



November 8, 2023

To,
The Secretary,
Market Operations Dept.,
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 023.

Capital Market Operations
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Fl., Plot No.C/1,
G Block, Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Scrip Code: 500003

Scrip Code: AEGISCHEM

Dear Sir/Madam,

Sub. : Transcript of the earnings conference call held on Friday, November 3, 2023

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, November 3, 2023 at 05:30 p.m for your information and records.

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

Request you to kindly take the same on record.

Thanking you.

Yours faithfully,
For AEGIS LOGISTICS LIMITED

MONICA GANDHI
COMPANY SECRETARY

Encl.: as above

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CIN No: L63090GJ1956PLC001032



“Aegis Logistics Limited Q2 FY '24 Earnings
Conference Call”

November 03, 2023



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



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Moderator: Ladies and gentlemen, good day and welcome to the Aegis Logistics Limited Q2 FY '24 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 assistance during the conference call, please signal the operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

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

Raj Chandaria: Thank you very much. Good evening. I am joined by our Chief Financial Officer – Mr. Murad Moledina, and we will be presenting the Q2 FY '24 Results.

At the end of our Q1 Earnings Call, I had mentioned that the Company was very well-positioned to continue delivering on its mission, which is to store and distribute bulk liquids and gases in a safe and sustainable manner. And I am pleased to report that in Q2 we did just that, and in the process have notched up an important milestone. For the first time, we have delivered a throughput volume of 1 million metric tons of LPG in a single quarter, and it was only a few years ago when we celebrated the crossing over 1 million metric tons throughput for the whole year.

So, the liquids business has also performed very well with all the sites operating at a high capacity utilization, including the newly commissioned capacity in Haldia, and the newly acquired capacity in Kandla.

Now this solid operational performance has enabled us to deliver a strong set of financial results for the quarter with EBITDA of Rs. 231 crores and profit after tax of Rs. 150 crores, representing a 48% increase over the same quarter last year. Mr. Moledina, our CFO, will provide more details later in the call.

I would like to provide an update on the progress of the various growth projects since we reported at the end of Q1. Now, as a reminder, these are the projects that we are implementing as part of the Rs.1,750 crores investment program that we announced in June 2023.

The two additional spheres at Pipavav have been completed and commissioned in this quarter representing an additional static capacity of 3,700 metric tons, and these are now ready for business in Q3.

The LPG bottling plant at Kandla has been completed this quarter as well. The new liquids 110,000 kiloliter terminal at JNPT is progressing well and expected to be operational by the end of FY '24.



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New liquids capacity expansion at Mangalore and Kochi is well underway and also expected to be operational by the end of FY '24. And the two major cryogenic LPG projects at Pipavav and Mangalore of 45,000 metric tons and 85,000 metric tons respectively are also on budget and on time. And of course, these two projects represent the bulk of that Rs.1,750 crores investment program.

On a general note, we continue to seek opportunities whether in the form of acquisitions, Brownfield expansions or Greenfield sites, and also in the area of sustainable fuel and new energy, that are consistent with our vision of supporting India's transition to a more sustainable future.

Now looking forward, we expect the strong momentum we have seen in Q2 to carry on for the rest of the year and with the various projects that are underway, we are confident of executing really well on our mission as we move into next year.

I would now like to hand over the line to Mr. Moledina to present the financial performance in detail. Murad, over to you?

Murad Moledina:

Good evening. Both our divisions delivered a strong performance in the last quarter driven by the highest lifetime revenues and profitability in the liquid division once again and highest super volumes in the gas division.

For the group as a whole, EBITDA for Q2 FY '24 was Rs.231 crores, an increase of 26% compared to the same period last year.

Profit after tax increased by 48% in Q2 FY '24 to Rs. 150 crores compared to Rs.101 crores in Q2 FY '23.

Earnings per share also increased to Rs.3.62 as compared to Rs.2.66 in Q3 FY '23, a gain of 36%.

