August 13, 2025

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Symbol: AEGISVOPAK

BSE Limited
Corporate Relation Department
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Scrip Code: 544407

Sub. : Transcript of the earnings conference call

Dear Sir/Madam,

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 Friday, August 8, 2025 at 12.00 Noon. (IST), for your information and records.

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

The above is for your information.

Thanking you.

Yours faithfully,
For AEGIS VOPAK TERMINALS LIMITED

Priyanka Sunil Vaidya
Digitally signed by Priyanka Sunil Vaidya
Date: 2025.08.13 13:08:32 +05'30'

Priyanka Vaidya
Company Secretary and Compliance Officer
M. No. A64156

Encl: as above

“Aegis Vopak Terminals Limited

Q1 FY '26 Earnings Conference Call”

August 08, 2025

MANAGEMENT: **MR. RAJ CHANDARIA– CHAIRMAN AND MANAGING DIRECTOR – AEGIS VOPAK TERMINALS LIMITED**
MR. MURAD MOLEDINA–NON-EXECUTIVE DIRECTOR- AEGIS VOPAK TERMINALS LIMITED

MODERATOR: **MS. PAYAL DAVE–MUFG**

Moderator: Ladies and gentlemen, good day and welcome to the Aegis Vopak Terminals Limited Q1 FY 2026 Earnings Conference Call. 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.

This call may contain some forward-looking statements which are completely based upon our beliefs and expectations as of today. The statements are not the guarantees of future performance and involve unforeseen risks and uncertainties.

With this, I would now like to hand the conference over to Mr. Raj Chandaria for his opening remarks. Over to you, sir.

Raj Chandaria: Thank you very much. Good afternoon, everybody. I would like to extend a very warm welcome to all the participants to this Q1 FY 2026 financial results discussion.

My name is Raj Chandaria, Chairman and Managing Director of Aegis Vopak Terminals Limited or AVTL. On this call today, I have with me, Mr. Murad Moledina and Ms. Payal Dave from MUFG Corporate Markets and Mr. Murad Moledina from AVTL. So I hope everyone has had an opportunity to go through our investor deck that was uploaded on the exchanges and the company's website.

And I am grateful to everybody in the capital markets, especially our shareholders for warmly welcoming our IPO. Your strong faith in our company's business model, management and industry is deeply appreciated and we are committed to achieving significant growth in the years ahead, while staying true to our mission of delivering sustained value to all our stakeholders over the long-term.

As you are well informed, this is AVTL's maiden earnings call – conference call subsequent to our IPO. It is helpful perhaps to take some time to explore the company's story and to give a clear overview and I trust this will be helpful to all the participants. Now, AVTL is India's largest third-party owner and operator of Tank Storage Terminals for LPG and liquid products based on storage capacity.

Our terminals are strategically located across six major ports on both the east and west coasts of India, offering strong connectivity through roads, railways and pipelines. We benefit from the strong support of our parent companies, Aegis Logistics, which is an Indian market leader with deep experience and strong customer ties in India, and Royal Vopak, a global leader in storage and with 400 years of expertise.

Aegis Logistics launched a strategic initiative which we coined as GATI, Gateway Access to India, which also means speed in the Sanskrit language. And this strategy outlined an ambitious plan to rapidly expand our footprint across the key port locations along India's coastline, aiming to secure a dominant market share in the product that we handle at these ports.

As part of the strategy, Aegis Logistics realized that the growth journey will meet a strong partner and AVTL was therefore created as a joint venture between Aegis Logistics and Royal

Vopak. And AVTL, in summary, AVTL invests in, owns and operates strategic storage infrastructure developed by its parents that support India's evolving energy needs.

Now, over the past few years, we have built a well-diversified and agile business model anchored in a straightforward growth-oriented and risk-averse approach. With 22 operational sites across various ports, we manage a wide range of products ensuring complete diversification.

And our model is designed for flexibility, unbound by any single trade mode, product category or client, allowing us to adapt quickly to market dynamics. The main object of our IPO was to repay or reduce debt, strengthen our balance sheet to support future growth and ensure that the pace of Project GATI remains unaffected.

As highlighted as an objective of the issue, we utilized these funds -- the funds raised through our IPO to entirely repay the bank borrowings of approximately INR2,016 crores. Significantly reducing our debt post the IPO will save interest costs, which is typically around 30 percent of EBITDA for any infrastructure company. And this higher EBITDA will be converted into profit after tax, further improving our earnings per share. An important highlight is that all current CAPEX has been accounted for with the current debt paid out.

