Operator: Ladies and gentlemen, good day and welcome to the Indian Oil Corporation Ltd. Q2 FY27 Results Call, hosted by Antique Stock Broking Limited. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. I now hand the conference over to Mr. Varatharajan Sivasankaran from Antique Stock Broking Limited. Thank you, and over to you.

Varatharajan Sivasankaran – Antique Stock Broking: Thank you, ma'am. Very good morning, ladies and gentlemen. It is my pleasure to welcome all the participants, as well as the management of Indian Oil Corporation. We have with us today Mr. Anuj Jain, Director (Finance); Mr. Nitin Kumar, ED, Corporate Finance and Treasury; and Mr. Pramod Jain, CGM, Treasury, along with his team. I would like to hand over the call to Mr. Anuj Jain for his opening remarks. Over to you, sir.

Anuj Jain – Director Finance: Thank you. Dear investors and analysts, a very good morning to all of you. I take this opportunity to welcome all of you to the conference call organized by us following the announcement of the second-quarter results for financial year 2026-27.

I trust you have had an opportunity to review the financial results and accompanying disclosures published on our website and the stock exchanges, along with the updates shared with you. In today's call, we would like to walk you through our performance for the quarter gone by, provide some insights on the broader macroeconomic context, and also share with you the strategic initiatives we are pursuing to strengthen our position as India's largest energy company.

Before I move to the operational and financial highlights, let me briefly touch upon the evolving geopolitical developments and their implications for the global energy markets. We are meeting at a time when geopolitical tensions continue to drive volatility in global energy markets. Following the onset of US-Iran hostilities towards the end of February 2026, global crude oil prices witnessed a significant spike. The Indian basket crude price, which averaged around USD 65-70 per barrel in February, remained above the USD 100 per barrel mark during most of Q1 financial year 2026-27.

During Q2, crude oil prices remained relatively moderate, with the Indian average basket largely ranging between USD 85-95 per barrel during July and August, before witnessing renewed upward pressure amid escalating geopolitical tensions in September. Supply-side uncertainties continue to persist, with disruptions to commercial shipping in the vicinity of the Strait of Hormuz, coupled with elevated freight and war-risk insurance costs. The Indian basket has remained above the USD 100 per barrel mark on a sustained basis since September, averaging around USD 120 per barrel in October 2026.

Amid these heightened geopolitical uncertainties and evolving global crude trade flows, IndianOil continues importing secure, reliable, and economically competitive crude oil grades from diverse countries while managing the challenges of high market volatility. Logistics challenges in terms of ships, insurance, freight costs, among other things, remain a cause for concern. Amid the disruptions, we diversified our sourcing by increasing imports from other geographies such as Russia, Venezuela, Brazil, and even some African countries, thereby ensuring continuity of crude oil imports to maintain our planned refinery operations. Spot imports for the half year stood at about 87%, against 50% during the last financial year.

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As regards our performance for Q2 financial year 2026-27, we reported a net profit of Rs.21,630 crores, compared to a net loss of Rs.2,661 crores in the preceding quarter and profit after tax of Rs.7,610 crores in the corresponding quarter of financial year 2025-26. From a half-year perspective, PAT was Rs.18,969 crores, as against Rs.13,299 crores in H1 financial year 2025-26. Higher inventory gains and multiple other factors contributed to profitability for the period.

Revenue from operations during this quarter stood at Rs.2,62,936 crores, against Rs.2,75,972 crores in the preceding quarter of this year. Revenue for the corresponding quarter of financial year 2026 was Rs.2,02,992 crores.

Beyond navigating the near-term challenges in the global energy environment, IndianOil continues to focus on strengthening operational excellence across its integrated business. Our refining capabilities, extensive pipeline infrastructure, and nationwide marketing networks remain key strengths in ensuring supply reliability, improving operational efficiencies, and supporting the country's growing energy requirements. At the same time, we continue to pursue opportunities in cleaner energy and emerging businesses as part of our long-term growth strategy to support India's evolving energy requirements and transition objectives.

Hence, the operational and financial highlights will now be presented by Mr. Nitin Kumar, Executive Director, Corporate Finance and Treasury, IndianOil. Thank you.

Nitin Kumar - Executive Director Corporate Finance and Treasury: Thank you, sir. Dear investors and analysts, a very good morning to you all. Kindly note that today's discussion may include forward-looking statements, which are based on currently available information, assumptions, and expectations, and are subject to uncertainties that could cause actual results, performance, or achievements to differ materially from those expressed or implied. Participants are advised to refer to the company's latest filings with regulatory authorities for a more detailed discussion on the risks and uncertainties.

Before turning to our numbers, let me briefly touch upon the macro backdrop against which this quarter played out. The quarter saw a notable shift in the global macroeconomic environment. Developments in West Asia pushed crude prices higher and revived inflation concerns, taking global sovereign bond yields to multi-year highs. Central banks responded firmly. The US Fed raised rates by 25 basis points in September, and the RBI followed suit in October with a 25-basis-point repo rate increase to 5.5%, reinforcing its commitment to price stability.

Coming to the forex market, the rupee remained highly volatile during Q2 of this financial year. It depreciated to a quarterly low of about 96.58 per USD in July after US-Iran escalations. However, it recovered to around 94.5 per USD, aided by strong FCNR(B) inflows under an RBI facility. The rupee could not hold the gains and closed the quarter at 95.84 per USD after the Fed rate hike. Recently, the rupee recovered to below 95 per USD after RBI measures. The rupee is expected to remain volatile amid this uncertain global geopolitical environment.

