



मंगलूर रिफाइनरी एण्ड पेट्रोकेमिकल्स लिमिटेड

MANGALORE REFINERY AND PETROCHEMICALS LIMITED

अनुसूची 'अ' के अंतर्गत भारत सरकार का उद्यम SCHEDULE 'A' GOVT. OF INDIA ENTERPRISE

(ऑयल एण्ड नेचुरल गैस कॉर्पोरेशन लिमिटेड की सहायक कंपनी A SUBSIDIARY OF OIL AND NATURAL GAS CORPORATION LIMITED)

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सीआईएन / CIN : L19200KA1988GOI008959 , Website : www.mrpl.co.in

24/10/2025

The Assistant General Manager, Listing Compliance, BSE Limited Scrip Code: 500109, ISIN: INE103A01014 Scrip Code (Debenture): 959162, 959250, 960362, 973692	The Compliance & Listing Department National Stock Exchange of India Limited Symbol: MRPL, Series: EQ, ISIN: INE103A01014 Debt Security: INE103A08019, INE103A08035, INE103A08043, INE103A08050
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Dear Sir/Madam,

Subject: Transcript of Conference Call held with Analysts and Investors to discuss the Un-Audited Financial Results for the quarter ended September 30, 2025.

[Ref: Intimation letter dated 10/10/2025]

Pursuant to provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the transcript of the Conference Call on Un-Audited Financial Results for the quarter ended September 30, 2025, held on October 16, 2025.

Further, we wish to inform that no unpublished price sensitive information was shared/ discussed in the con-call.

The above information is available on the Company's website www.mrpl.co.in.

This is for your information and record.

Thank you.

Yours faithfully,
For Mangalore Refinery and Petrochemicals Limited

Premachandra Rao G
Company Secretary

Encl: A/a

MRPL Earnings Call

2nd Quarter 2025

– **Moderator – PL Capital:**

- Good morning, everybody. On behalf of PL Capital, we would like to welcome you to this second quarter briefing of MRPL. From the management, we have Mr. M. Shyamprasad Kamath, Managing Director, Mr. Devendra Kumar, Director of Finance, Mr. Nandakumar, Director of Refineries, Mr. Deepak Prabhakar, ED Marketing, Mr. BHV Prasad, ED Projects and we also have Mr. Avin, Senior Manager Marketing. Congratulations for the phenomenal performance in this quarter, sir. And I would like to request you to give a briefing, and post that we can open the floor for Q&A. Over to you, sir.

– **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**

- Good morning to everyone. And thank you for joining us on the second quarter earnings call.
- I am Shyamprasad Kamath, MD and CEO of Mangalore Refinery & Petrochemicals Ltd. Along with my leadership team, I will walk you through our Q2 performance, the operating environment we faced, and our near term priorities.
- First, the operating highlights for the quarter:
- Throughput, we processed 4.4 MMT of crude and other feedstocks. We completed our turnaround of one of the complex during Q1. And post that, we have come back fully. And that is how we have been able to display this kind of an excellent throughput, showing our capabilities of the refinery once again.
- Fuel and loss and product ease, the company posted a fuel and loss of 10.42%. Yes, the number is slightly on a higher side because post turnaround, there were some initial hiccups in the plants. But going forward, we expect this to be normal and the target could be around 10% for the rest of the fiscal year.
- Revenue on the financial performance. Revenue from operations came at around 25,953 crores, reflecting the rise in the cracks and the base crude price compared. We reported an EBITDA of 1,565 crores and a PAT of 639 crores and a substantial jump over the last year Q2 and subsequently from Q1 of '25-26.

- On the market context, global refining margins were better during the quarter due to some amount of supply disruptions and the normal growth demand in the country.
- Various agencies forecast tells us that cracks may remain healthy for the rest of the year. However, global markets, as we know, are a complex play of many factors, including demand supply, geopolitical scenarios, etc. Hence, hazarding a forecast may not be appropriate here.
- Domestically, the diesel grew at around 3% year-on-year basis, while the gasoline demand remained resilient at around 7% growth.
- ATF, we saw growth of about 1% year-on-year and going forward, the domestic demand growth is expected to be resilient and our focus on retail outlets will continue to deliver so that incremental margins are delivered for us.
- We expect Q3 also to be above 4.43 MMT of crude processing. And with GRMs already showing stronger in October, that is with the crude price, if the crude price does not fluctuate too much, we should also be able to post good numbers going ahead in the rest of the remaining quarters.
- We will be delighted and open to answer any of your queries.
- Thank you.
- **Moderator – PL Capital:**
- Thank you, sir.
- We will now request participants to raise their hands and introduce themselves and then proceed with the question.
- We have one question from Achal Shah. Let me just allow you to, you can unmute and go ahead.
- **Mr. Achal Shah – Participant:**
- Sir, am I audible?
- **Moderator – PL Capital:**
- Yes.
- **Mr. Achal Shah – Participant:**
- Sir, today's news we saw that there is some uncertainty with respect to the Russian crude sourcing and there is a chance that we may have to stop sourcing from now. So, do you see, sir, any risk to that tune and what is your take on that?

- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- While, yes, there is some kind of a tweet which has come from the US President today. But, you know, there is another news which has also come saying that we will be doing what is best in the Country's interest and that's what the government has made a statement, also made a counter statement.
- Now, going forward, yes, it is not just the Russian barrel that we are going to look at. We have already started looking at other crudes which are available on discount by our own methods of sourcing crude. And on an economic basis, I am confident that we will be able to sail through. Regarding the Russian barrels, we still believe that government may not be, government has been maintaining that what is the lowest cost of energy sourcing that will continue for us. So, we are confident that it will continue in the near future.
- **Mr. Achal Shah – Participant:**
- Understood. And, sir, the final question is with respect to the reported GRMs and any inventory impact on those reported. So, what will be the adjusted GRMs? Can you throw some light on that?
- **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**
- Good morning. This is Devendra here.
- See, following the industry practice and peer companies, we have discontinued reporting GRM in a published kind of way. However, there will be indicative figures for our management consumption. But looking at the overall published results, we should be able to figure out that the GRMs reflect the reality of good cracks in the current quarter. And roughly, I'd say it is double of the previous.
- **Mr. Achal Shah – Participant:**
- Got it, sir. Thanks. That's it.
- **Moderator – PL Capital:**
- Varadha, you can unmute yourself and go ahead with your question.
- **Mr. Varadha – Participant:**
- Thanks. Just a couple of queries from my side, sir. With regard to the use of gas in the system, has there been an increase quarter-on-quarter? And, how do you see it going forward?

- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- We are consuming gas both as a fuel and as a feed. So, on an economic basis, we keep on looking at it and we have been optimizing the gas intake. Going forward, we are hopeful that the gas prices are going to be economical only, for us.
- **Mr. Varadha – Participant:**
- So, at the maximum, what is the kind of amount of gas which you can potentially use in your refineries for both hydrogen as well as fuel?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- Nanda, you would like to give some numbers on that? Nanda, you are on mute.
- **Mr. Nandakumar – Director of Refineries, Mangalore Refinery and Petrochemicals Ltd:**
- Audible now?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- Yeah, you are audible.
- **Mr. Nandakumar – Director of Refineries, Mangalore Refinery and Petrochemicals Ltd:**
- We have a hydrogen unit which can take gas and we have power plants in our refinery as well as in the aromatic complex which has gas turbines. So, both can also consume gas. And in the extreme case, we can even take some gas into our general fuel of the refinery.
- So presently, I think I can put my outer limit considering the refinery and aromatic complex, it will be 0.7 MM SEMD. And with some modification in the near term, probably we can go up to as high as 1 MM SEMD natural gas. Though presently, we are not up to that limit, we are lower because of the economic outlook. The gas is not, to that extent, it is not yet, but we would be able to capitalize on that opportunity.
- **Mr. Varadha – Participant:**
- And with that, what would be the current run rate, sir? You said 0.7 to 1.
- **Mr. Nandakumar – Director of Refineries, Mangalore Refinery and Petrochemicals Ltd:**

