500 crore of marketing margin this financial year. As we have already earned INR 994 crore of marketing margin during Q1, we maintain our guidance of INR 4,000 crore to INR 4,500 crore of marketing margins for the financial year '25-'26.

In gas transmission business, this segment has seen the unexpected decline in volume. We gave our guidance when we met with you in analyst meet, we gave a guidance of 138 MMSCMD to 139 MMSCMD volume, and subsequently, we revised our guidance to 132 MMSCMD, and we also share the reasons with you for the revision in guidance. And let me give briefly provide the reasons again- there was a reduction in refinery shippers' volume around 3 million, power sector volume because of early onset of monsoon, we were apprehending at that point of time, and actually it is becoming early onset of monsoon, it's a good monsoon this year, there is a reduction on annual basis of 1.2 MMSCMD in sales and 0.4 MMSCMD of shippers' volume, in all 1.6 MMSCMD in terms of transmission volume. Fertiliser plants, this quarter we have seen unscheduled shutdown of some of the fertiliser plants, and that has also resulted in 1.4 MMSCMD reduction. One of them is KFCL which is currently not operating. Due to above reasons, we revised our guidance, and as you saw that our transmission volume in Q1 was 120 + MMSCMD. And considering the expected transmission volume in remaining nine months, we want to give the realistic guidance, we are not optimistic of around 132 revised guidance. We expect this year on an average basis will end around 127 MMSCMD to 128 MMSCMD of volume. And this is because of the frequent tripping or unplanned shutdown of fertiliser, and there is a slight reduction in CGD volume w.r.t. what we envisaged last year, power, refinery around 0.5 MMSCMD in each of these sectors. Because of these reasons, we feel that our revised guidance of 127 to 128 MMSCMD is achievable, and therefore we want to revise it. In respect of coming financial year, we believe that our transmission volume will increase to 135 MMSCMD to 136 MMSCMD. And this largely will come from natural growth of CGD which is taking place, and various refineries which are coming up, Barauni, Paradip, Haldia, Bongaigaon, Guwahati and some other customers which will be coming up along our new pipelines.

In respect of polymer, polymer production stood at 177 TMT as I shared with you as against 215 TMT in previous quarter. The Pata Petrochemical complex was also under shutdown in April '25. So, there has been a loss of INR 249 crore. And largely why this is, there is a loss, there is actually a reduction in the polymer prices by around INR 1,000/MT as compared to Q4 financial year '25. This is leading to the major reason for reduction and in Q1 we see the shutdown impact also comes. We are taking all the measures to keep our Pata plant at a better level than this level. And we also expect that the current prices of the gas may also soften, so we will be able to improve. But as on date, this is a situation that we lost INR 249 crore on petrochemical plant Pata in Q1. LHC production stood at 199 TMT, I shared with you. We have posted PBT of INR 205 crore and there is a drop of 30% PBT from LHC segment as compared to last quarter, which is primarily the reasons we have shared, the deallocation of APM gas and also subsequently allocation of new well gas which is a costlier gas, and prices of LHC has also reduced by INR 2,000 per metric tonne. I think this is the current quarter the Q1 quarter performance I have shared, and, I have shared our revised outlook and also the outlook of other segments.

And now I hand you over to you, Joshi ji to take us through if any questions our investors and analysts have, we will be happy to answer those questions. I am here and my colleagues from various departments, the Marketing department, the Project Development department, the Finance and City Gas Distributions are here. We will be happy to answer your any of the questions you may have. Thank you very much.

Moderator. Thank you, sir. We will now start with the Q&A session. Participants, please use the Raise Hand feature to ask any questions and in the interest of time please limit the number of questions to 2. With that, we'll take the first question from Nitin Tiwari from Phillip Capital. Nitin, please go ahead with your question.

Nitin Tiwari. Hi, good morning. I hope I'm audible. So, sir, my question is related to the tariff revision that we had guided for in the earlier quarter that most likely we're going to see that revision by the end of first quarter. So, any renewed guidance over there? That would be my first question, sir.