On the growth front, India continues to stand out. The IMF has raised India's financial year 2026-27 growth forecast to 7%, well above global growth of 3.1%, citing resilient domestic demand. That strength is reflected in energy demand. As per PPAC data, domestic consumption of petrol, that is MS, and diesel, that is HSD, grew by 8.5% and nearly 7.5%, respectively, in Q2 of financial year

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2026-27 compared with Q2 of financial year 2025-26. This provides a strong foundation for demand across our businesses.

The average price of crude, that is, the Indian basket, declined to $96.16 per barrel in Q2 of this year from $100.74 per barrel in Q1 of this year. However, the ongoing US-Iran conflict and heightened geopolitical uncertainties continue to exert upward pressure on global crude oil prices, keeping energy markets volatile.

Now let me briefly touch upon the quarterly performance highlights. While navigating a volatile global energy environment, we have continued to balance market stability with commercial considerations. Our strong volume base, extensive marketing network, and focus on operational efficiencies and product-mix optimization provide a sound foundation to support earnings amid resilience and position us to benefit from an improvement in marketing margins as market conditions evolve.

Talking about the numbers, let me now briefly touch upon the major verticals.

Refineries: During the quarter, refineries achieved crude throughput of 18.1 MMT, with capacity utilization of 102.3%, compared with throughput of 19.2 MMT, with capacity utilization of 109.4%, during the preceding quarter. For the corresponding quarter of financial year 2025-26, throughput was 17.6 MMT, with capacity utilization of 99.4%. On July 12, 2026, Panipat refinery became the first IndianOil refinery to produce all-weather-grade high-speed diesel, reinforcing IndianOil's commitment to meeting the fuel requirements of the nation's armed forces operating under extreme conditions.

Pipelines: During the quarter, pipeline throughput was 25.3 MMT, with capacity utilization of 64.3%, vis-à-vis 28.5 MMT during the preceding quarter, with capacity utilization of 79.9%. During the corresponding quarter of financial year 2025-26, capacity utilization was about 66.7%, with throughput of 24.1 MMT.

Marketing: Total sales volume during the quarter was 25.228 MMT, compared with 26.211 MMT during the preceding quarter and 24.262 MMT in Q2 of financial year 2025-26. During the quarter, 126 retail outlets were commissioned, taking the total number to 43,245. Under a significant strategic development, IndianOil signed a sales purchase agreement with the State Trading Corporation of Mauritius under the G2G framework MoU between the Government of India and the Government of Mauritius, pursuant to which IndianOil will meet 100% of the requirement for motor gasoline, gas oil, that is HSD, and Jet A-1 ATF of Mauritius on a delivered basis for the next 5 years.

Petrochemicals: The sale of petrochemical products, including exports, [cut off]

Management: ...during this quarter was 0.858 MMT, compared with sales of 0.768 MMT in the preceding quarter.

Gas: During the quarter, we registered gas sales of 1,933 TMT, which includes CGD sales of 76 TMT, compared with total gas sales of 1,873 TMT, including CGD sales of 67 TMT during the preceding quarter. In a significant development, IndianOil has been entrusted with developing the gas supply infrastructure for the supply of natural gas in the Andaman and Nicobar Islands. IndianOil has signed

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a 25-year gas sale agreement with NTPC Vidyut Vyapar Nigam Limited, a subsidiary of NTPC, for the supply of regasified LNG to the upcoming gas-based power plant in the Andaman and Nicobar Islands. Additionally, IndianOil is also developing floating storage and regasification unit, or FSRU, based infrastructure to supply natural gas to power plants in the islands.

Renewable Energy: IndianOil is working to strengthen its position at the forefront of India's biofuel and energy transition agenda, aligning with the nation's twin objectives of energy security and decarbonization. Across hydrogen and green hydrogen, ethanol, biodiesel, CBG, and SAF, the corporation continues to scale commercial capacity and deepen its partner ecosystem. As informed earlier, TerraClean Limited, our wholly owned subsidiary, is working in renewable energy activities, including wind and solar projects. The company has received connectivity approvals for 2.65 GW capacity from the Central Transmission Utility, that is CTU, and the State Transmission Utility, that is STU. Further, the company has been allotted 423 acres of land in the state of Uttar Pradesh for the development of a solar power plant of around 100 MW. TerraClean Limited is aggressively exploring commercial and industrial customers across India to provide reliable green power through long-term power purchase agreements under the group captive open-access mode.

Capex: During April to September '23, the company incurred total capex of 12,162 crore, encompassing investment across all verticals. The revised capex target for financial year '23-'24 is 32,700 crore. These investments are aligned with our long-term strategic roadmap and national energy priorities. In September 2023, the Paradip PX-PTA project was mechanically completed. Commissioning activities are in progress. The major refining expansion projects in Panipat, Barauni, and Gujarat are at advanced stages of execution and are targeted for completion during '24-'25. Phase-wise commissioning of process units, utilities, and off-site facilities is being undertaken in a structured manner to enable progressive capacity buildup and integration.