- It's close to 0.5, I can say, together.
- **Mr. Varadha – Participant:**
- Sure. Also, in the current quarter vis-à-vis the previous quarter, if you can share any details as to the throughput of not crude but other products, so in the aromatic complex or for that matter any other chemical production, if you can share some volume, has there been a significant increase?
- **Mr. Nandakumar – Director of Refineries, Mangalore Refinery and Petrochemicals Ltd:**
- MD sir, would you like to answer or should I take it?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- I will have to take out the data.
- **Moderator – PL Capital:**
- So maybe we can come back on this question.
- **Mr. Nandakumar – Director of Refineries, Mangalore Refinery and Petrochemicals Ltd:**
- No, I can pitch in. As far as if you see our polypropylene, our operating capacity is still either at design or slightly above the design numbers, more than 100%. And the secondary process unit is also running more than its design number.
- As far as the aromatic is concerned, we produce benzene, which I would say, as a by-product we extract. When we make MS, we need to extract out benzene from the naphtha streams that we take it out. And we also make MTO, mineral turpentine oil. We are also introducing, we have introduced already toluene, which is another aromatic product. So, we are into that. And toluene is actually a small quantity now at present because we have just started the production but we can go. So aromatic complex, presently we are producing benzene as a by-product from the extraction. And the aromatic complex is primarily making reformate which is actually sold as a feedstock also.
- **Mr. Varadha – Participant:**
- That's it. Sir, I'll come back for other questions.
- **Moderator – PL Capital:**
- Thank you, Varadha.
- Akash, you can go ahead and ask your question.

- **Mr. Akash – Participant:**
- Am I audible?
- **Moderator – PL Capital:**
- Yes, go ahead.
- **Mr. Akash – Participant:**
- I just wanted to, just one question. I just want to understand in terms of the sourcing from Russia, how it has moved over the quarters. What's the proportion in the second quarter, current rep rate and what was it in the first quarter and how it's trending?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- Can you, there was some disturbance, can you repeat the question, please?
- **Mr. Akash – Participant:**
- In terms of crude sourcing, what is the crude sourcing from Russia in the Q2? What was it in Q1, and what is, how it is trending in like, I mean, going ahead, how the company plans in terms of crude sourcing from Russia? What's the percentage of the overall crude basket for MRPL?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- See, there has not been much variation from the kind of crude, the Russian barrels that we have been sourcing in the previous quarters, no much variation. Only during the month of, in the first quarter there was some reduction because we had a plant, and to that extent only we have reduced. Or else we are now going back at the kind of levels in which we were there in the previous quarters. There is no change in that.
- **Mr. Akash – Participant:**
- Okay. And so that, that would be around what, how much would that be, like 35-40% or lower than that?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- Yeah, maybe it's somewhere around that number, between 30-35-40%.
- **Mr. Akash – Participant:**

- Okay, that's it from me. Thank you.
- **Moderator – PL Capital:**
- Thank you, Akash. Dhaval, you can unmute yourself and go ahead with your question.
- **Mr. Dhaval – Participant:**
- Am I audible to you?
- **Moderator – PL Capital:**
- Yes.
- **Mr. Dhaval – Participant:**
- So, sir, I have one question regarding the FX. So, does the company have a guidance on where does it see the dollar to be, like INR:USD? And what could be the complete impact on GRMs for the third and the fourth quarter? If you can share light on that.
- Second question I have is around sustainable aviation fuel, given the government has a 1% mandate and IOC has already started some work on it. Is there anything on cards for MRPL as well?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- Yeah, I will take the second question first.
- On the sustainable aviation fuel, we are already implementing a SAF project in Mangalore, which has been mandated to us. It is based on an indigenous technology with a production rate of around a target of 20 kilolitres per day. This is one way. We are also looking at, you know, trying to produce SAF also from co-processing in one of our units. So, we have completed some amount of design works on that. And whatever is the 1% target, we will be ready by the date of, say, January 2027 to meet those targets.
- **Mr. Dhaval – Participant:**
- Okay, that's helpful. I understand that sourcing and all that is in place, right? Because I understand this will be much more expensive. Anyway, if you can answer the question regarding FX, I might later check with you offline regarding sustainable aviation fuel.
- **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**