Overall, revenues in Q2 FY '24 did decrease by 43% on a consolidated basis, but that was driven mainly by lower volume and prices in the sourcing business.

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

Liquid has delivered another record performance in this quarter. The revenues for Q2 FY '24 were Rs.117 crores, an increase of 10% year-on-year basis.



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We delivered the highest ever EBITDA for the quarter at Rs.79.5 crores versus Rs.69.4 crores in the previous year, which is a modest increase of 15%. This improved performance can be attributed to the new capacity coming online as well as acquisitions.

Gas has also delivered record volumes in our logistics business, and we experienced stable growth in our distribution business resulting in EBITDA growing from Rs.114.4 crores in the same period last year to Rs.151.2 crore in Q2 of this year. This represents a 32% increase.

Now let me give you volume details of each sub segment:

Throughput volumes. The LPG volumes for Q2 FY '24 handled at all four terminals, Mumbai, Haldia, Kandla, and Pipavav were 1.02 million metric ton versus 830,000 metric tons in Q2 of FY '23, an increase of 23%. This is a lifetime record performance of this sub segment of the business.

There are a number of factors that has contributed to this. Our operations at Haldia Port are getting normalized, Pipavav upgrading the jetty and is now handling several VLGCs. Mumbai continues to operate at full capacity with all three NOC bringing imports and the new terminal at Kandla is also fully operational and delivering on our expectations.

Distribution volumes

We had stable growth in our distribution business in Q2. The volumes increased by 13% as against Q2 FY '23 volumes. The commercial, industrial, and auto segment combined handled 131,000 metric ton in Q2 FY '24 versus 116,000 metric ton in Q2 of FY '23. The margins of this division also remain stable. With Kandla LPG terminal operationally stabilized, we believe that the distribution business will now continue to register steady growth.

Sourcing volume

The sales volume of the sourcing business in Q2 FY '24 was 174,000 metric tons versus 228,000 metric ton in Q2 of FY '23. Overall, revenues in Q2 FY '24 were Rs. 1,181 crores versus Rs. 2,044 crores in Q2 of FY '23, a decline of 45% year-on-year.

This was driven mainly by lower sourcing volume as well as lower international LPG prices as compared to last year. We are not concerned by this that it has low impact on our profits. However, we do expect the sourcing volume and prices to increase and stabilize in the future.

The financial position of the Company remains robust with low debt, strong cash flows, and a solid balance sheet.

With this, I now hand over this line to the moderator to start the question-and-answer session.



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Moderator: Thank you very much. We will now begin the question-and-answer session. We have our first question from the line of Ashwini Agarwal from Demeter Advisors LLP. Please go ahead.

Ashwini Agarwal: So, the question I have has to do with the evolving energy landscape. Off late there has been an increasing amount of concern in the natural gas market where there is obviously a fear that the consumption and demand for natural gas will decline in the years ahead as more of electricity via green initiatives becomes available. At the same time, the production of natural gas from Indian fields has also started to increase. So, I just wanted to understand how we should think about that having an impact on the LPG market and in to your transportation and distribution business in LPG. How do you see this risk playing out over the next couple of years?

Murad Moledina: Well, let me add, let me answer this, and then Mr. Raj can add in case he has any other point. So, there is a very distinct difference between LNG and LPG. LPG 90%, almost 90% of the consumption is towards cooking gas. It's not for power or electricity. However, I can tell you that as far as calorific value of LPG versus LNG is concerned, LNG is 75% less than propane, which is one of the gas in LPG basket.

As far as LPG is concerned, in fact, what we have seen since last year is a distinct realization that propane and LPG are really now coming into forefront of being a very good alternative fuel for industrial use. So, we have seen a huge increase as far as consumption in addition to cooking gas, which, of course, LPG is mostly used for in India. We are seeing a very good demand for propane and LPG as fuel for industrial use.