Borrowings: With respect to borrowing levels, borrowings as of September 30, 2022-23 were at the Rs.1,16,578 crore level, compared with Rs.1,41,453 crore as of June 30, 2023. The reduction in borrowing levels is primarily driven by higher profitability and favorable working capital changes. As of September 30, 2023, the company's gross debt-to-equity ratio stood at 0.54, reflecting a comfortable leverage profile. After adjusting for financial investments, the net debt-to-equity ratio further strengthened to 0.35, positioning us well to pursue growth opportunities, absorb market volatility, and maintain financial strength across cycles. With this, I take a pause and request the Director (Finance) for his further remarks.

Management: Thank you, Lalit. I would like to extend my sincere appreciation to our investors and all stakeholders for their continued confidence and support. We remain focused on delivering consistent performance, maintaining financial discipline, and strengthening our competitiveness while creating sustainable long-term value for our shareholders and all stakeholders. With that, I will end our briefing here. We would now be happy to take your questions. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the

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question queue assembles.

The first question is from the line of Probal Sen from ICICI Securities. Please go ahead.

Probal Sen – ICICI Securities: Good morning, sir. Thank you for the opportunity, and congratulations on a very strong set of numbers. Firstly, can I have the refining margins for this quarter broken down into core and inventory gain, as you generally provide?

Management: You can note this down. During quarter two '23-'24, we had gross refining margins of $18.52 per barrel, excluding SAED, and considering the SAED impact, the GRMs stood at $36.67 per barrel.

Probal Sen – ICICI Securities: Sorry, 36.67?

Management: 36.67. This is for Q2.

Probal Sen – ICICI Securities: Okay. And, sir, the inventory number—is it possible to share it roughly?

Management: In Q2, basically, on an overall basis, we had a benefit of 6,900 crores on account of inventory gains. That is the broad number.

Probal Sen – ICICI Securities: Thank you. The second question was with respect to the crude sourcing environment. If we can get a sense of what kind of premium we are paying right now on top of benchmark crude, in terms of what we see on the exchanges, and what the actual premium on the ground is that we are paying right now on a blended basis. The second part of that question is whether we can get a sense of what percentage of crude is from Russia and whether we are also looking at Venezuela as a potential import. If you can throw some light on this?

Management: As you know, crude oil prices have remained highly volatile during this quarter as well. Since, I think, March, we have been facing significant volatility in crude oil prices. Therefore, it is very difficult to give an exact number because it depends upon various factors, whether it is FOB, DAP, geographies, freight cost, or type of crude. But I will give you a broad number: on a benchmark basis, crude oil in Q2 ranged from minus $5 to plus $12 per barrel. It has been highly volatile. In Q1 also, it was from $0 to $18. That means, I would say, that in Q1 it was almost on the positive side. In Q2, for some part of the period, it became negative and then it went positive again. So, it ranged from minus $5 to plus $12 during this quarter.

Coming to the second question, from Russia, we bought 55% during the half year. In Q2, it also remained range-bound. We continue to purchase significant volumes of Russian crude at very optimal prices, and I think that is benefiting us. As far as Venezuela is concerned, yes, the company has been continuously buying Venezuelan crude and processing it. All these factors have contributed to the profitability of the company.

Probal Sen – ICICI Securities: Got it, sir. One last question, if I may. Given the kind of increase in crude and product prices, as well as LPG prices in Q3, the losses from that division would obviously be expanding. How are we looking at managing the retail marketing segment and the LPG segment in Q3? Are there any discussions on pricing changes or additional compensation from the

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government that you can highlight for us?

Management: I would like to refrain from providing any forward-looking guidance, particularly on matters relating to the government. But I can say only that IndianOil has been successfully managing the procurement of crude oil and LPG during the entire crisis period. You would have seen consistently that all the refineries are running at the most optimum throughput. In fact, we have achieved the highest-ever throughput in refining, pipelines, marketing, and all segments. Our physical performance is exceptionally good. Our teams are working day and night to ensure that, on the operational front, we remain among the best-performing metrics.

As far as the third quarter is concerned, I can say only that we managed both Q1 and Q2, as you have seen, and we are very confident that even in Q3 we will be able to manage these things. Many factors are affecting the profitability of the company. I would say that, even with respect to LPG and other areas, the flow from the Strait of Hormuz has increased and we have diversified our sources. Therefore, I think a lot of mitigation steps are in place to ensure that, on both the financial and operational fronts, the company is able to manage this ongoing crisis.

Probal Sen – ICICI Securities: Okay, sir. Thank you so much for the detailed answers. I will come back in the queue for a follow-up.

Management: Thank you.

Operator: Thank you. The next question is from the line of Yogesh Patil from Dolat Capital. Please go ahead.

Yogesh Patil – Dolat Capital: Thank you for taking my question, sir, and congratulations on the good set of numbers. Considering the latest price increase in propane and butane recently, just a day back, announced by Saudi Aramco, how much domestic LPG under-recovery can we expect in the month of December? And what was it during the months of October and November?

Management: The Saudi CP has now gone up to $756 per metric ton. As far as under-recoveries are concerned, you know that in September it was Rs.184 per cylinder, which went up to Rs.229 per cylinder in October. Going forward, in November, we feel that it would be somewhere in the range of Rs.309 per cylinder, and it may go to Rs.370 per cylinder in December.

Yogesh Patil – Dolat Capital: Okay, fair enough, sir. The next question is related to renewable power and clean energy projects. Can you provide details on how much solar, wind, and battery capacity is already installed? Also, on the capital expenditure side for renewable power and clean energy projects over the next 2-3 years, how much capex is IOCL going to spend on these projects? Can you provide some details?