- See, if you can visualize it, almost 40% of our total turnover is from our export sales itself. And even the domestic sale, most of it is linked with the RTP, which is again based on the international prices. To that extent, we are actually neutral on that account. So, your concern about FX rates having any adverse impact would not be, that is the interpretation would not be fully correct in that case.
- **Moderator – PL Capital:**
- Okay, thanks. That's all. Thank you.
- **Moderator – PL Capital:**
- Thanks, Dhaval. Deepak, you can unmute yourself and go ahead with your question.
- **Mr. Deepak – Participant:**
- Yeah, thank you for the opportunity and congratulations for a good set of numbers.
- So, my primary question will be, apart from the falling crude prices what has contributed to our EBITDA margin expansion?
- **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**
- There are two things primarily, that is from Q1 to Q2. Q1, the throughput was 3.5 against the average of around 4.5 MMT. This year, this quarter we have restored it to the routine 4.5 range. So, a clear jump of 1 MMT approximately from Q1 to Q2. A second is the improvement in the cracks, product cracks. So, our export sales have been pretty good, even the domestic sales, which is linked to that. So, both of them have contributed to Q2 profitably.
- **Mr. Deepak – Participant:**
- Got it.
- And coming to the macros, as America is constantly pushing us apart from the Russian oil, how do you see that over the ground?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- Yeah, on the ground per se, in the Indian context, if I can say, or in MRPL's context, we are not trying to slow down or anything. For us, it is business as usual with respect to sourcing, because we are sourcing those Russian barrels that is available today.

- **Mr. Deepak – Participant:**
- Got it.
- Third but not last, who is your technology partner into SEL?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- It is a domestic developed by EIL and IIP. It's an IIP technology along with EIL.
- **Mr. Deepak – Participant:**
- Got it. Okay, thank you.
- **Moderator – PL Capital:**
- Thanks, Deepak.
- Sumeet, you can go ahead and unmute yourself and ask your question.
- **Mr. Sumeet – Participant:**
- Thank you for the opportunity.
- First is, how many retail outlets are operational right now and what is our road map for the same?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- Yeah, as we speak, we have commissioned about 185 retail outlets in the three states, Karnataka, Kerala and Tamil Nadu. By the end of this year, we target to cross 250, that is the number. And we also plan to add at least another minimum of around 100 to 130 retail outlets on a year-on-year basis from there.
- **Mr. Sumeet - Participant:**
- Okay.
- Secondly, when can we expect a separate reporting of the retail outlet revenue and the international sales?
- **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**
- Right now, we consider that the retail outlet sales is forming a small part of the overall sales and it is in a growing phase. So, till it stabilizes, we would like to keep it on a consolidated basis. And once it takes off on its own, otherwise we will keep comparing the expansion cost and comparing with the sales from only retail

outlets which will not give a correct, true and fair picture. So, maybe next year onwards, as early as next year onwards.

– **Mr. Sumeet – Participant:**

– Okay. Two more questions. One is the Russian crude which we are buying, how much discount we are getting right now?

– **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**

– This is a question which keeps coming up on and off in this forum. See, Russian discount is to be treated at two levels. One is the direct kind of discount which you look at, which could vary anywhere between half a dollar to maybe about four dollars. That is the range we have seen in the past. It is not fixed for each cargo which comes. More importantly, the second part is the timing issue. These are all crudes which are on delivered basis. So, it derisks our timing issue. And just to give a sense of proportion, even if two crudes are at level, the preference will be for Russian barrels just because of the contractual terms. It is on delivered basis.

– **Mr. Sumeet – Participant:**

– Okay, got it. Final question from my side. Are we buying US crude also? And if yes, how much costlier is it because of the logistic cost or other factors?

– **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**

– No, we see any crude that we source is done on an economic basis. So, the US crude is also there in the basket when we carry out the evaluation. Currently, we are not, it is not getting picked up on an economic basis as of now. But going forward, the situation can be different. We did buy a Russian crude in the last quarter of, in the last financial year, we had purchased one cargo of US crude.

– **Mr. Sumeet – Participant:**

– Okay, thank you very much.

– **Moderator – PL Capital:**

– Thanks, Sumeet.

– Indra Kumar, you can unmute yourself and go ahead with your question.

– **Mr. Indra Kumar – Participant:**

– Thank you, sir. My question is regarding the retail outlets. So, if I remember last quarter, we added around 170 retail outlets and right now we have only 185. So,

just wanted to know the incremental addition of outlets from previous quarter to current quarter. Thank you.

– **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**

– In this financial year, we have added almost 18 retail outlets now. And as we speak, another 35 retail outlets are under construction. So, typically the construction period is about 75 to 90 days for constructing a retail outlet and bringing it to commissioning. So, that is where we are today.

– **Mr. Indra Kumar – Participant:**

– Thank you, sir.

– **Moderator – PL Capital:**

– Thanks, Indra Kumar.

– Sir, we have a couple of questions in the chat box. I would like to request you to answer on that one.

– So, first question is any update on proposed Phase 4 expansion or any petrochemical diversification projects and if you could give any timelines or expected capex on that part.