The classic example is Morbi where once we started our Kandla LPG terminal, we have been doing a lot of distribution bulk sale to that industrial cluster, and now we are looking for more and more industrial cluster to deliver propane and LPG as an alternative fuel.

So, I think, as far as, of course, as you said about supply, LPG and propane do not fall in the same category as LNG. We can easily import LPG and propane into the country. I don't know if Mr. Raj would like to add anything.

Raj Chandaria: No, I think you have covered most of the points. I mean, we are pretty confident. This is not a new debate LPG and LNG, or natural gas coexists around the world. India is a pretty unique situation that LPG actually has been the main fuel for the last 50, 60 years, and it is only recently that LNG and natural gas has started coming in.

LNG and natural gas are much more difficult to handle, much more capital-intensive projects and we don't believe that it represents a serious threat to the growth of the LPG business. Both will coexist. Both will expand. The demand for energy of cleaner energy is definitely there.

And in fact, we think that the LNG price and the LNG supply will be a little more erratic because of the big switch to non-Russian sources of LNG in Europe. So, that's always going to be a



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problem for country like India. When there is a big surge in demand from Europe over the winter, cargos get diverted. And so industrial customers here are looking for alternatives and more reliable consistent supplies, like, which we can give through LPG. So, I think, I am not particularly concerned about that.

Ashwini Agarwal: Would auto gas part of your business be at risk because of the push the government is making towards EV especially in commercial vehicles?

Raj Chandaria: No, I don't think so. I mean, auto gas, our main market is the auto rickshaws in auto gas. In any case, it's not a huge part of our business. It's a small and niche part of the business. We continue to sign up dealers for auto gas. Volume growth is slow, muted, but margins are attractive, and we continue to roll out. So, I am not particularly concerned about that either.

Ashwini Agarwal: Wonderful to hear.

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

Priyankar Biswas: My first question is, can you just, first of all, give us the split of the distribution volumes, like you used to give between auto gas and the rest?

Murad Moledina: Priyankar, that we are not having at the moment. We have stopped giving that breakup, because bulk LPG now almost forms part of, I mean, it's almost 80% of the distribution volumes and packed and auto LPG.

Priyankar Biswas: So, on that related line, so my related question is, so what sort of discount right now is, let's say, propane versus natural gas at this industrial clusters in Gujarat based on your assessment? And what is your outlook given that winter is coming? So, how much this discount can go up?

Murad Moledina: Yes, the discount to what? The discount of propane over LNG.

Priyankar Biswas: Yes, natural gas.

Murad Moledina: I think what one can say is between 15% to 20% would always be there. The calorific value difference is probably the difference which is there most of the time in the year. In a few months, that would so we can safely say that the difference is between 15% to 25%. So, for example, SCM price today would be somewhere around 46 for Morbi. If you divide by 0.75 and of course add VAT of 6%, and then you compare with the LPG price coming into the country, you will see this difference.

Priyankar Biswas: I get that. So, that's broadly clear. So, what is your expectation, like, in the coming few months, as you mentioned, that with the winter there would be pressure on natural gas supplies. So, in that case, would it be fair to say that natural, so the discount will widen like LPGs, Propane



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discount, and possibly you can do better volumes in the distribution? So, how do you look at that segment?

Raj Chandaria:

I think it is expected that LNG price will, of course, go up in the winter, but of course LPG prices also will go up in the winter. They sort of move in tandem. So, I don't think we want to be in the game of predicting exactly quarter-to-quarter how much extra profit we will make from some kind of trading game because we are not really in that business.

But I think what I can say is that the expectation is that since the opening up of our Kandla terminal and our ability to service the industrial clients in Gujarat has become really strong and we are seen as reliable suppliers who have always have inventory to deliver when you need it, and I think a lot of customers appreciate that.

So, I would prefer that we emphasize Priyankar, that Aegis is a solid reliable supplier of energy for your industry and of gas rather than trying to see how we can extract the better price and so on. Obviously, we will try our best.