Management: I will go one by one. The current capacity is 259.68 MW. Solar is 92 MW, and wind is the balance. As you have seen, we have set an ambitious target of 31 GW in another 5 years. To achieve that target, we have opened a 100% subsidiary of IndianOil, TerraClean, which is focusing on our renewable path. We already have a joint venture company with NTPC to provide us with 2 GW of renewable power, which should be available in the next 5-6 months from that joint venture company. Through our 100% subsidiary, TerraClean, we aim to—we have already received

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connectivity approvals for 2.6 GW.

As far as our target is concerned, we are going to spend almost, you can say, 5,000 crores to 10,000 crores per annum through equity contribution to our subsidiary company, because these types of companies are highly leveraged companies. If you take a good debt-equity ratio of 1:2 or 1:3, an equity contribution of 5,000 to 10,000 crores is being targeted over the next 5 years.

Yogesh Patil – Dolat Capital: Okay. And the last one, sir. The target of 31 GW set by IOCL—will all this power generation be consumed for our own purposes or as captive power, or are we also planning to sell this power to the grid and any discom?

Management: No. It is going to be both for captive use, but the majority of it will be for the market. We have PPAs and related arrangements. Apart from the initial 2 GW of power for which we entered into a joint venture with NTPC, which is for my captive usage, whatever we are targeting through our subsidiary company, TerraClean, is predominantly for the competitive market.

Yogesh Patil – Dolat Capital: Okay. Thank you very much, sir.

Management: I would also like to add that this entire 31 GW will be targeted through both organic and inorganic routes. Both options are being kept open.

Yogesh Patil – Dolat Capital: Thank you very much, sir.

Operator: Thank you. The next question is from the line of Vivekanand Subbaraman from Ambit Capital. Please go ahead.

Vivekanand Subbaraman – Ambit Capital: Hi. Thanks for the opportunity. This quarter, you reported trading gains in your gas segment. When I look at the segmental results, there is positive EBIT on the gas side. Is that attributable to your trading business or to the CGD business, and can you give us some details?

Vivekanand Subbaraman – Ambit Capital: The scale of the ramp-up that you are undertaking in the gas business, and could you also help us understand the structure you have? You have some CGD stations of your own, some with the Adani Group, and I think some in other JVs. If you can help us understand your plan there, plus you also have an LNG terminal in Ennore and certain gas pipelines, it would be great if you could help us understand the gas business better. Thank you.

Management: IndianOil remains a very important player in the gas sector. It is a major importer of RLNG in the country. We are in the CGD segment. We are in the CBG segment. We are in PNG. All these verticals are actively operating in the market.

As far as the positive gas margins in this quarter are concerned, we have a good long-term RLNG contract in our portfolio. When international prices went up in the domestic market, because of this long-term contract, we were able to earn higher margins during both Q1 and, more significantly, Q2, because gas prices rose more significantly in Q2.

That is the basic reason. IndianOil, apart from being an oil and petchem company, is also a major player in the gas segment. You will see more and more positive contributions coming from the gas

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business of the company.

Vivekanand Subbaraman – Ambit Capital: Great, sir. Thank you very much. [crosstalk]

Management: I would also say that we have the Ennore LNG import terminal. We have a gas pipeline. Therefore, we are physically present in all the gas segments in the country. Thank you.

Vivekanand Subbaraman – Ambit Capital: Thank you very much, sir.

Operator: Thank you. The next question is from the line of Mayank Maheshwari from MS. Please go ahead.

Mayank Maheshwari – MS: Thanks for the call, sir. My first question is related to the refineries. Can you talk to us about all three refineries that you are expanding? Where are we in terms of project execution, where has the first crude been processed, and what are the timelines for ramp-up?

Management: All three projects—Panipat, Barauni, and Gujarat—are at advanced stages of execution. The targeted completion is financial year 2025-26. Actual crude intake will take some time because, after initial commissioning, as you know, it takes some time to ramp up. I will give you refinery-wise data. Panipat refinery is 95% complete. Gujarat refinery is at 90%, and Barauni is at 92.5%.

Expected commissioning remains in this financial year, but actual crude throughput will start coming in 5-6 months thereafter. It will be a gradual ramp-up. Many units have started commissioning even as we speak today. All the projects are at an advanced stage of commissioning.

Mayank Maheshwari – MS: Got it, sir. I think the second question was more strategic and related to energy security at the country level. All of you at the OMC level have struggled on the logistics side. You have been discussing it on the earnings call for the last 2 quarters as well, and you are highlighting it again this quarter.

Is there a thought process to invest in shipping as well? Previously, the thinking was that it is only 2.5 days away from the Middle East, so we did not need to incur much capex in that area. Has there been any change in the thinking process at the government level or at your level regarding how to manage the next crisis? Hopefully, it does not happen, but is there any thinking on this?

Management: For the shipping business, first of all, on a day-to-day basis, even today, you have to optimize between time-charter vessels and voyage-charter vessels. Even during this crisis, we had a good number of time-charter vessels with us, which significantly helped us. When the freight market is at an all-time high, all the time-charter vessels helped us significantly in managing not only the supply but also the cost.

Second, we now have two more possibilities going forward. One is that we have started owning ships. Instead of using time charters, we will start owning ships. The work is in progress for this as well. You would have seen that the Board of IndianOil has already given the go-ahead to buy a few vessels, which IndianOil will start owning in due course.