– **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**

– See, there are two parts of it. One based on the refinery streams which were available. The final report on that has come and that is under review now.

– The Phase 4 expansion, the study is also being carried out and that report is also yet to be concluded. Because the current market dynamics are, we are looking at various options on that considering the current market for the petrochemical products.

– **Moderator – PL Capital:**

– Sure, sir.

– The next question is on the isobutyl benzene project that we have said we will be doing a pilot upon. If you could give any timelines for that as to what is the update on it.

– **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**

- The unit is almost ready for declaring a mechanical completion which probably we will be declaring in probably in the next week to 10 days, mechanical completion. And by mid-November to 3rd November, we are confident of commissioning or taking the first trials on this unit.
- **Moderator – PL Capital:**
- Sure, sir.
- Another question is on the payables. Payables seem to have increased in H1. So, if you could give the reasons and if you could also assist us with a normalized level of payables on that.
- **Mr. Avin – Senior Manager - Marketing, Mangalore Refinery and Petrochemicals Ltd:**
- So Avin this side, there is a short term bump in the payables side that will be settled because of contractual terms rate. The payments are getting due in by 15th of October or 16th of October, so it will be settled in these two weeks. Actually, it would have been settled till now also. So, that will normalize in Q3. There is no extraordinary jump or something like that.
- **Moderator – PL Capital:**
- Sure, sir.
- I think, Achal, do you have a follow-up question?
- **Mr. Achal Shah – Participant:**
- Yes, sir. I just wanted to know, so what is the average throughput per outlet we are seeing? How are the outlets performing and why is there any push by private players and even you guys, to expand the retail side?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- I would request our ED Marketing, Deepak, if you can take that question on the average sales per RO.
- **Mr. Deepak Prabhakar – ED Marketing, Mangalore Refinery and Petrochemicals Ltd.**
- Yeah, good morning, Deepak here. So typically, we have been seeing an average sale of about 140 to 160 KL per RO per month. And this is very much in comparison with what other public sector OMCs also achieve. While private sector OMCs, some of the OMCs have higher sale because of a different model. Certain other companies adopt a model of low volume, high penetration. We are approaching it

as a middle path where we would also look at both penetration as well as minimum threshold volume of at least 130 to 140 KL per month per outlet.

– **Mr. Achal Shah – Participant:**

– And, sir, on the part where, why is there a drive to increase both from OMC side and private side for expanding the outlet rather than exporting it?

– **Mr. Deepak Prabhakar – ED Marketing, Mangalore Refinery and Petrochemicals Ltd:**

– So, see, there is a strong, as MD said in the beginning of the presentation, there is a strong domestic growth happening in both MS as well as HSD. So, there is still adequate space in the market for more numbers of retail outlets. And it is also a fact that while there is a lot of concentration in urban areas, as we move to rural areas and to emerging areas like MDRs and state highways, the penetration is not all that good.

– Plus, there is a lot of new highway expansion that's happening within the country. So, these locations also would need to be fed. So that's why there is a significant push towards, not just by the private and standalone refineries, I would say even by the established payers, there is a push towards installing new retail outlets.

– **Mr. Achal Shah – Participant:**

– Sir, just one clarification from CFO, sir. Sir, you mentioned about the de-risking part, the second portion of the Russian discount part. Can you elaborate because I was not able to understand that portion.

– **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**

– The second part is concerning the contractual terms. It is, crudes are delivered normally FOB or delivered, that is the pricing is decided on the date of delivery. So, there is a timing issue. Crudes coming from US is more than a month away. So, you are fixing up the price at the start of the journey. Here the price is fixed, finalized at the delivery point. So, it reduces the timing difference between the pricing when it is actually reaching the refinery gates and when you sell the product after maybe 25 days of processing that reduces the uncertainty in the pricing.

– **Mr. Achal Shah – Participant:**

– Majority will be DES and FOB versus CIF for MRPL?