Murad Moledina:

But I think just to add here, looking at what you said coming winter and the supply constraints as far as NG is concerned, I can actually safely say that the path is more difficult for NG rather than propane or LPG going forward from here on. Yes, definitely.

Priyankar Biswas:

So, my understanding is then ideally in such a case, then the volume should improve. I mean, distribution volumes, let's say, the next few quarters if that be the case. Is that understanding correct?

Murad Moledina:

That also depends on what mix we would like to do because it's a balance between throughput and distribution. So, it is not necessary that, as you know, supplies always need to be planned, shipping etc. So, it depends on number of factors, but yes, definitely margins would vary looking at what is the ground situation as far as supply of NG and supply of LPG is concerned.

But we do expect a steady, like we have always said, steady increase in distribution volume year-on-year from now on, again I repeat that LPG is becoming, or propane for that matter, is becoming a very good alternative fuel for industrial use. So, that is established beyond doubt. We started a year back, and if we look back at the last 12 months, I think this is established beyond doubt.

Priyankar Biswas:

Just squeezing in just one last question from my side. So, given that you have done 1 million ton plus. So, what exit level of volumes are you looking for FY '24? And I know Kandla will be ramping, and all this considered. So, what sort of exit volumes are you targeting?

Murad Moledina:

We don't usually give guidance on volume, but as you would have seen run rate, we expect that to maintain or slightly improve going forward in Q2 and Q3. So, yes, we would definitely be



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close to 4 million looks like. So, we did 3.33 and as we had anticipated last year there would definitely be a growth of 20% from where we were the previous year.

Moderator: Thank you. We have our next question from the line of Ankur Shah from Quasar Capital. Please go ahead.

Ankur Shah: Sir, can you throw some light on the distribution business? Because like you mentioned that now LPG is becoming a good alternative use for industrial purposes, so can you throw some light which industries are open to using, like, except for the tile industry, where all in India we can actually scout for pockets and go there and distribute? Can you just throw some light on that?

Raj Chandaria: I think, obviously, the ceramic business, as you mentioned, is a big user. But it's been used in paint shops, automotive, , steel, and a number of wherever natural gas is being used in industrial applications. Pet chems is another one. So, I think LPG has a number of industrial uses. I mentioned, as I said, steel, paint shops, in automotive pet chems. These are sort of some of the alternative uses of LPG.

Ankur Shah: So, from a future growth expansion point of view, have we identified pockets from where we will be further expanding this distribution business?

Murad Moledina: Yes.

Ankur Shah: Because right now what I understand is Morbi, primarily Morbi. Apart from that, is there any scope?

Murad Moledina: We have also started supplying Himmatnagar, etc. So, there are hubs. But at the moment, we are focused on Gujarat more, but we are supplying in Maharashtra, in West Bengal to steel, like Mr. Raj said, to steel companies, to other companies, which have energy requirement and are using alternative fuels like natural gas or whatever other fuel. Like, even in our own terminals, we have replaced furnace oil fuel with LPG for generating for heating our tanks. So, there are multiple areas which are there.

Ankur Shah: And second question is on, sir, any outlook on the Kandla-Gorakhpur execution? Like, when will the throughput start?

Murad Moledina: Kandla-Gorakhpur I think is what the NOCs say that they expect the first phase to commission by end of December '24, and the work is progressing well. We also have no reason to believe otherwise. So, should start January '25. Phase 1 of KGPL work is in full swing.