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The third possibility, which is more of a strategic call at the country level, is to make the ships in India. That activity is also going on. Shipping is a very important focus area, not only for us but for the entire energy sector in the country today. IndianOil is also focusing on all three verticals. I would say that work on the first front—optimizing between time charter and voyage charter—is being undertaken. On the second front, tenders were already issued in the market a few months ago, as we wanted to buy some vessels. On the third front, discussions are also ongoing with all the stakeholders.

It remains our focus area going forward. The country needs the oil sector companies to focus more on shipping now.

Mayank Maheshwari – MS: Sir, can you give us the level of exposure you have to time-charter rates on DES sourcing of crude versus your spot exposure today?

Management: Normally, if you see today, we have 3 crude oil vessels on time charter with us. The rates for IndianOil would generally be around $2 to $2.25 or $2.5 per barrel. But if you go to the market, it is as high as $8-10. Therefore, having a time charter today provides a significant benefit in the market.

The same is the case with LPG. In normal times, LPG would generally be $40 per metric ton, whereas today it is as high as $160-180 per metric ton in the market. It is therefore very high in the spot market today. IndianOil has 3 crude oil vessels and 9 LPG vessels. All these vessels are providing us with good security and good savings nowadays.

Mayank Maheshwari – MS: Got it, sir. Thank you.

Management: Thank you.

Operator: Thank you. The next question is from the line of Kishan Mundra from DAM Capital. Please go ahead.

Kishan Mundra – DAM Capital: Hi, sir. Thank you for taking my questions. I have a couple of them. Firstly, could you share the depreciation for your petrochemical segment for the quarter?

Management: Depreciation?

Kishan Mundra – DAM Capital: Yes.

Management: Give me some time. If you have any other question, we can move to that, and I will come back to you on this.

Kishan Mundra – DAM Capital: I have a couple of them, sir. Particularly on your refining expansion in Panipat, Barauni, and Gujarat, I am assuming that the CDUs you are putting up are all new CDUs. To ramp them up, would you need to take any shutdowns at your existing refineries, or can it be done without taking a shutdown? While you ramp up, how would the product slate change versus your existing product output? I am assuming there is sufficient capacity in the secondary units to ensure that our product slate remains what it is currently. Is that understanding correct?

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Management: Any expansion will require a brief shutdown, but it is not required to be done immediately. For Panipat and Gujarat, we have already taken shutdowns in multiple stages, and revamp work has been completed. For Barauni, we are yet to do that, but it will not be significant. Since these are brownfield expansions, the required hookups will be carried out smoothly, and no major disruption on the supply side is expected in our system.

In any case, IndianOil is a very diversified company. We have more than 10 refining systems. At any point in time, you will find one or two refineries under shutdown. That is a continuous process for us. However, because of the expansion, we do not expect any major reduction in our volumes.

As for the product slate, all these are modern units. Although the slate is similar to my existing slate, we expect that in Panipat, HSD production will increase from 46% to 49%. Distillate yield will increase from 83.4% to 85.2%.

As far as Gujarat is concerned, yield is expected to increase from 79.3% to 82.5%. HSD production will remain almost the same. In Barauni, HSD will increase from 48% to 50%, and yield will remain range-bound.

Our residue hydrocracker unit at Panipat will also result in a better distillate yield of 3.8%. All these factors will contribute to better distillate yield in the period ahead.

Coming to your first question regarding depreciation in the IndianOil petchem segment, depreciation on the petchem segment in Q2 was 381 crore.

Kishan Mundra – DAM Capital: Okay. Do you also have a number ready for H1 '25 in total?

Management: You can extrapolate the figure. You will arrive at nearly the same figure.

Kishan Mundra – DAM Capital: Understood, sir. The last question from my end is: after we complete the current phase of expansion in these refineries and petrochemicals, what are the next major hydrocarbon-focused projects that we are working on? One is Paradip, but apart from that, are there any others that you could highlight?

Management: After the major expansion of these three refining projects, as you said, the next project would be the Paradip refinery naphtha cracker. After that, we are also focusing on small projects in petrochemicals. The Board has already approved capex of almost 10,000 crores over the past 1 year for these new petrochemical projects, which is already in the public domain. These are essentially specialty chemicals that we are trying to focus on.

Apart from that, we have already said that we are going to invest heavily in our subsidiary company, Tera Green, in renewable power projects. We are also going to invest in the battery business, which we are already pursuing in a major way through the battery-swapping business. We are also focusing significantly on the modernization of all our retail outlets. We are also investing heavily in wayside amenities. If you now go to any express highway, you see significant wayside amenities. IndianOil is focusing significantly on those sectors as well.

As far as your specific question is concerned, in the medium term, we are also augmenting our {? PBR ?} unit at Panipat refinery, the butyl acrylate project at Gujarat refinery, and the integrated

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PX-PTA plant at Paradip refinery.

For a very diversified company, I would say that the company will maintain capex of 30,000 crore to 40,000 crore over the next 4-5 years. That is the standard capex we target. Nowadays, we are focusing on the expansion of 3 refinery projects, but many capex plans are already in place across multiple sectors for the next 5 years.

Kishan Mundra – DAM Capital: Understood, sir. As I understand it, the Paradip expansion and the Paradip petrochemical naphtha cracker are key hydrocarbon projects that we have been working on. Is there any particular reason why it has not been finalized or closed as of now?