Rakesh Kumar Jain. Actually, in respect of tariff revision we get guidance, we do not give guidance. We continue to follow up with the regulator, and what I can update you about the process part. The regulator has completed the process of consultation. They are now seized with the finalization of tariff, you know, agenda for approval of their board. And we also are following.

Now any timeline if I give, and I have been giving a lot of timelines. If I say it comes in next month or if I say in maybe in October or September, maybe may not be correct. But what I can tell you it has already been ordinatorily delayed. And we as a company are following. We expect that tariff order to come as soon as possible. And if I say in August and I meet you in August, you will say it has not come because it is beyond my control. But we expect it may come anytime from now.

Nitin Tiwari. Got it sir. And sir, my second question is with respect to the petchem business. So, this quarter, of course, was impacted by the planned shutdown that you've undertaken. But can you give us some colour in terms of how the market is looking in terms of product placement and whether we are finding any challenges with respect to placement of our products in the market in terms of pricing etc. And when can we see a more secular trend in terms of profitability in this segment? Because this segment has been suffering with operating losses for some time now.

Rakesh Kumar Jain. Yeah. In terms of product offtake there is no challenge. There is a good amount of demand available in market. We do not even carry these stocks with us. The challenge is largely on price part. We are going through a cycle, the pricing cycle where there is lot of availability of polymer in international market, that is also pushing the pricing pressure to price towards downward.

And second, unfortunately, which we did not envisage last year. The Henry Hub price which we give to our Pata plant had almost doubled which was average Henry Hub price last year was \$1.88 per MMBtu is on an average basis this quarter was \$3.5 per MMBtu. That means the \$1.7 per MMBtu and consequential taxes, the duties and implications, this is putting lot of pressure. So, though we are taking all the measures, let me tell you we are regularly doing hedging for input gas prices to reduce the prices for Pata Petrochemicals, yesterday also we took the hedging around \$3 per MMBtu. So, we try to take all the measures. But in terms of guidance, we do not feel that we will be a very good in petrochemical business in this year. We may be able to reduce our losses. We may be trying to come nearer to breakeven level. But I will not be able to give you any guidance which say that we will be in black during this year as far as petrochemical business is concerned.

Nitin Tiwari. Understood. Thank you so much for answering my questions. I'll get back in queue for further queries.

Moderator. Thank you. We'll take the next question from Puneet Gulati from HSBC. Puneet, please go ahead with your question.

Puneet Gulati. Thank you so much, for your very candid talk. My first question is on your transmission guidance. While you did reduce your guidance for this year, even for next year's you've brought it down to 135-136. Why would you do that if you can share more light on that?

Rakesh Kumar Jain. Every year we'll not see the monsoon like this. Every year we'll not see the tripping of fertiliser plant like this. That is two major reasons which have brought down.

Puneet Gulati. No, even next year I thought was higher earlier, right? I mean, you were guiding for 140 plus.

Rakesh Kumar Jain. Yeah. We have already factored that in. We have now considered the base of the revised guidance of 127-128 to give you guidance for next year. It means we have reduced the abnormality for this year and natural growth, the pipeline which are coming next year for the purpose of guidance. We give guidance which is on ground. I could have revised my guidance of FY27-28 in next quarter. But I feel I should give you guidance which is realistic as on date.

Puneet Gulati. Okay. Secondly, if you can also talk about this differential tariff impact for previous year INR 133 crore. What is the nature of that?

Rakesh Kumar Jain. There is a mechanism in PNGRB that there is a settlement committee which takes the input from the entities with respect to their claim of respective pipeline. Because our claim is based on our pipeline usage. So, there was a differential claim for some parts for previous year. The two previous years are involved FY23-24 and FY24-25. Those claims during settlement we did not submit when last committee meeting took place, and then we submitted our claim and PNGRB has accepted, that's what I understand. That's a claim which do not pertain to this quarter, claimed in this quarter. PNGRB has acknowledged that there was a missing link in terms of our claim. That is that difference, and which continues to happen sometimes it is on higher side, but this time this was a substantial figure. So, therefore, I thought that let us cover in our opening remarks that INR 133 crore is one-off which you should not consider that it is available always.

Puneet Gulati. Understood. That's very helpful. Thank you so much, and all the best.