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



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- Yash Dedhia:** Just one question. Because of these geopolitical tensions that we are having with Qatar as of now, so do you see any risk on our business because of that specifically related to both gas and liquid?
- Raj Chandaria:** You know, we have been through this scenario many times in the past at least 25 years that I have been associated with the LPG business and so on. There has been wars. There has been all sorts of things. So, you know what? I don't think so. I mean, definitely there has been an elevation of the prices and some kind of premiums on insurance and so on, which do affect shipping. But I don't think it's going to be a major impact on the underlying business. You know, we might see some elevated prices for a short period of time, but generally, I don't see a problem.
- Yash Dedhia:** And what percentage of our end sourcing would be coming from Qatar?
- Raj Chandaria:** From Qatar specifically?
- Yash Dedhia:** Yes.
- Raj Chandaria:** No, I don't think Qatar is a major supplier. I mean, we definitely, we buy cargo from everywhere, Saudi, Qatar, from a whole bunch of sources.
- Murad Moledina:** Oman.
- Raj Chandaria:** Oman. So, we are not specifically geared towards Qatar.
- Yash Dedhia:** But would you have a rough estimate of the percentage business from that country?
- Murad Moledina:** It's basically AG or Arabian Gulf. It's never a country specific.
- Yash Dedhia:** And secondly, in terms of the growth plans from here on, so, I think, earlier we were looking at 20%, 25% growth overall. So, given that we do have some projects, but a substantial amount of capacity expansion is not coming through. So, how do you see growth panning out?
- So, for example, in the gas division we are not fully utilizing our capacity. So, how do you see that ramping up in the coming year? And in terms of in liquid division, I think we are already there, and the growth which is coming via CAPEX is not very high. So, how do you see these these capacity expansion projects Etc sort of helping us grow in revenue terms?
- Raj Chandaria:** So, if I understand your question correctly, you are asking that this 1,750 crores expansion program that we are currently executing, you are asking is that going to contribute to our growth? Is that what you are asking?
- Yash Dedhia:** No. So, for example, so these 1,750 crores, I guess that is coming from end of next year, if I am not wrong the impact of that.

Raj Chandaria:

Yes.

Yash Dedhia:

So, that would not help us grow in the next financial year, for example. But in terms of the existing things that we are having in place, I think in the Liquid division, the capacity expansion which is happening is only like less than 10% of our current capacity, and we are fully utilizing it already. And in gas wanted to know how will the ramp up happen given that we are not utilizing this fully?

Murad Moledina:

So, let me take that. Liquid, we were 1.6 million. We should touch 2 million beginning next year. So, that's 20%. So, that's done, liquid, 35% of EBITDA, 20%, that that will bring the growth.

As far as gas is concerned, we have always said that the assets are never the CAPEX or the throughput capacity is not put up to exhaust in two, three years. It gradually keeps increasing, and over a period of seven, eight years, it achieves 100% of the capacity that has been set up.

So, all our terminals except Mumbai which has already reached its 100%, so be it Pipavav, Kandla, Haldia, we will see two types of growth. One is a gradual natural growth which per se LPG is witnessing, which is 12% in imports and 7% overall. So, that will be natural gas.

However, there are several things in each of our three terminals which will also give step up growth. For example, in Pipavav, when KGPL comes up and is commissioned at the end of December '24, which is in the next financial year, you will see a step up growth over there.

As far as Kandla is concerned, the more distribution, the more throughput, we are also connecting there in GLPL pipeline as well as KGPL pipeline and the distribution. Also, you will see step up growth as and when this happens in the next year. And Haldia also. So, whatever we are anticipating next year and whatever we are saying that we will see a growth of 25% year-on-year looks well on the horizon.

So, it is not that only the new CAPEX will bring the growth, but of course, definitely, the new CAPEX, like I said, liquid, everything is happening by FY '24 and gas well before FY '25. So, those also will contribute. And as far as next year is concerned, of course, this new CAPEX will play a bigger role in the growth of FY '26 and FY '27.

So, maturing of current assets, the growth of the current terminals, and the new CAPEX would lead us all the way to FY '27 like we always say that we see this visible now on the growth which we always say on our call.

Yash Dedhia:

And finally, sir, on the 1,750 crores expansion, what kind of, let's say, a project IRR, an equity IRR are we targeting?