Now let me brief you on the progress that we have made since our listing. The key highlight for the last quarter and since our listing is that we have successfully added two cryogenic LPG storage terminals, one at New Mangalore Port with 82,000 metric tons of static capacity and another one at Pipavav Port with 48,000 metric tons of static capacity.

With these additions, our total LPG storage capacity has grown from 70,800 metric tons to 200,800 metric tons. These two terminals were added in the last month and the revenue from both these terminals will start accruing from Q2 of FY 2026.

Now let me take you through port by port, updates on every port.

In the JNPA port, during the past year we have added a terminal with a total storage capacity of approximately 102,000 kilometers for liquid products. We have been allotted an additional 30 acres of land at this port and our board -- the AVTL board has approved on this additional land a capital expenditure of INR1,675 crores towards setting up terminals for liquids, LPG as well as an LPG bottling plant.

In Kandla Port, the existing facilities at Kandla is -- are operating with an improved utilization -- capacity utilization. This asset will see a jump in the volumes with the operationalization of the KGPL and JLPL pipelines which is expected in Q2 of this financial year to which we are, as you may know, well connected. However, another positive initiative at this port is that in a couple of months, VLGC -- very large gas carriers will now start berthing at Kandla Port which will also benefit AVTL's operations at the port as we will be able to unload larger cargo sizes.

We have also acquired an additional plot of land which we name as CRL-4 in Kandla where we shall be setting up a further liquid terminal with a capacity of 94,148 cubic meters and the same will be operationalized in the next year.

Expanding our footprint into ammonia terminaling, in addition to the ammonia terminal at Pipavav, we have signed, I think this is really important, we have signed a non-binding memorandum of understanding with L&T, Larsen & Toubro to set up ammonia terminals at Kandla for their upcoming green ammonia manufacturing facilities.

At Kochi Port, our liquid capacity is operating at a higher utilization. We intend to add further capacity at this port in the near future and we have already been allotted additional land here.

At **Pipavav Port**, as mentioned earlier, we have added LPG capacity at this port with 48,000 metric tons static capacity of a cryogenic LPG terminal and with this expansion, the LPG terminal now stands at 70,800 metric tons. And here at our LPG terminals at this port will benefit immensely, mainly because of the throughput volumes through the commissioning of the Kandla-Gorakhpur Pipeline, the increased LPG throughput through rail and the jetty being enabled to work VLGC. So our liquid terminals at Pipavav are progressing well with higher utilization.

We cater to western India through this port and we are planning in the near future to set up a rail gantry in addition to our LPG gantry, a rail gantry for evacuation of liquid products from Pipavav. Now, as far as ammonia is concerned, we, you know, ammonia terminaling space is concerned, the company is in the process to set up India's first independent ammonia terminal at Pipavav with a static capacity of 36,000 metric tons.

This project is expected to be completed before Q1 of the next fiscal year and this ammonia terminal has a take or pay contract for 15 years to service Hindustan Zinc's up-and-coming diammonium phosphate plant, fertilizer plant in that area.

And ammonia enjoys, also enjoys domestic demand from other local fertilizer and chemical companies and with a stronger demand expected, outlook expected on the back of the government's national green hydrogen mission. And we aim to address this market.

In **Mangalore Port**, as mentioned earlier, we have successfully commissioned, added the cryogenic LPG storage terminal with 82,000 metric tons static capacity last month.

The maiden shipment, the maiden LPG vessel was ceremoniously welcomed in the last month with the inauguration of our LPG loading arm, which made its first pilot discharge without a hitch. And besides the recent announcement, the companies in the previous fiscal year had also added 75,000 kiloliters of capacity in the liquid space and this expanded capacity has been revenue accretive from the start of the current fiscal year. And we intend to continue adding further capacity at this port in the Liquids business in the near future. We've already secured the additional land at this port.

At the **Haldia Port**, our liquid capacity is operating at a higher utilization. We have participated in various tenders to get further land at Haldia, and we look forward to smooth operations and expanded operations at this important port.

In addition to these existing ports, we are looking to expand our presence to the seventh port once we are allotted land and set up additional capacities in liquids at this new port in the future.