Management: The work is going on. Any major expansion project takes some time to kick-start because of the availability of land and approvals. That activity is in progress. As you know, Stage 1 approval was already given by the Board. Various studies are now being undertaken on how to make the best use of the configuration.

Petrochemicals remains a very focused area for the company. Detailed engineering work is going on. The naphtha cracker is one of the most complex petchem units being considered. Therefore, it will take some time to start work on the ground.

Kishan Mundra – DAM Capital: Okay. Thank you, sir.

Management: Thank you.

Operator: Thank you. The next question is from the line of Ramesh, an individual investor. Please go ahead.

Ramesh – Individual Investor: Good morning and thank you very much, and congratulations on your [trails off]

Ramesh – Individual Investor: Performance. If you can share some thoughts on your Tera Green subsidiary in terms of when you expect it to turn EBITDA positive and cash-flow positive, what kind of scale you are looking at once you reach full scale in terms of revenue, and the IRR for Tera Green. The second question is regarding your gas segment. Can you give us specific details on the positive contribution from your standalone city gas distribution operations and the Ennore LNG terminal? Those are the two questions.

Management: The first question is on Terra Green Limited. The target of Terra Green is 31 GW of renewable power in the next 5 years. This includes 6 GW of organic build-up, around 7.5 GW through M&A, and the remainder through joint venture companies. As you already know, we had a joint venture company with NTPC 3 years ago. The combination of all these three segments will contribute almost 31 GW in the next 5 years.

If you talk about Terra Green, the Board has already approved 5.3 GW of investment under TGEL. We are targeting a debt-equity ratio of 75:25. We expect the company to become EBITDA positive somewhere around '29-'30. These renewable projects are highly competitive in terms of PPAs and other aspects. The renewable sector also has many challenges in the power sector, including connectivity. Putting all these together, we expect the company's projects to start coming on the

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ground from '28-'29-'30. Land procurement is already underway at many of the sites. Putting all these things together, I would say that FY '29-'30 should be the year in which we become EBITDA positive.

I would also like to say that Terra Green is aggressively exploring tie-ups with commercial and industrial customers from today itself, because it takes some time to establish these customer relationships. IndianOil has marketing expertise, and that expertise will definitely help the company establish highly effective tie-ups with commercial and industrial customers across India. That will be our major strength going forward.

As far as the—

Ramesh – Individual Investor: Yes, sir.

Management: —second question is concerned, regarding the Ennore terminal, as you know, its capacity is 5 MMTPA. Today, utilization is almost 28%. Due to multiple factors, including pipeline connectivity and other issues, utilization has remained low. However, given the kind of gas demand we are witnessing and the multiple pipelines coming into commissioning, we expect utilization to increase in the next 2-3 years.

Ramesh – Individual Investor: Is Ennore likely to become EBITDA positive in the next 1-2 years? Secondly, what was the contribution from standalone CGD to your Q2 segment performance in the gas segment?

Management: Ennore has been developed through a joint venture model. IndianOil has made an equity investment, and the profitability still remains in the books of the joint venture company. We will start receiving dividends from this company. As far as your CGD question is concerned, I am pleased to say that this company has already become EBITDA positive and has also reached the profit-before-tax stage. In Q2 itself, it contributed 90 crores to my PBT, or profit before tax, in the CGD segment. The CGD segment—

Ramesh – Individual Investor: And one last question—

Management: Yes, please.

Ramesh – Individual Investor: Yes.

Management: No, please carry on.

Ramesh – Individual Investor: One last thought on the refinery expansion projects: once you ramp up to 70%-80%, when do you expect these projects to start contributing to EBITDA and cash flows? Would it be somewhere in FY '27-'28 or more likely in FY '29?

Management: We are expecting commissioning in FY '26-'27. After the ramp-up, we expect to start receiving the benefit of higher throughput in '27-'28 itself.

Ramesh – Individual Investor: Thank you. That is very useful. Thank you very much, and I wish you all the best.

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Management: Thank you.

Operator: Thank you. The next question is from the line of [inaudible] Capital India. Please go ahead.

Analyst2: Hi. Good day, sir. Thank you for the opportunity. My first question was with respect to marketing inventory losses or gains. Can you give us a figure for any such gain or loss in this quarter?

Management: This quarter, we had an inventory gain. We had almost 7,000 crore of inventory gain during Q2. That figure was given by me in the analysis.

Analyst2: Is that from the refining side or the marketing side?

Management: That is cumulative, covering both refining and marketing.

Analyst2: Is there any possibility of giving us a bifurcation between the two segments?

Management: We also have finished goods sitting in the refining segment. Therefore, it is very difficult for me to immediately give the figures, but on a cumulative basis, I would say that the exact figure was 6,948 crores of inventory gain in Q2.

Analyst2: All right, sir, got it. Secondly, I wanted to understand the refinery margin dynamics a little better. If we adjust for this inventory gain that you mentioned and compare the refining margins with the previous quarter—the reported post-SAED number—adjusted for inventory gain or loss, the refining margins have actually come down, whereas the cracks have mostly remained flat. Can you help us understand that movement, how refining margins have moved and why there has been a decline? Also, can you give us some prognosis for the rest of the year? How should we look at this number given the environment in which we are operating?