– **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**

- Yes, Russian barrels are delivered, yes.
- **Mr. Achal Shah – Participant:**
- Understood. Thanks, sir. Thanks for the clarity, I appreciate that.
- **Moderator – PL Capital:**
- Thanks, Achal.
- Somaiya, you can unmute yourself and go ahead with your question.
- **Mr. Somaiya – Participant:**
- Yeah, hi. Thanks for the opportunity. I hope I'm audible.
- **Moderator – PL Capital:**
- Yeah.
- **Mr. Somaiya – Participant:**
- Yeah, thanks. So, first question is on the product cracks. So, we have seen diesel cracks kind of going up. It's almost crossed \$20. And gasoline also is weak. It's also starting to catch up. And also, we have seen some tightening in Naphtha also. Could you give us some color in terms of supply demand dynamics? Is it purely because of some supply outages because of the Russia-Ukraine war that's causing supply crunch and cracks are going up? Or is there anything else different that's happening in the global space?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- There is one more point which is there. There are some of these refineries which are getting closed down. That is also adding into the supply-demand issue. Like we have seen a couple of refineries getting closed down in the US. Australia, we understand only one refinery is operating now. That is also on the verge of probably getting closed down, something like that. New Zealand has practically closed down the refinery. So, apart from the geopolitical things, some of these refineries getting closed down is also pushing the supply-demand imbalance.
- **Mr. Somaiya – Participant:**
- Understood, sir. On the demand side, is there anything else? I mean, demand estimates have been cut down through the year, what started at like 1.2-1.3 has now come down to 0.6 million barrels a day. Is this sustaining at these levels or you're seeing demand to be trending even lower than what was expected in recent times?

- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- The domestic demand, as I mentioned, MS is resilient and we are expecting it to grow. With the recent changes in the GST also, we have seen the kind of sales that have got picked up in the automobile sector. The diesel demand is also, now that monsoons are over and there was a good monsoon, we are expecting the diesel demand also to come back soon. And we are seeing that now. It's almost 2-3% there is a demand for diesel also.
- **Mr. Somaiya – Participant:**
- Understood, sir. Sir, with respect to Russia's sourcing, I mean, these are all on spot basis or do we have some contracts, medium-term contracts for this?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- These are all, I would say, on a spot basis. We don't have a kind of term deals for Russian supplies.
- **Mr. Somaiya – Participant:**
- Got it, sir.
- And also, if the Russian barrels have to be replaced, which will be the ideal mix of crude that we would look for as a replacement?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- It's a very difficult kind of a question which, depending on how the product cracks are and how the demand supplies are, the crude economics change. So, it is difficult to say that A crude will be replacing the B crude. It's basically on economics and given on that particular period of time.
- **Mr. Somaiya – Participant:**
- Got it, sir. Sir, in terms of your CAPEX outlook, how do we look at it for the next couple of years? And also, you know, in terms of deleveraging, how would we look at it?
- **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**
- We do have a normal CAPEX for a refinery like the routine revamping or enhancement of life projects or other smaller projects like sir has just mentioned about the isobutyl project. In addition, there is a CAPEX, ongoing CAPEX for Phase

4, the initial part of it, so, plans are offered. Only thing is we cannot give any concrete details about the Phase 4. The study is still being finalized and to be reviewed internally at the highest of levels. So, that is about the Phase 4, that is the major part. Apart from that, there are some JVs which are under consideration at high level and with the parent company. And it will be taken up as and when something concrete is available. So, sharing any details will be too preliminary at this stage.

- Regarding your second question, just repeat it so that I do not miss out on the accuracy part.

- **Mr. Somaiya – Participant:**

- Yes, sir. The question was more on deleveraging. And also, if you could give...

- **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**

- We have an upcoming SET table at the end of this calendar year. And we are on target, on schedule to pay that from the internal resources. And given the market conditions, we do not expect it to be refinanced. That is our current plan.

- **Mr. Somaiya – Participant:**

- Understood, sir. And in FY26, what is the CAPEX plan for the current year?

- **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**

- CAPEX plan is in the range of typically 1500 crores, that is the normal. If there is any movement on Phase 4, so that will be enhanced suitably. And if there is a major project, then it will be leveraged accordingly. But that is still some time away.

- **Mr. Somaiya – Participant:**

- Helpful, sir. Thank you.

- **Moderator – PL Capital:**

- Thanks, Somaiya. Sir, we have a few more questions in the chat box. We will just take it one by one.

- So, what is the difference in logistic cost from US versus that from Middle East?

- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**

- It could be around, if I could just put up a number, around \$3 per barrel. See, it again depends, US cargoes, at times, we take it on a delivered basis also. So, it is difficult for us to really put a number. And it all, again, depends on the kind of cargo sizes we are talking about. Because typically, US, we will always be looking at a 2 million barrel versus the Middle East, I can always look at a 1 million barrel. Vessel availability, it plays a major role in the freights depending on whether a Suezmax or on VLCC availability, we have seen for a Suezmax cargo, a VLCC is cheaper. So, those kinds of scenarios are also we have been seeing. So, putting really a hard number is difficult. But on a thumb rule, you can say it is \$6 to 7 differential.
- **Moderator – PL Capital:**
- Sure, sir. So, the next question is, what was the split between domestic sales and exports in the quarter 2?
- **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**
- We mentioned, it's about 40% export sales.
- **Moderator – PL Capital:**
- Sure, sir. One person is asking the forex loss that we had of 355 odd crores. Was that on account of crude or crude consumed or account of the crude which is lying in the inventory?
- **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**
- No, forex loss is on account of two things. What you see there, one is the realized, that is on the transaction part and the other is the revaluation of our outstanding ECB loan. So, it's about 100 odd crores on the realized part, on the transaction part and the balance is towards the revaluation which is marked to market. So, it is not something which is sustained. It could get actually reversed if the exchange rates move.
- Secondly, we did discuss some of the forex movement earlier that you don't actually lose out. If there is a movement in foreign exchange, what you see in the expenditure side is actually more like a contra entry, you get compensated on the revenue side.
- **Moderator – PL Capital:**
- Sure, sir. So, another question is, the person is asking about our initiatives towards energy transition like biofuel blending or let's say hydrogen adoption or

decarbonization. Are there any milestones that we intend to complete in FY26, for example?

– **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**

– FY20... No, the projects are on right now. In terms of, say in terms of SAF, I mentioned about the project which is on. In terms of decarbonization, we have a kind of power input project with which we are expecting our carbon emission also to come down. So, that is expected to be commissioned by middle of next year. So, that is a CAPEX project which is also going on.

– **Moderator – PL Capital:**

– Sure, sir. We have next question from Sumeet. Sumeet, you can unmute yourself and go ahead with your question.

– **Mr. Sumeet – Participant:**

– Yeah. Any maintenance planned during the remaining year of the remaining time period of this year or next year maybe?

– **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**

– There is no planned maintenance during the balance of year. I mentioned in my opening remark that we have completed a turnaround of one of the complexes which was due.

– **Mr. Sumeet – Participant:**

– Okay. And the retail outlets which we are opening, are we just focusing on liquid fuels or we are also keeping some provisions for maybe CNG or EV charging stations out there?

– **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**

– Deepak, you would like to take that question?

– **Mr. Deepak Prabhakar – ED Marketing, Mangalore Refinery and Petrochemicals Ltd:**

– Yes. Deepak here.

– Yes, all our retail outlets would feature one alternate fuel option. It could be CNG or it could be an EV charger. We look at it as a mix of requirement of the customers. So, many places we would install chargers which are capable for two

and three wheelers because that is the current market space. And some of the larger highway outlets, we would be also looking at larger charging stations in collaboration with some other companies. So, yes, we do have a mix of all fuels planned for our retail outlet while the focus remains on liquid fuels at the moment.

– **Mr. Sumeet – Participant:**

– Okay. Last question from my side. On the hedging policy, do we hedge anything on the currency part or we just keep it open like?

– **Mr. Devendra Kumar – Director of Finance, Mangalore Refinery and Petrochemicals Ltd:**

– We do a small hedge on the crude purchases, but we do not do hedges in terms of paper transactions and commodities as such.

– **Mr. Sumeet – Participant:**

– Okay. Thank you very much, sir.

– **Moderator – PL Capital:**

– Thanks Sumit. We have a follow up question from Indra. Can you go ahead and ask your question?

– **Mr. Indra Kumar – Participant:**

– My question is regarding the crude sourcing. So, I've seen the result that there has been some sourcing from Kuwait. Just wanted to understand, is there any difference in terms of a minimum discount in crude sourcing from Russia versus Kuwait, whether it is kind of positive as compared to Russia?

– **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**

– Yes, it is slightly positive compared to Russia. That is all I can tell you.

– **Mr. Indra Kumar – Participant:**

– Any number if you can provide, please?

– **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**

– Well, it is difficult to put a hard number there for me because that will be challenging. It is not possible to share that number, but it is slightly at a positive to the Russian bank.