As soon as we have some information on this, we will be sharing this obviously, the name of the port and so on with our shareholders.

With all these expansions, we have already reached the capital expenditure of $1.2 billion by next year and we are targeting to reach a $5 billion aggregate capital expenditure by 2030, which would be funded by a mix of equity, internal accruals and utilization of -- prudent utilization of debt with a debt gearing ratio of 0.6 times capped to a 3.5 times of EBITDA.

For achieving the above, the company will continue to explore and pursue new products, new ports and associated infrastructure. We are also, of course, exploring inorganic growth opportunities, acquisitions, and we would like to invest in other related infrastructure that will help us improve our efficiency and effectiveness and make our business model more resilient.

So with that strategic overview, I am now going to hand over to Mr. Murad Moledina to discuss the financial performance for the quarter. Murad?

Murad Moledina: Thank you, Mr. Raj. Hello, everyone. So, Q1 FY 2026 revenue from operations increased by 4.5% sequentially to reach INR164 crores. Revenue from Liquid Terminaling was INR96.9 crores increasing by 4.8% sequentially. This increase in revenue was driven by higher volumes on account of capacity additions and also on account of better product mix.

Revenue from Gas Terminaling division reached INR67.1 crores, that's an increase of 4.1% sequentially. With significant static capacities, which have been recently operationalized, the revenue contribution from Gas division is poised to grow going forward, in fact a step up growth.

Operating EBITDA increased by 3.1% sequentially to reach INR119.9 crores. As highlighted by in the opening remark, we saw substantial reduction in interest cost driven by repayment of borrowings with interest cost decreasing by 37% sequentially. We had interest saving only for the month of June because our IPO closed on 2nd of June.

We will see full quarter impact of debt repayment and interest saving from Q2 FY 2026, the profit growth of 85.1% year-on-year and 15.4% sequentially to INR47.7 crores. Our balance sheet also has been strengthened following full bank debt repayment.

Thank you. I'll now request the moderator to open the floor for question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mayur Patel from 360 One AMC. Please proceed.

Mayur Patel: Hi. Thanks for the opportunity. Murad, just one question, like, in the introductory remarks, it was mentioned that the two new capacities are now onstream and should deliver revenues this quarter onwards. If you can just give us a quick update on the connectivity side, and how things are now commercially operations are on, and how sequentially EBITDA can improve over next few quarters.

Murad Moledina: Yes. So, Mayur, we do not give guidance on what, kind of, throughputs and business are going to come going forward. But what I can tell you is that Pipavav terminal cryogenic once it has started we'll definitely see a growth. As you are aware that this cryogenic has been built to take advantage of the Kandla-Gorakhpur pipeline connection, and Kandla-Gorakhpur pipeline connection is expected to be operational sometime later this year.

However, on account of increased rail evacuation and it's amazing that we are seeing utilization from day one, increasing at Pipavav port, even Mangalore port, we are seeing good traffic and we are pleased with both the commissioning of cryogenic terminal, one at Pipavav and one at Mangalore. Definitely once the hookup into Kandla-Gorakhpur pipeline starts operating, as well as in Kandla the JLPL Pipeline and KGPL Pipeline hookup starts getting operational, we will see a lot of upside. H2 will be very interesting. Thank you.

Mayur Patel: Okay. Thanks.

Moderator: Thank you. The next question is from the line of Aniket Nikumb from ABN Capital. Please proceed.

Aniket Nikumb: Yes, thank you for the opportunity sir and congratulations on a successful IPO. Sir, you've mentioned in the presentation that we are targeting INR1.2 billion of cumulative capex for next year. Now, if my math is right, I think we have around INR4,700 odd crores of equity capital with the IPO. So, would it be fair to say that we will not need to dilute or raise further equity capital to achieve this capex ambition and you will be able to fund this via debt?

Murad Moledina: Well, Aniket, you see, we are going to do with a mix of equity internal accruals and debt. So, we have just completed phase one of our equity dilution, which was 13% dilution. We are mandated by law-to-dilute up to 25% within three years of our IPO.

The second dilution will happen sometime from now, until three years. So, that is one mode of funding that is going to come in. Another is, of course, internal accrual and then, as you are aware that as the bank borrowings have become zero, we again have the ability to fund by debt also, which can again, by Phase 2 equity infusion, be again repaid.

