

Petronet LNG Reports 25% Profit Decline in Q1 Amidst Market Headwinds



Petronet LNG Limited, India's largest importer of liquefied natural gas (LNG), announced a significant 25% decline in its consolidated net profit for the first quarter of the fiscal year 2025-26. For the period ending June 30, 2025, the company reported a consolidated net profit of ₹824.44 crore, a notable drop from ₹1,100.76 crore in the corresponding period of the previous fiscal year. This financial performance, detailed in the company's filing on Friday, July 25, 2025, reflects various market and operational challenges.

The downturn in profitability was primarily driven by lower volumes of LNG imported, a direct consequence of subdued domestic demand. A key factor contributing to this reduced demand was the early onset of monsoon rains across India, which led to a decrease in power generation requirements from gas-fired plants. Additionally, some fertilizer plants, significant consumers of natural gas, underwent scheduled maintenance shutdowns during the quarter, further impacting demand for regasified LNG.

Petronet's Dahej LNG import terminal in Gujarat, a crucial facility for the company, processed 207 trillion British thermal units (tBTUs) in the April-June quarter, a decrease from 248 tBTUs in the same period last year. The terminal operated at approximately 92% capacity utilization in Q1, compared to an impressive 110% in the prior year's comparable quarter, according to the company's chief executive, A.K. Singh. This lower utilization directly impacted the company's revenue from operations, which fell by 11% to ₹11,879.86 crore from ₹13,415.13 crore year-over-year.

Despite the quarterly financial challenges, Petronet LNG remains focused on strategic expansion. The company's board has granted in-principle approval for an additional investment to develop a 5 million metric tonnes per annum (MMTPA) land-based LNG terminal at Gopalpur, Odisha. This project, with an overall approved value of ₹6,354.80 crore, marks Petronet LNG's first greenfield LNG terminal on India's East Coast and is expected to be completed in approximately three years. This shift from an earlier plan for a Floating Storage and Regasification Unit (FSRU)-based terminal reflects changing market dynamics and a long-term vision for enhancing India's energy infrastructure.

The company is also actively working to recover significant "Use or Pay" (UoP) dues from customers under long-term regasification agreements, with gross dues totaling ₹1,421.56 crore as of June 30, 2025. Petronet LNG, a joint venture formed by the Government of India and promoted by major public oil and natural gas companies, continues to be India's largest LNG importer, handling approximately 74% of the nation's LNG imports. While the recent quarter presented headwinds, the long-term outlook remains tied to India's growing energy demand and Petronet's strategic infrastructure development.