– **Mr. Indra Kumar – Participant:**

- Okay. All right. Thank you, sir. That's all I have.
- **Moderator – PL Capital:**
- Thanks, Indra.
- Gagan, you can unmute yourself and go ahead with your question.
- **Mr. Gagan – Participant:**
- My question is regarding the OMPS, what is the production volume in the last quarter? And if you just give the sense about what are the typically averaged....
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- Can you repeat the question? Gagan, can you please repeat the question?
- **Moderator – PL Capital:**
- Gagan, can you please repeat the question, there was a lot of background noise, the management was not able to hear it.
- **Mr. Gagan – Participant:**
- Yeah. So, my question is that for the OMPLs, what is this production volume in the last quarter, I mean, in the September quarter. And if you can give some sense about some products, what are the prices and this margin, gross margin in dollars per ton basis in the last quarter?
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- I can't right now because I don't have the data right now. But all I can tell you is the complex in the Quarter 2 we have operated beyond 100%. And we were on a reformat mode of operation from that complex and making benzene also. So, I'll have to pull out the data right now, I don't have it.
- **Mr. Gagan – Participant:**
- Okay. Okay. So mostly it's the reformat. Again sir, what is the average realization that will be helpful, sir?
- **Mr. Deepak Prabhakar – ED Marketing, Mangalore Refinery and Petrochemicals Ltd:**
- Sir, can I chip in here?

- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- Yeah, please, Deepak.
- **Mr. Deepak Prabhakar – ED Marketing, Mangalore Refinery and Petrochemicals Ltd:**
- Gagan, OMPL as an entity does not exist. It is a fully integrated aromatic complex for us. And as such, the main purpose of doing the merger was also to operate on an integrated basis. So, we really don't look at OMPL as a separate entity where we need to calculate margins and things like that separately. So, it is part and parcel of our overall refining margin.
- **Mr. Gagan – Participant:**
- Okay. Even if you can give us a sense about the reformat, that the prices that will help, otherwise, okay.
- **Management - Mangalore Refinery and Petrochemicals Ltd:**
- Reformat is typically linked with one of the MS grades, higher on MS grades, typically MOGAS 97 or higher.
- **Mr. Gagan – Participant:**
- Okay. That's fine. Thanks.
- **Moderator – PL Capital:**
- Thanks, Gagan. Achal, you can unmute yourself and go ahead with your question.
- **Mr. Achal Shah – Participant:**
- My final question to Deepak, sir. So, sir, as we see crude moderate further, do you expect any excise duty hike or RSP cut in the MS or HLG price at later update levels?
- **Mr. Deepak Prabhakar – ED Marketing, Mangalore Refinery and Petrochemicals Ltd:**
- No, that's, I think, a question that we will have to answer when the time comes. While we have seen the entire range of cracks and prices in the past one and one and a half years, and we have seen retail outlet prices remain stable, so, we expect that to continue. But then I'm not really anticipating an excise duty change unless, of course, the impact of the recent GST2 has been very significant on the States, but which is not really the case. At least October month indications are that it is fairly neutral. So, it looks as if we may see stable prices going forward.

- **Mr. Achal Shah – Participant:**
- Understood. Thanks, sir.
- **Moderator – PL Capital:**
- Thanks, Achal. Sir, we have the last question in the chat box, where the person is asking a rough breakdown of petrol, diesel, jet fuel for Q2 as well as for first half.
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- Quantity, in terms of quantity, right?
- **Moderator – PL Capital:**
- Yes, either quantity or yield, I think both should be.
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- See, in terms of the live distillates, in Quarter 2 we were at around 30%, 29.8%, compared to 31.4% in Q1. Middle distillates in Q2 was 53.6% versus about 49.6% in Q1.
- **Moderator - PL Capital:**
- Thank you, sir. So that was the last question. So, on behalf of Prabhudas Lilladher, we would like to thank all the participants for their valuable time.
- And we would like to thank the management for giving us this opportunity to host this call and to interact with the investors and give answers in detail for their queries.
- Thank you very much, sir. All the best for the future.
- **Mr. Shyamprasad Kamath – MD and CEO, Mangalore Refinery and Petrochemicals Ltd:**
- Thank you. Thank you all and Happy Diwali to all.
- **Moderator – PL Capital:**
- Happy Diwali, sir. Thank you.
- **Management - Mangalore Refinery and Petrochemicals Ltd:**
- Thank you and Happy Diwali. Bye.
- **End of transcript**