So, the funding for all of that is already in place. We have already announced three projects. One is 1675 crores project at JNPA site. The other one is, which was announced in the last board meeting was 525 crores Pipavav ammonia project. And then there was another liquid project at Kandla in NDDB plot, which was, I think, if I remember correctly, 165 crores.

So, 2,500 crores is already underway. We already are, I think, sitting on a capex of 5,000 crores plus. So, we expect to reach our 1.2 billion by next year capex on an aggregate basis, funded by equity internal accrual and also debt.

Aniket Nikumb: Perfect, sir. No, that's very helpful. My second question, sir, was, typically, as you think of project timelines and so on, would you be able to tell us, just as a rule of thumb, how long does a project take to get commissioned? And then how long does it take for things to ramp up to what you might call a steady state utilization? Obviously, things will differ, but just as a rule of thumb, as you do your capex and processes.

Murad Moledina: So, yes. So, liquid terminals take lesser time than gas terminals. Gas terminals are more complex and cryogenic in nature. So, liquid terminals typically, depending on, what kind of configuration, what kind of size, what location, etc.

So, assuming everything is average, it would typically take 12 to 15 months to complete a liquid storage terminal. That is a thumb rule. It is not exact. And gas terminal would take anywhere between 18 to 24 months, depending on what kind of size, which location and what kind of infrastructure you are trying to build. So, that is typical.

Utilization, we have always said in the past that we follow demand. In case of liquid, because of the extensive flexibility that we have, we achieve full utilization very fast once we commission. As far as gas infrastructure is concerned, we build gas infrastructure to last for some time.

So, you do not become 100% utilized on day one. You create a capacity to last your customers for five-seven years. So, you gradually scale up in utilization. You start somewhere between 25% to 30% utilization and then every year you scale up. And then in five-seven years, you reach full utilization. Mind you, the life of both the assets, are 40 years.

Aniket Nikumb: Got it, sir. No, very helpful, sir. Thanks so much.

Moderator: Thank you. The next question is from the line of Vishal Mehta from IIFL Capital. Please proceed.

Vishal Mehta: Yeah. Thanks for the opportunity. Sir, my first question is on our liquids numbers for this quarter. If I kind of derive the average realization in liquids, one would probably have expected the realization to kind of go up as we've added these new capacities of JNPT and Mangalore in liquid, which were supposedly to come at a better realization or better product mix. So, what happened there, if you could throw some light?

Murad Moledina: Yes. So, Vishal, it's all about product mix. And June 1, if you look at historically, if you would have tracked our parent, it is usually done. And you will see the realization improve from Q2 onwards. And I think the reason is only the mix of product. We have just commissioned in March JNPA and Mangalore. And we start with a lower basket of type that we store. But gradually, you will see more as we change the type of mix, you will see the realization improve. I think H2 would be the right time to look at the realization for CBM in liquid, you will see the complete change.

Vishal Mehta: Sure. Thanks. That's helpful. Second question, sir. Probably, I know that you don't give guidance on throughputs, etc. But post your addition in LPG side at Mangalore and Pipavav, how are the volumes currently trending, if you can give some directional sense, how the last month have been compared to monthly volumes in the previous quarter that would help us?

Murad Moledina: So, we have commissioned two cryogenic additional facilities. And like I said, we are pleased with the way we have started. And the big push is yet to come. And that will come when those pipeline connections start showing the impact on our throughput. So, it's been better than our expectations, the way both determinants have started.

Vishal Mehta: Sure. Okay. Last question, if I may, when are we expecting Ammonia Pipavav to commission by and what sort of volumes are expected to flow from Hindustan Zinc here, if you can share?

Murad Moledina: Yeah. So, we have already said in our opening remark that we expect Q1 of next year, this particular facility to be commissioned, it is actually getting commissioned before time. So, we are very pleased with the progress of the development of Ammonia terminal at Pipavav. We have already signed a takeover pay for around 8,000 to 10,000 tons of the capacity of 36,000 with Hindustan Zinc.

So, that gives a clear cut start. And then we also expect other industrial customers to utilize the Ammonia terminal. They, I would rather put it like they are starved. There is no independent Ammonia terminal operating for their use. So, excited. Yeah. We await the commissioning Q1 next year.

Vishal Mehta: Thank you.. That's very clear and all the best. Thanks.

Moderator: Thank you. The next question is from the line of Koundinya from Jefferies. Please proceed.