Management: My GRM number has not come down. In Q1, it was 15.59. In Q2, it is 18.52. In—

Analyst2: Sir, sorry to interrupt. I am adjusting for the inventory gain or loss. In the first quarter, you had an inventory loss of $3.5. In this quarter, you roughly have an inventory gain of about $4-5, right? If we adjust for that, I am referring to the core margin. If you look at that number, perhaps there will be a marginal decline. That is what I am trying to say.

Management: As you know, today, as per the system, our refining margins are capped. Whether it is a standalone refiner, IndianOil, or any other company, refining margins are capped with the SAED impact. Even if I have shared the figures, if you look at the SAED-adjusted refining margins, in Q1 it was 36.10, and in Q2, because it is capped, it is still 36.67. On an overall basis, refining margins remain range-bound. I would say that if you want to have a separate discussion, you can call me after this call, but my refining margins remain range-bound. It is the marketing margins that are affecting us significantly.

Analyst2: If you can help us understand the refining costs a little better, that would be helpful. In terms of dollars per barrel, what cost might you be incurring at this juncture for operating the refinery?

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Management: If you look at my refining cost in Q1 and Q2, taking the half-yearly figure, my operating cost remains at $2.73 per barrel if I exclude depreciation and exchange fluctuation. If I add these 2 components, it comes to $3.93 per barrel in the half year of '26-'27.

Analyst2: Okay, sir. That is very helpful. Thank you so much.

Management: It has come down. On a cumulative basis, last year it was 4.45, which has come down to 3.93 during this year because of the various cost-cutting measures we have taken. Therefore, cost has been optimized during this year.

Analyst2: That is really helpful, sir. Thank you very much. I will get back in the queue for more questions.

Management: Please do.

Operator: Thank you. The next question is from the line of Achal Shah from Axis Capital. Please go ahead.

Achal Shah - Axis Capital: Hi, sir. What is the share of bulk diesel for IndianOil out of the total diesel sold, broadly?

Management: Just give me 1 minute. [long pause] Just give me 1 minute, please.

Achal Shah - Axis Capital: Sure.

Management: The exact numbers are being worked out by my team, but I would say that it is generally in the range of 15%. I will give you the exact number in a minute.

Achal Shah - Axis Capital: Sir, just one follow-up on this. The current understanding is that, on this 15%, it is a pass-through where the customer is charged some margin plus RTP. Is that margin the same before the conflict and currently, or is there a certain loss or discount to the customer so that the customer does not feel the impact?

Management: The industrial segment—I gave a 15% figure, but the exact figure is 13% in the half year of '26-'27. This business is highly negotiated. There are multiple segments. We have long-term diesel contracts, and somewhere there is spot business. If we have a 3-year long-term contract, we need to continue with the discounts that were part of the tender or the contracted amount. If it is spot business, we have definitely reduced our discount to the market.

I would say one thing: the consumer segment is a pass-through segment, as you said. If international cracks are higher, we definitely realize higher cracks from this segment during a crisis. However, there are many segments, such as state transport undertakings and other undertakings, where we have long-term contracts and continue to sell at the old prices. There are thousands of customers, with each customer having its own contract. In some cases, we would have passed on the full amount, while in others we have not been able to pass on anything. Therefore, it is very difficult to give one answer, but I would say that, in the case of higher HSD cracks, in most places we would have passed through the higher cracks in the market.

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Achal Shah – Axis Capital: For state transport, can we assume 3%–4%? Broadly, is 10% where your losses are lower, versus the remaining 90%, where, since prices are capped, you have to incur higher losses when RTPs are higher?

Management: Broadly, yes. I would say the answer to this question is broadly yes. However, even within this 10%, there are many customers that have long-term discounts or commercially negotiated rates with us. Our endeavor is always to pass on the benefit, but depending on our long-term commitments, we take a decision on a day-to-day basis.

Achal Shah – Axis Capital: Understood. One final question, if I may. You mentioned that Russian crude sourcing was around 55% for 1H FY27. Can you give us a broad breakup of other major sources of crude from other countries for this 1H FY27?

Management: If I talk about the half year of '26–'27, apart from Russian crude, Middle Eastern crude accounted for 24%. Within that 24%, the major sources were Saudi and Dubai crudes. Almost 10% came from the African market. West African crudes mainly come from countries such as Angola and Nigeria. You can say that 7% came from Brazil. Between 2% and 5% came from the USA. Almost 3%–4% came from Venezuela. This is a broad breakup of my crude oil sourcing during the 6 months of '26–'27.

Achal Shah – Axis Capital: Understood. Thank you very much, sir.

Management: I would add one more thing: the spot component versus term. Almost 87% is now coming as spot, against the earlier 50%. That major change is also being seen nowadays.

Achal Shah – Axis Capital: And, sir, would spot crude be at a higher price or at a premium to what you used to source when it was—

Management: Within spot, we have Russian crude. Sometimes we are [cut off]

Management: ...getting a high discount. Sometimes we are also paying a premium for Russian crude. In the coming months, we are seeing heavily discounted crude coming from Iraq, SOMO. As soon as it becomes available, we are buying large quantities from Iraq as well. That used to be our staple source before the crisis too. Therefore, I will not say that all spot volumes are coming at a higher price. I would say the opposite: benchmarks go higher, but we are able to negotiate better discounts to these benchmarks during our negotiations.

Achal Shah – Axis Capital: Got it. Fair enough.

Operator: Thank you. The next question is from the line of Sabri Hazarika from Emkay Global. Please go ahead.