Moderator. We'll take the next question from Vivekanand S from Ambit Capital. Vivekanand, please go ahead with your question.

Vivekanand S. Thank you for the opportunity. Thanks for the frank and candid guidance on transmission. So, I know you covered some of this in the opening remarks. Could you delve a bit more Mr. Jain on the specifics of the granularity of demand, incremental demand that you expect in FY27 and FY28. FY26 seems to be lost given the first half being very weak compared to last year's base. If you could talk about specific sectors and demand sources that you may have modelled in detail so that we can jot down. Thanks, that's question.

Rakesh Kumar Jain. We have given our revised guidance for 128 MMSCMD. We have been experiencing that CGD is naturally growing at the rate of 12%. There may be some quarter-on-quarter difference. So, even if you consider that demand, almost 5 million on country-level basis the demand comes from CGD Gas distribution. We, being a pipeline infrastructure company, having almost 65% to 70% of pipeline network for GAIL, on a ballpark basis, 3.5 million naturally comes from this sector which has been coming, and this sector is regularly giving.

Second, this quarter we lost a lot of volume. Let me tell you, last year we transported 131 million, this year we transported 120 million, and large part of it was from power sector which was not expected. Today, when I am late, it is because of raining only. So, because of the weather conditions power demand was not there. So, we expect at least 1 million to 2 million on an average basis demand will be there from power sector, which has been there. Then we are commissioning new pipelines like I shared in opening remarks Kolkata section of the pipeline, we are commissioning Mumbai-Nagpur- Jharsuguda pipeline, we are commissioning Srikakulam-Angul pipeline, volume will come from there. And the refineries which I shared, the Barauni refinery, Paradip, Haldia, Bongaigaon, Guwahati. One unique thing happened during this quarter, the alternative fuel prices were down. Therefore, refineries volume also reduced. They also switched over to alternative fuel. In fact, the spot demand which used to come regularly, because of higher gas prices it was not available this time. We do not believe that such situations will always be there. We believe in normal

business, and therefore all these things will give at least 8 million to 9 million volumes, 5 million to 6 million is anyway available. 2 million to 3 million volumes have gone down this year, and there will be natural growth. So, 8 million volume to 9 million volume we expect will be available next year. And this guidance is on realistic basis.

Vivekanand S. Appreciate the colour. Thank you. That really helps, because otherwise it's difficult for us to understand the path from 121 to 135 MMSCMD. Thanks for that. My second question is on the petrochemical investments; you were planning to undertake an ethane cracker investment in Madhya Pradesh. Is there any further update on that? And secondly, can you just also refresh us on the other petrochemical projects that are currently underway where you've already committed capital and the project progress is somewhere in between.

Rakesh Kumar Jain. So, I shared in opening remarks, 60 KTA project we are putting at PP Pata. And it was because of the feed is available at Pata, and another is PDH-PP project at Usar. These two projects are going to be commissioned. The PP will be commissioned during this financial year. PDH-PP will be commissioned next financial year. Regarding ethane cracker, let me tell you, we being a commercial organization, this I have been telling lot of times. We, being a commercial organization and having the wherewithal to invest in new projects, continue to look for opportunities. The Madhya Pradesh is one of that opportunity, we time-to time evaluate. But in respect of decision of investment, we have not taken any decision on investment. Any decision on investment will be taken based on viability of project. Whether that project is viable, what kind of incentives are available. If incentives are available, certainly making it more viable, we have our hurdle rates, we will take decisions. We have not yet taken any decisions. We time-to-time evaluate various opportunities. The ethane cracker is one of those, that opportunity we are reviewing and evaluating.

Vivekanand S. Thank you Mr. Jain for the detailed colour. I'll join back the queue.

Moderator. Thank you. We'll take the next question from S. Ramesh Nirmal Bang Equities. Sir, please go ahead.

S Ramesh. Good morning, sir. So, thank you for the opening remarks and the details you have shared so far. So, if you look at the decision to defer the PDH-PP project, can you highlight the reasons for this? Is there any concern in terms of the margins or is there any physical delay in the progress, and does it impact the capital cost for that?