Koundinya: Yeah. Hi, sir. Thanks for the opportunity. Sir, starting with a couple of bookkeeping questions. So, what is the throughput in LPG in this quarter and also the utilized capacity in liquid, if you can, and also the EBITDA margins in both the segments, if you can provide some color on those, please?

Murad Moledina: Oh, we have it in our presentation, the throughput for the quarter, which is 522,000 metric tons that we did from Kandla and Pipavav. And as far as occupancy of liquid is concerned, it generally ranges around 80%, but occupancy actually does not rule the revenue, as we have been saying several times in the past. EBITDA margins, sorry, I don't have it on hand, but you can very well actually, it's arithmetic, so you can see it. Yeah.

Koundinya: Okay. Thanks, sir. And so, secondly, in the press release, you spoke about bottling as well at JNPA. So, can you provide some color on the economics of this? How does it work and who takes the pricing risk? Maybe a little bit more.

Murad Moledina: Yeah, yeah, yeah. So we have terminals which have attached bottling plants, which help in our throughput. So what it means is that the customer gets a huge benefit by saving primary transportation cost. So if let's say the bottling plant is not there, then they would have to take the refrigerated cargo of LPG to a bottling plant and incur primary transportation cost.

Now, here they can pack it at the storage site itself eliminating the unnecessary primary transportation cost. So it's an enabler, enabler for us to do more throughput, just like you fill in trucks, just like you put it in pipeline grid, just like you fill rail baggage, you also fill in packed cylinders for the customers to take it there on.

So it's one more evacuation mode and it helps in throughputing, which is our primary objective, more and more usage of our terminal. The revenue and the EBITDA are really not something to be -- of any great significance, but what is important is that it increases the throughput and utilization of your storage terminal.

Koundinya: Understood, sir. Sir, just to be clear, we are not taking any kind of pricing risk here, right?

Murad Moledina: No, no, no, absolutely not. We are a service provider. We do not hold title. We do not purchase sales. We do not hold inventory, nothing.

Koundinya: Okay, sure, sir. Thank you very much. I'll fall back in the queue for more questions.

Murad Moledina: Thanks.

Moderator: Thank you. The next question is from the line of Nidhi Shah from ICICI Securities. Please proceed.

Nidhi Shah: Thank you so much for taking my question. So firstly, you mentioned that you are looking for acquisitions in, say, related infrastructures, parallel infrastructures. So what is the plan out here? What are we aiming for? And what are the kind of assets that we are looking at?

Murad Moledina: So it's organic as well as inorganic. If you look at my presentation and you would see the strategy, the strategy of growth. So it's expanding at current locations, getting into new locations, getting into new energy products and also inorganic growth of acquisitions.

So we call that flight to quality. So what is happening is that there are lots of installations in our business sector where I would rather, I'm sorry to use that word, but there are inefficient operators who have set up the infrastructure and they are feeling the heat now with law having been more stricter and environment being a sensitive issue. So we are seeing a lot of opportunity to acquire assets, which we say that there is a flight from inefficient players to quality players, flight to quality.

That is surely going to happen going forward. And these opportunities, if they fit into our plan and our returns IRR that we have our benchmark, then we would surely look and take up those opportunities. We have done that.

We have done three acquisitions in the past three years. We bought 0.5 million liquid from a friend's group in Kandla. We bought from Ruchi in Kochi, their terminal. We bought a terminal at Mangalore from Nadella. So, we have already done three acquisitions and we will continue doing so as and when those opportunities come within the framework of our IRR, et cetera, which we have set for ourselves.

Nidhi Shah: So, on the interest question, now that the debt has been zeroed out from the company and….

Murad Moledina: Sorry…Sorry

Nidhi Shah: Yes. So on the interest question, now that the debt has been zeroed out from the company, we have seen a reduction, a significant reduction in interest cost this quarter. Are we expecting further reduction? And I understand that you might need some, bridge loan, short-term debt. So, given all of that, what could we expect the interest level for, the rest of the year to be?

Murad Moledina: Yes. So, you take it this way that we have paid off INR2,000 crores loans. So, 8% on INR2,000 crores is INR160 crores.

We have done that for, it will apply for 10 months because that's happened from June 2nd. So, that is the kind of impact you will have vis-a-vis the previous year, the reduction. That's what you should count on.