Sabri Hazarika – Emkay Global: Good afternoon. Congratulations on the good set of numbers. I have 2 questions. Firstly, you mentioned that your capex would be 38,000–40,000 crore per annum for the next 4–5 years, right? Is that correct?

Management: I said 30,000 to 40,000.

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Sabri Hazarika – Emkay Global: Okay, 30,000 to 40,000 crore, fair enough. The second question is regarding aviation fuel. Are you currently making good margins, and should we look at it from an integrated margin point of view, given that you are allowed to retain the customs duty benefit? Or is it still lower than the normative margin that you desire?

Management: In the aviation business, there are 2 types of segments: international and domestic. The strategy for the international and domestic sectors is different. In the international sector, since the crisis, we have been able to pass on our costs. As far as the domestic market is concerned, it is again a highly negotiated segment with a long-term commitment between the buyer and seller. Therefore, the strategy for the international and domestic segments is different. I would say that both segments are definitely positive for us as of date.

Sabri Hazarika – Emkay Global: So, there is no pressure on your side as far as aviation fuel is concerned at the moment?

Management: As I said, there is no pressure. As far as the domestic segment is concerned, there are discussions and long-term commitments between the buyer and seller, which we are always honoring on a day-to-day basis.

Sabri Hazarika – Emkay Global: But for international, even the higher cracks are fully passed through. So, that is like an—

Management: Those are also negotiated deals between the buyers and sellers, and all these contracts have long-term commitments. I will not be able to disclose the exact commercial terms, but I would say that the aviation segment is a positive segment for us as a company, with negotiated deals with each airline on an individual basis.

Sabri Hazarika – Emkay Global: Got it, fair enough. Thank you very much, and all the best.

Management: Thank you very much.

Operator: Thank you. The next question is from the line of Aman Sharma from AS Capital. Please go ahead.

Aman Sharma – AS Capital: Good afternoon. Thank you for this opportunity. First of all, I would like to congratulate the management on a very good set of numbers. My first question is: what is the approximate number of days of crude and petrol and diesel inventories that the company holds?

Management: On average, for crude, we generally maintain 33-35 days of inventory. However, because of the ongoing geopolitical situation, today my crude oil inventory is almost 39 days. As far as finished goods are concerned, for HSD and MS, I generally maintain almost 25 days of inventory. Today also, I am able to maintain 23-25 days of inventory. In LPG, we are trying to ensure energy security. We generally maintain inventory in the range of 17-20 to 25 days, which is difficult to state precisely. Today, we have 20 days of inventory on the books. As a strategy, we are maintaining higher inventory levels for crude oil, LPG, and finished goods to ensure the continuous availability of products in the country.

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Aman Sharma – AS Capital: Understood. My second question is: could you clarify how you calculate your inventory gain or loss? Specifically, is the impact of crude inventory captured under the cost of materials consumed, and is the refining product impact reflected in purchases of stock-in-trade and changes in inventory? Can you provide a detailed explanation?

Management: It is accounting. What you have said is absolutely correct from an accounting perspective. The price impact is related to the inventory we carry. As I said just now, we carry 39-40 days of inventory. Whenever prices go up, we definitely have an inventory gain, and if prices start coming down in the future, we may have inventory losses. That is the accounting treatment we have to follow. Our results show that inventory gains have contributed to our profitability, and in the future, it will depend once again on prices.

Aman Sharma – AS Capital: Understood. If I may—

Management: Sorry?

Management: Yes, please go ahead.

Aman Sharma – AS Capital: My third question is on the refinery transfer price. When you transfer refined products from your refinery arm to your marketing arm, how do you calculate the refinery transfer price? Do you also include any discount while transferring the products?

Management: We maintain a concept called RTP. Today, suppose the government has introduced SAED. Even when the product is transferred from our refinery division to marketing, the SAED impact is reduced from the refining margins of the refinery division and passed on to the marketing division. For the marketing division, whether it buys the product from our own refinery or from a third party, the treatment remains the same. From there, it calculates its cost of procurement, how much it can pass on, and the net losses suffered by the marketing division on sales of MS, HSD, and domestic LPG in the retail segment.

Aman Sharma – AS Capital: Okay, understood. That was very helpful. That is all from my side. Thank you, and congratulations again on the good set of numbers.

Management: Thank you.

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

Management: Thank you all for your time and insightful questions. I would summarize that many sectors have contributed to the profitability of the corporation, whether through higher margins on petrochemicals and gas, many {? sweet white ?} products such as bitumen, lubricants, and other products, or inventory gains.

We also did not discuss cost efficiency. We are implementing highly effective cost-control initiatives across our system. We have reduced our borrowings, which is resulting in a lower cost of capital. We also have other business segments such as {? B2C consumers ?} and other segments. We also have an export market.

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IndianOil is a very diversified company, and all these segments together provide us with good profitability. The key cause of concern that remains is the geopolitical crisis, which continues to affect our margins to a significant extent. However, being a truly diversified company, we have been able to mitigate many of these losses in our books of accounts.

Thank you once again for your time and insightful questions. On behalf of the entire IndianOil team, I would like to thank our investors and stakeholders for their continued trust, confidence, and support. We value your engagement and look forward to continuing our interactions as we share our progress and future developments.

I also extend my warm wishes to you and your family for a very happy, safe, and prosperous Diwali. Thank you, please stay safe and take care. Victory to India. Victory to IndianOil.

Operator: On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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