Rakesh Kumar Jain. Actually, there is no margin concern that for we have delayed the product. We want this project to be completed as quickly as possible. One of the civil contracts, which is causing a problem, there are delays on that part. And that becomes a base part of any project. So, we are regularly reviewing that, and that's the only reason, otherwise nothing more than that.

S Ramesh. So, what is the reason for the reduction in the depreciation from more than INR 1,000 crores to INR 800 crores?

Anjana Sanjeeva. We have assets which are fully depreciated, and any major overhauling or repairs is reflected in depreciation. So, we had carried out overhauling of our compressors which is not there in this quarter. And last year, we had full shutdown at Pata. This year we had partial shutdown at Pata. So, even Pata also major overhauling and major spares were capitalized and fully depreciated. So, that is the change in the depreciation this time.

S Ramesh. Okay. If I might squeeze in one last question. In the gas marketing segment EBIT, between standalone and consolidated there is a downside of around INR 400 crores from INR 1,071 crore to INR 660 crore. What is the reason for that decline in the gas marketing segment earnings in the consolidated entity?

Satish Kumar Sinha Under the standalone, we are including CGD. And under the consolidated we are separately showing CGD. So, profit of CGD has been isolated from the console. So, if you see in the console figure, so we have shown CGD separately. There is a regrouping from Marketing to CGD from Standalone to consolidated.

S Ramesh. Okay, but how can it be such a large swing. That INR 400 crores seems to be a large swing. Is there any negative impact on the subsidiaries?

Anjana Sanjeeva. If you see overall there is no change. We have multiple JVs and associates which are operating in CGD segment, one is GAIL Gas, Bengal Gas. So, it is the impact of those CGDs, the subsidiaries which we have taken.

S Ramesh. So, you 're saying whatever marketing margins you have booked in standalone is shown under the City Gas in this consolidated segment. Is that the way to understand that?

Satish Kumar Sinha Yes.

Moderator. Thank you. We'll take the next question from Probal Sen from ICICI Securities. Sir, please go ahead.

Probal Sen. Yeah, so just one question, a broad question on the direction of crude prices, and what impact it will have on our business. On the one hand, obviously crude prices go up, term LNG prices and any other LNG linked to crude does go up. But what we have seen this peculiar situation where alternate fuel prices had gone down, because of softness which caused lower demand from downstream. So just wanted your view on what scenario you see if, let's say, crude goes up by maybe another \$5 from here. How do you see the mix of demand as well as the input costs playing out for us? That was my first question.

Sumit Kishore. The crude prices as everybody has been talking, they are largely expected to remain in the range of \$60 to \$70 in next few years. However, we have seen earlier also, and which cannot be ruled out is the geopolitical events which keep on happening very frequently, and which tend to push the crude prices upwards on for few months, largely there -- otherwise they are largely remaining at -- expected to remain in the \$60 to \$70. As far as your question is concerned, some of the alternate fuels like naphtha, furnace oil, they are, while they are correlated with the crude oil prices, they are also linked to the refining complexities, and they are consistently remaining subdued, the alternate fuel prices, especially the propane and the naphtha, which are a matter of concern. And what happened, this year, the summer got whitewashed because the spot prices of natural gas never came down. They were not very high. But the summer phenomena didn't happen in the spot gas prices, which has resulted in lower natural gas demand, which could not compete with the alternate fuels. This is slightly abnormal. Normally the natural gas prices are able to compete even with the alternate fuels. And that is why this year all these factors got combined.

Probal Sen. Right. So just as a follow-up, I mean, how do we then look at it? If I look at the next let's say 12 months to 18 months, particularly you also mentioned, I think for petchem that Henry Hub prices, which is also a major component of our sourcing mix, those also have risen. So, if you look at our input cost scenario basically going forward for the next 12 months to 18 months, what do we really see in terms of our margins and pricing for petchem for LHC as well as for the trading or marketing part. Just your view on, just a very broad view in terms of how you see that evolve.