Fresh debt for fresh capex would normally get capitalized till it is commissioned. So, we expect the commissioning in next year. So, we don't see much revenue hit on account of interest in the current year unless there are some acquisitions or, other things which are not there on the table as of today.

Nidhi Shah: Got it. My last question would be on the realizations of the gas terminal. So, for the gas terminal, by my calculation, I am getting a realization of INR1,500 per ton for FY 2025 and this quarter I am seeing INR1,300. What has caused the drop in realization?

Murad Moledina: So, that is also dependent on, which port. Because we also had some take or pay revenue as far as gas was concerned. In effect, we always say that you need to take an average rate in case of AVTL gas terminal as INR1,300. So, what has happened in this quarter is right. If the realizations are higher, it could be on account of take or pay kind of revenue which we get off and on.

Nidhi Shah: So, the last year, the take or pay that you got, which terminal was this at?

Murad Moledina: Oh, that was at Kandla. I think partly Kandla, partly Pipavav also.

Nidhi Shah: All right. All right. Thank you so much.

Murad Moledina: Thank you.

Moderator: Thank you. The next question is from the line of Neelotpal Sahu from JM Financial. Please proceed.

Neelotpal Sahu: Hi, sir. Congratulations on the IPO and thank you for taking my question. Firstly, can you give us a split of the operating EBITDA between liquids and LPG?

Murad Moledina: I think it's there in the segment, right? The EBIT is there.

Neelotpal Sahu: Yeah, that is the EBIT if you can give us.

Murad Moledina: I can get you. Operating EBITDA, of course, is 119.9 for both the segments put together. I'm sorry, but I don't have it here. Maybe from next quarter, we will start putting it in the presentation itself.

Neelotpal Sahu: Sure. Secondly, just to have a clear understanding, Mangalore is already connected to the pipelines, right? So, once volumes start, they will start going to the pipelines immediately from the next quarter?

Murad Moledina: No. So, Neelotpal, what happens is that Mangalore, as well as any gas terminal you start with, so Mangalore has started with road tankers. So, we are constructing a rail LPG gantry over there, which is expected to become operational in six to nine months from now.

And then we are also in a process to get connected into Mangalore-Hassan-Chirapuri pipeline. So, that will take some more time. So, you start with road evacuation, then you go to rail, and then finally to pipeline. So, it takes normally after commissioning 15 to 18 months to have all the three modes of evacuation operational, and then you see a step-up jump in your utilization.

Neelotpal Sahu: Understood, sir. Thank you. And lastly, would you like to give any outlook for the LPG throughput volumes for the current year?

Murad Moledina: No, sorry. We don't give any outlook on throughput.

Neelotpal Sahu: All right, sir. Thank you for taking my question.

Murad Moledina: Thank you.

Moderator: Thank you. The next question is on the line of Jainis Chheda from Kemfin Family Office. Please proceed.

Jainis Chheda: Yeah. So, sir, my question is with regard to the capex that you have announced for the next five years, which is $5 billion by the end of 2030, can you give us a split in terms of how much will it be towards liquids, gas, and ammonia?

Murad Moledina: No. So, this is infrastructure which will have a huge canvas. So, it will be not just liquid, not just LPG, not just ammonia, but several other new energy products, new ports, even associated infrastructure, new and backward and forward infrastructure also.

So, this is our target that this is what we expect with whatever opportunities that we see. So, you will see several new energy products like we have just entered into ammonia. Likewise, you will see several more products that we will get into, several new ports that we will go and put up our facilities and also, other types of, in addition to simple port-based storage terminals, we would have even maybe industrial terminals, et cetera.

So, it is going to be a mix of lots and lots of types of infrastructure that we are going to put up. It is still not, what has already been crystallized is what is going to happen in this year, and that we have already announced INR2,500 crores and the balance INR2,500 crores I think will follow soon in this year, because those are where we know what is going to come where.

Jainis Chheda: Understood. I completely understand. Secondly, the current year capex which you have given, can we expect that over the next three years, we will be able to utilize it to the peak level or it can be a longer period?

Murad Moledina: I again repeat, liquid starts with full utilization, but the types of products that you store are lower end ones once you start and then you graduate to more complex products and more realization in liquid. As far as LPG is concerned, it takes time 5-7 years and gradually there is an increase in utilization. You generally start with a 25% - 30% utilization when you commence and then every year there is an increase of 20% - 25% over the previous year's utilization. So you scale up and by 5 years - 7 years you become 100% utilized as far as gas.