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Murad Moledina: See, it is like our hurdle rate is always 15%, and we expect for every Rs. 100 CAPEX somewhere around 20% EBITDA. And we have said that in the past, that because we will be geared, or we will aim to gear at 0.6, the return of equity would then end up close to 30%, between 35% and 40%.

Moderator: Thank you. We have our next question from the line of Harsh Beria, a professional investor. Please go ahead.

Harsh Beria: My first question is about our Gujarat Pipavav expansion. So, I think Gujarat Pipavav of the port Company is investing some 90 million in building a new LPG terminal. So, how does this business work? Do they then put up the terminal for bidding and then do we handle the logistics on their behalf? Or does the port handle the logistics or the terminaling operations themselves?

Murad Moledina: Good question, and you are right. Both would happen parallel. So, like we have already announced an expansion and a setting up of cryogenic terminal with a capacity of 45,000 metric tons in Pipavav, that would be timed with the jetty which the port is constructing, the LPG jetty. So, the KGPL pipeline which also has a manifold in Pipavav, the VLGC jetty being constructed by Pipavav Port and the refrigerated terminal capacity of 45,000 metric ton, which is being set up by Aegis. So, all three being set up by different people, for example, KGPL by the IHB and the jetty by Pipavav Port and the cryogenic facility by Aegis.

However, currently, the Pipavav Port has already upgraded its present jetty to berth VLGC. So, it's not that we have to wait for VLGC to come till the new jetty is constructed. VLGC have already started berthing at Pipavav Port just a few months back.

And just to add here before all the three things, that is the KGPL pipeline, the VLGC jetty, and the cryogenic, we have also constructed a very classic LPG rail gantry. And you can see in the news, it's breaking a record every single month. Probably, we would be filling up the highest number of rakes from any LPG terminal in India from Pipavav. Close to 60, 70 rakes a month are being filled up and dispatched all the way to North of India, which is landlocked. So, that's how Pipavav is turning into a very good LPG center so to say to import and distribute LPG in India.

Harsh Beria: Thank you for answering this question in a lot of details. It helps clarify our operations there. So, sir, what is the utilization of our Pipavav operations, like, how much throughput would be doing on our static capacity in there?

Murad Moledina: We do not give that terminal wise throughput volumes. We give overall volumes, but it is doing very well.

Harsh Beria: My next question is about our distribution business. So, sir, we also have a joint venture with Itochu where we do sourcing for PSUs. We participate in tenders, but now that we also have a



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significant volume in distribution. So, does the sourcing for this is done via our joint venture or do we buy directly from the open market at the ports?

Murad Moledina: Wherever we get it at a better price, we do that. So, yes, but our joint venture partners do help us in procuring LPG for our distribution business also. But it's not restricted only to the JV partner. There are other players from whom we do procure if we get it at a better price.

Harsh Beria: So, the reason for asking this question was, so I want to understand how much of our sourcing volumes is for our own distribution setup versus what we do for other PSUs or participation for other PSUs?

Murad Moledina: The sourcing volumes which we give are entirely for others, not for our own distribution business, because this is supplied by our Company in Singapore. So, what we buy for our distribution is directly from vendors other than our JV Company. So, it could be Itochu. It could be anyone, anybody else.

Harsh Beria: And my final question is, so we did a very big transaction a couple of, a year back, and we were expecting to do some announcement in other liquids and other chemical handling capabilities, but so far what we have heard is largely expansion into liquid and more expansion into LPG, and it's good to hear that we are doing cryogenic LPG now. But like what is the business plan on other businesses for which we had such a big cash pile. Can you talk a little bit more about this?

Raj Chandaria: Sure. We certainly are looking at and actually handling now increasingly different products which are, for example, more sustainable. There is a very special deal that we have entered into in Pipavav, for example, for handling renewable fuels. So, a number of different initiatives are under way, but if you are referring to the new energy projects or ammonia and things like that, we are still working on that, and definitely the moment we actually have some concrete things to announce, we will be announcing that, but nothing concrete at the moment.