Rakesh Kumar Jain. So petchem, we believe that the prices at the current level, the output prices are currently on a lower side, and we believe that this should be up by may be a few thousand rupees. That is putting pressure. Secondly, as I shared the Henry Hub price which we are using is also not supporting us. Last year, it was substantially down. But as my colleague also said, actually this is not a normal situation which we are experiencing that Henry Hub prices are higher. So, we believe that these prices to be softened and time-to-time we are regularly tracking the market and taking positions in paper market to keep the cost down. So, these, first the optimism, our expectations that price will come down. The second, our actions on paper market will certainly help the Pata Petrochemical to give its improved performance. And how much we can do that is really difficult to predict. But we'll say, we'll be able to improve from the situation we are in today.

Probal Sen. Understood, sir. If I can squeeze in one last housekeeping question. Capex guidance for FY26 and '27, if available. Break up between segments.

Rakesh Kumar Jain. We have CapEx plan of around INR 12,000 crore in financial year '26-27. And that largely will be pipeline projects around INR 4,000 crore. CGD projects a very small CapEx of around INR 200 crore. Petrochemical projects INR 2,500 crore. E&P INR 500 crore. We have net-zero plan, and we are working on that, around INR 2,000 crore. Then operational CapEx INR 1,400 crore. Equity contribution INR 850 crore. And there are other projects INR 500 crore.

Probal Sen. Understood, sir. Thank you so much for your detailed answers. I'll come back in the queue.

Moderator. Thank you. We'll take the next question from Sabri Hazarika from Emkay Global. Sir, please go ahead with your question.

Sabri Hazarika. Yeah. So, sir, regarding this transmission guidance. So, 127 MMSCMD is for the full year average, is that right?

Rakesh Kumar Jain. Yes.

Sabri Hazarika. And what is the run rate currently, the volumes that we have lost, what you have mentioned when we fell to like say around 120 MMSCMD. So, right now fertiliser plants and all they have normalized or right now what could be the run rate? If you 're able to disclose?

Rakesh Kumar Jain. The current run rate is hovering around the average which we expected and around 132 MMSCMD. That means 127 to 130, 131 depending on the day. If it is Sunday, it goes down to the average of 127. If it is not Sunday then it is around 130, 131. And also, it is depending on the weather conditions. So, fertiliser plants are almost now working at a normal level. But then, we are running at around 127 currently, if you talk of July, we are running at around 127, and sometime beyond that. And even some days there will be 1 million or 2 million lower. So, we have worked out how from where this volume will come, because as we are connecting pipelines also that is not factored today. When you talk July, those pipelines are getting connected, those volumes will be added. So, all these we have worked out from where these volumes come. But again, to sum up, we are currently in this month running around transmission around 126, 127, sometime 130, 131.

Sabri Hazarika. And this Dabhol is operating normally this monsoon, right?

Rakesh Kumar Jain. Dabhol, yes, that's a positive for us.

Sabri Hazarika. Okay, sir. And sir, second question is on your this PDH-PP. So right now, how are the margins of PDH-PP?

Rakesh Kumar Jain. When we conceived this project, it was giving us beyond our hurdle rate. And even today, we are expecting around 13% to 14% of project IRR. And that's how we have recently also checked and let us see how it goes. That's the current expectations.

Sabri Hazarika. And this propane will be brought from Middle East only or do you -- are you looking at US and other things?

Rakesh Kumar Jain. We have signed a long-term contract with BPCL for 15 years contract. Wherein they will bring the propane at jetty. One contract is for with respect to jetty, this is a bundle contract, and they will supply us on Saudi CP basis. So that's the benchmark, where from they source, what they do does not matter to us. But for us, index is fixed.

Sabri Hazarika. Okay Aramco CP. Okay, sir. Thank you so much, and all the best.

Moderator. We will take the next question from Vikash Jain, CLSA. Sir, please go ahead with your question.

Vikash Jain. Hi, thanks for taking my questions, and thanks for the presentation, GAIL team and Rakesh-ji. Rakesh-ji, just one since you mentioned that you are at 127 MMSCMD right now in terms of volumes in July as compared to less than 121 MMSCMD for Q1FY26. So, this extra roughly six on an average, is this largely from fertiliser plants now operating normally as compared to the scheduled and unscheduled shutdowns that we saw in the first quarter or is there anything else which is more noticeable? It's primarily that bit. Is it?