Jainis Chheda: Understood, sir. And one last question, if I may, it is more to a short-term risk related to tariffs. Will that affect our liquids business by any sense in the near term? I understand it's uncertain right now, but do we see it as a risk?

Murad Moledina: No, no, that is what is unique about our business model is that we are very, very flexible. So the product dependency, customer dependency or trade dependency is also not there. We can handle import, export, even coastal movement, we can handle petroleum, petrochemicals, chemicals, veg oil, we can change product fast.

So that makes it really interesting. We have not seen effect so far on our business on account of so many global events that are happening, the tariffs, the wars, that there are so many things going on last 2 years - 3 years. Fortunately for us, the business model is very robust, very strong and very flexible to absorb so that we remain unaffected by these things.

Jainis Chheda: So in terms of risk, what are the risks that you foresee as a business, from the business perspective?

Murad Moledina: Sorry? What kind of risk that we see, business point of view?

Jainis Chheda: From the business perspective?

Murad Moledina: No. So again, like I said, this is a very closed system that we operate in, the whole infrastructure has, we have always said, has long life and because we construct, so the ability of the group to construct the asset quickly and cheapest, we get back our money very fast and therefore the risk is mitigated to that extent. You will see we have 22 working sites, so we are spread. We are into so many classes of products, liquid, LPG, now getting into ammonia and more energy products that we are getting into.

So we are all the time trying to mitigate risks that come our way and we see, we are on the ground, we see it first. So the risk averse character that we have makes it so very unique that we have already mitigated the risk before it hits us. So that character of being risk averse helps.

And the experience and efficiency and the ability that we have had over the last 50 years that we have operated is a big advantage. The parent lineage helps. We have very, two very strong parents who have loads and loads of experience in this business and that really helps us.

Raj Chandaria: I would just add to that the general economic risk in terms of the Indian economy and so on is something that obviously affects everybody. We would be no exception. But we see India growing at 6%. If by any stretch of the imagination India's economic growth were to decline to say 5%, we would probably see some of our customers reducing their throughputs and so on.

But on the other hand, it could also go the other way that if India's economic growth went to 7% instead of 6%, we would see a significant upswing. So I think the general and one I would just add that by having little or no leverage, we really insulate ourselves from any downswing in the business that might occur for a year or two when the economy slows down.

But I would say that by as Murad said, that they're having a very wide range of products, wide range of customers, wide range of assets. We really have de-risked the business model here at AVTL.

Jainis Chheda: Thank you, sir. I joined the queue. Thanks for the detailed answer.

Moderator: Thank you. The next question is from the line of Chirag Vekaria from Budhrani Finance. Please proceed.

Chirag Vekaria: Yes, I wanted to get a sense of the economics of an ammonia terminal in terms of say a capex, EBITDA per ton, what is the payback, if you can throw some light on it?

Murad Moledina: No, so I can only tell you this, that ammonia terminal is the revenue realizations are three times of almost three times of LPG. Because the – however, the turnaround, which can happen from an ammonia terminal is almost one-third than what can happen in LPG terminal. So it almost equates itself. So you can consider that as almost equal to LPG. However, capex cost is slightly lower, 10% to 20% lower than LPG capex.

Chirag Vekaria: Broadly, sir, what is the payback?

Murad Moledina: Payback, we always follow an IRR of 15% post-tax. So you can accordingly see that the payback would be.

Chirag Vekaria: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Harsh Shah from Dalal & Broacha. Please proceed.

Harsh Shah: Yeah, yeah. Thanks for the opportunity. A few questions from outside. Just firstly, if you give some color on the other comprehensive income, which is kind of around INR217 odd crores for this quarter, what has led to this?

Murad Moledina: Yes, so we follow consolidation in our parent, Aegis Logistics Limited. So we have to take the asset first on the cost and then revaluate to the amount that we have paid. So that is the margin that is earned by our parent who develops the infrastructure. So as you are aware, we have commissioned a INR1000 crores Mangalore LPG project. So that's what it is. It will go to the fixed asset through other comprehensive income in the P&L.

Harsh Shah: So then basically that INR217 odd crores on INR1000 crores, which is close to what 21%, 22% odd percent is the margin which the holding company will have earned?

Murad Moledina: Yes, that is the gap between the cost of material which is used in the capex and the rate at which it is charged. So yes, that is the gap.