Harsh Beria: And if I am allowed one more, it just came to my mind. So, we have announced our expansion in JNPT where one of the peers is also setting up or planning to set up an LPG unit, and if you look at how Aegis has moved in the past, we first move into liquids, and then we go into LPG. Can you talk a little bit about the competitive landscape at JNPT?

Raj Chandaria: What was your question? Can you comment about what?

Harsh Beria: The competitive landscape at JNPT port?

Raj Chandaria: No, we are not going to comment on other competitors' plans except that right now we are focused on our liquid project, and we always assess on it day-to-day basis, but no real comments on what somebody else is doing.



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- Moderator:** Thank you. We have our next question from the line of Rajesh Agarwal from Moneyore. Please go ahead.
- Rajesh Agarwal:** So, there has been recent announcement by the Government of India, after the state elections, the subsidies in LPG will increase, and they will give more subsidy for LPG for the cooking fuel. So, will this help with our logistics volume?
- Raj Chandaria:** Well, I mean, the more subsidy they give, obviously, hopefully, more LPG continues to be consumed because it's inexpensive. Then we are happy because all the main national oil companies will be through-putting more volume through our terminal. So, if the subsidy continues, then so be it. That's great.
- Rajesh Agarwal:** And second question, so the expansion which we are doing in all this LPG and cryogenic, can the tanks can be used for other gases also?
- Raj Chandaria:** Yes. I mean, not simultaneously, obviously. Once a tank is commissioned for gas, for LPG you have to use it for LPG. But if you empty it out, it is possible to convert it to other uses, other gases of a similar nature. For example, propylene or ammonia, both could go into this infrastructure, into this type of infrastructure.
- Rajesh Agarwal:** So, it can have a multi-purpose use.
- Raj Chandaria:** Yes, but not simultaneously, obviously.
- Rajesh Agarwal:** And so last question, the recent pollution crackdown in Delhi or in Mumbai, we are hearing about it. So, will it affect the LPG gases or our terminals in JNPT or in Mumbai?
- Raj Chandaria:** Well, on the contrary that's one of the things we are very happy about that the more we can push on sustainability and pollution, the more there will be a move towards cleaner fuels like LPG. So, we are actually very happy about that.
- Moderator:** Thank you. We have our next question from the line of Dr. Amit Vora from The Homoeopathic Clinic. Please go ahead.
- Amit Vora:** So, sir, I see the gas margins better this time as compared to the last financial, last quarter Q2 '23. So, any reason for that? Why do you see that?
- Murad Moledina:** We have always said that the margins would range between 3,500 to, I mean, 2,500 to 3,500 on a blended basis, and that's where it remains, you know.
- Amit Vora:** The sales were less comparatively last year, but the margins are better. The EBITDA is better this year. So, that's because of the throughput or the?



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- Murad Moledina:** Increase also, yes.
- Amit Vora:** And any guidance for this financial year? As you said previously also, you may still maintain that 25% or 20% to 25% guidance as compared to last year.
- Murad Moledina:** Yes, very much on the horizon. So, fingers crossed. Yes.
- Moderator:** Thank you. Ladies and gentlemen, due to time constraints, that will be the last question for today. I would now like to hand the conference over to Mr. Raj Chandaria for closing comments. Over to you, sir.
- Raj Chandaria:** Thank you very much. So, as I reiterated in my opening remarks, the Company continues to execute really well on the program that we have laid out. As I mentioned also, quarter-to-quarter, we remain vigilant to continue performance, but we have our eyes firmly on the big picture, which is that Aegis is now one of the leading infrastructure entities for India's energy requirements for LPG and also in the liquid side, and really we remain confident that this momentum that we have picked up is going to continue for at least the next 2, 3 years as Murad has mentioned. So, thank you very much for your continued interest in the Company, and we will speak again at the end of January. Thank you.
- Moderator:** Thank you, sir. On behalf of Aegis Logistics Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.