Rakesh Kumar Jain. It's primarily that. And, we were not operating our Pata Petrochemicals during first quarter, that was also on shut down. So that is also substantial. So, in terms of major volume, this is from two sectors, the fertiliser and from Pata.

Vikash Jain. And sir, this to give a guidance of 128 MMSCMD means you 're talking of possibly going well above 130 a month, 132 MMSCMD at the exit levels. So, this incremental, is there hope built-in that players like refinery et cetera will come back? And is there that is going to take volumes back to 128 MMSCMD on an average for the year?

Rakesh Kumar Jain. That is part of the working.

Vikash Jain. Okay. And of the current volumes, what proportion is the more price sensitive sectors like refinery and maybe Petrochem, how much is of this 127 MMSCMD that you 're currently doing in July. What proportion is refineries and what proportion is petrochemicals?

Sumit Kishore. See that refinery petchem segment is roughly 20% of the whole basket. And going forward why we are hopeful of achieving this number is primarily because number one, Pata was shut down as sir has already conveyed. There were some scheduled shutdowns of fertiliser plants, but there were also a lot of unscheduled shutdowns. So, all these three factors will not be there going forward. The scheduled shutdowns, the unscheduled shutdowns and the Pata.

And we are still hopeful of some demand coming from the power sector in the late summers like September, October, which normally comes back after the monsoon season, especially when the monsoon this year has happened very early.

Vikash Jain. Okay, sure. And just two last bookkeeping things. One is that this INR 133 crores would possibly -- would be revenues for the gas transmission segment. Just double confirming that, right?

Rakesh Kumar Jain. Yes

Moderator. Thank you. We'll take the last question from Amit Murarka from Axis Capital. Amit, please go ahead with your question.

Amit Murarka. Yeah, hi. Hope I'm audible. Just a question on the PNGRB revision. Like I believe it has been more than one and a half years since we have been talking about it. So, I just wanted to know when this revision happens, it will be prospective, right? Just wanted to confirm that.

Rakesh Kumar Jain. Yeah. Actually, regulation is like this, the month in which the tariff is approved, it is applicable from the subsequent month from the month it is approved. So, if it is approved say in July, it will be applicable in August. Only thing is that what PNGRB does first they approve the tariff, then they ask entities to submit zonal tariff. When we submit the zonal tariff, that is the approval. But that's a very, very small process. So that sometime also delays may be by 15 days. But it will be prospective.

Amit Murarka. Right. So, I mean, I believe three years anyways is the regular timeline for review of pipeline tariff. So we are falling along those timelines now if let's say it getting delayed by further another six, eight months. So, just wanted to reconfirm that like will it still be interim review or how does it work?

Rakesh Kumar Jain. Actually, there is nothing in regulations which is called as interim review. The periodical review happens in five years, but not before three financial years. This time they called for submission of tariff, the PNGRB called because there is a provision in the regulation that if any change in substantial parameters, then either we can approach or they can ask. So, there was substantial change in the parameter in terms of capacity or also in terms of gas prices. PNGRB, when they revised tariff last time, they considered significantly higher capacity. Later they engaged EIL and based on the recommendation of EIL, PNGRB revised the capacity which is downward. Second, they considered the APM price of \$3.61 which are non-existent price, and now they have come out with the regulation that they will consider \$11 as a gas price for fuel consumption. So that's of course they have come recently, but that was in their mind. So, there was the reasons -- they did not follow the regular timeline. And it is in terms of regulation only that can be called for. So, this will -- there is nothing like interim, but you can say because of change in parameter, they can revise an entry. So, in that sense, it is interim.

Moderator. Thank you, sir. That was the last question. Over to you for any closing remarks. Sir, request you to unmute your line for any closing remarks.

Rakesh Kumar Jain. So, thank you very much. It was a nice interaction with you all, and hope we were able to answer to most of your questions. Maybe all the questions. If you or investors may have any more questions, certainly we welcome you. And you can connect with our IR team, and we'll be happily responding to any more questions you may have which we could not answer, or you could not ask. Thank you very much.