Harsh Shah: But then it will not be then reflected this amount in the holding company books of account, right?

Murad Moledina: No, it gets eliminated, because on consolidation, you can't earn from your subsidiary. So it gets eliminated.

Harsh Shah: Got it. Secondly, just a clarification. So on the L&T part, which you said the non-binding agreement. So is that a case wherein you will build and operate or is it build and transfer the ammonia terminal to L&T?

Murad Moledina: No, no, build and operate. L&T, I can't build and transfer. So it is L&T Energy, who is trying to, I mean, they have already started building green ammonia manufacturing facility at Kandla. So it is around, I think 20 kilometers from the jetty.

We are right there bank at the jetty. So we have entered into an understanding, which of course is non-binding at this stage, to build for them the port infrastructure of holding the ammonia. Because it will get manufactured on a daily basis. They can pump it into our storage terminal. Then the ship comes when the size is of some, let's say 10,000 tons or 7,000 tons or 20,000 tons, whatever. And then it is loaded and exported.

Harsh Shah: Yeah. Got it. And lastly, any plans or maybe the $5 billion capex you have kind of announced by FY '30, any plans of maybe getting into L&T terminaling or something of that sort?

Murad Moledina: Never say no, but it has to fit into our economics and our framework like we have always maintained. We follow demand, no flag planting. So as and when we will see the opportunity and that fits into our framework, then we would, why not build? Yes, possible. I'm saying possible, yet not decided.

Harsh Shah: Got it. Thank you. That's it from my side.

Moderator: Thank you. The next question is from the line of Shashi Ranjan from Anandam Hospital. Please proceed.

Shashi Ranjan: Thank you for the opportunity. Hello.

Murad Moledina: Yes, go ahead.

Shashi Ranjan: I have two questions as I am still able to understand the business that you are into. Which segment gives better margin, gas versus liquid? And the time taken to switch from, switching the product mix that is in the liquid segment.

Murad Moledina: So liquid segment depends on what kind of product. Generally, if it's, you know, same kind of product, it takes 48 hours to change. So liquid, there is a lot of flexibility. As far as gas infrastructure is concerned, it's when we build for LPG, we build it propylene rated. So we can store one at a time, but we can store propylene, ammonia, LPG with some twigs if there is a need.

Shashi Ranjan: Okay. And just coming to the Mangalore plant, as you say that the ready-made line is yet to be laid, and using the truck. So, any plan of utilizing the large composites to then for LPG or LPG transportation?

Raj Chandaria: Right now, the Mangalore is serviced by road tankers. And we expect to have a railway gantry built in about the next nine to 12 months.

Murad Moledina: Correct. And a bottling plant also.

Raj Chandaria: And a bottling plant.

Murad Moledina: And also…

Shashi Ranjan My point,…

Murad Moledina: Yeah.

Shashi Ranjan My point, my question was different. It is being moved by truck. I understand that. But there are large composite cylinders, which are light in weight. And that carries a lot of gas through it. And that reduces the operational cost. So my question was, okay, road transportation or tankers are there, but are we thinking of using composite materials for transportation? So that is …

Murad Moledina: This is the purview of the customer. We do it for the customers. The customers bring the cylinders, whether they bring metal cylinder or composite cylinder is up to them. So I think this question would be proper to be directed to the customer who own and use cylinders. We are just service providers. We will fill up, whatever the customer brings.

Shashi Ranjan Okay. Thank you. Thank you. That helps a lot. I'll get back in queue. Thank you for he answer.

Moderator: Thank you. The next question is on the line of Amit Vora from the Homeopathic Clinic. Please proceed.

Amit Vora Good afternoon, everyone. My question was regarding the five billion capex that you said. Sir, what kind of ROC are you looking at?

Murad Moledina: Oh, we have already said that our benchmark RR is 15% for post-tax. So that's what we'll be. And now the return on equity or capital employed will depend on the mix of equity and debt that eventually happens.

Amit Vora Okay. Thank you so much sir, most of the questions for my answer. Thank you.

Murad Moledina: Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. I now hand the conference over to the management, for the closing comments. Over to you, sir.

Raj Chandaria: Thank you. Well, thanks, everybody, for that initial earnings call. I look forward to sharing some good news when we next meet in November. And it should be a very interesting next few years for this company. Thank you. Bye-bye.

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