Oil India

Operator: Ladies and gentlemen, good day and welcome to Oil India Ltd. Q2 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation is completed. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Varatharajan from Antique Stock Broking. Thank you, and over to you, sir.

Varatharajan – Antique Stock Broking: Thank you, Shubham. A very good morning to all the participants and the management of Oil India Ltd. I would like to extend a very warm welcome to the participants and the management on this call. We have with us Mr. Abhijit Majumdar, Director Finance; Mr. Saloma Yomdo, Director Exploration and Development; Mr. Pankaj Kumar Goswami, Director Operations; Mr. Sachidananda Maharana, Director Finance, NRL; Mr. Raghunath Mishra, ED Business Development; Mr. Dilip Kumar Goswami, ED Production; and Mr. Abhijit Das, CGM F&A. I would like to hand over the call to Mr. Abhijit Majumdar for his opening remarks.

Abhijit Majumdar – Director Finance: Thank you very much, Mr. Varatharajan. Good morning and a very warm welcome to all the participants of today's investor call. Good morning to all my colleagues who are here with me. It gives me immense pleasure to welcome our valued shareholders and members of the analyst community. I would like to thank Antique Stock Broking Limited for hosting today's investor and analyst call for Oil India Ltd. I am Abhijit Majumdar, Director Finance of your company. I am joined today by my colleagues from Oil India Ltd. and NRL. With me is Mr. Saloma Yomdo, Director Exploration and Development, Oil India Ltd.; Mr. Trailokya Borgohain, Director Operations, Oil India Ltd.; Mr. Sachidananda Maharana, Director Finance, NRL; Mr. Saket Gadodia, Manager Finance, NRL; Mr. Raghunath Mishra, ED Business Development, Oil India Ltd.; and Mr. Abhijit Das, CGM (F&A) and CIRO, Oil India Ltd.

On behalf of the management, I welcome you to our Q2 earnings call covering the period from July 1, 2026, to September 30, 2026. The financial results were approved by the Board and duly published on November 12, 2026, based on statutory requirements. I am pleased to share that the Board has approved the first interim dividend of Rs 7 per equity share. The numbers are already out. Why are you displaying this? [off-mic discussion] The numbers are already out. I am sure you must have seen the numbers. The numbers speak for themselves, and a comparison of the numbers of the current quarter with those of the corresponding period of the previous year reflects Oil India's performance across all parameters, which is exceptionally strong in the current quarter.

The numbers will be dealt with by my colleague, Mr. Abhijit Das, who is the CIRO. Our performance is underpinned by steady progress across core business operations, sustained momentum in drilling and field development activities, and a disciplined approach to financial management. These achievements reflect the robustness of our business model and our unwavering commitment to driving consistent growth, enhancing operational efficiency, and creating enduring value for our shareholders and stakeholders. I will now hand over to our Chief Investor Relations Officer, Mr. Abhijit Das, who will provide an overview of the second-quarter and half-year performance. Mr. Das.

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Abhijit Das – CGM (F&A) & CIRO: Thank you, sir. Good morning, ladies and gentlemen. I take this opportunity to share with you Oil India's operational and financial highlights, as well as the performance of our material subsidiary, NRL. To begin with the operational highlights, the combined oil and gas production for Q2 is 1.807 million metric tonnes, and for the half year ended September 30, 2026, it is 3.514 million metric tonnes. Crude oil production for the quarter is 1.021 million metric tonnes, which has increased by 10% on a year-on-year basis. Natural gas production for the quarter is 0.786 BCM. On the exploration and development front, progress has remained steady [cut off]

Management: One, our company has drilled 42 new wells during the half year, out of which 16 were exploratory wells and 26 were development wells. We have posted a strong financial performance during the quarter as well as the half year ended September 30, 2026. The average price realization of crude oil was $95.38 per barrel as compared to $67.22 per barrel in the previous year. The natural gas price was $7.19 per MMBtu vis-à-vis $6.75 per MMBtu for Q2 FY26.

The standalone operating revenue of Oil India Ltd. for the half year ended September 30, 2026, was 16,029 crore. We have registered the highest-ever half-yearly EBITDA of 8,450 crore. The EBITDA margin has risen to 48.58% from 34.32% compared with the previous half year. PBT was 6,609 crore and PAT was 1,530 crore, which were the highest-ever PBT and PAT figures for the company. EPS for the company was 31.54 rupees per share for the current half year ended September 30, 2026.

I take this opportunity to brief you on the performance of our material subsidiary. The operating revenue of NRL was 7,991 crore for Q2 FY27, which is 24% higher compared with Q2 FY26. The capacity utilization of our refinery was 107.02% for Q2 FY27, and the distillate yield was 87.01% for the quarter. The gross refinery margin for the half year ended September 30, 2026, was $28.24 per barrel compared with $7.73 per barrel in the previous half year. EBITDA was 1,108 crore for the quarter compared with 988 crore in the previous Q2 of FY26. The half-yearly PAT of NRL was 1,305 crore compared with 1,213 crore in the previous year.

PAT for Q2 FY27 was 701 crore compared with 724 crore in the previous Q2 of FY26. Our company has reported consolidated operating revenue of 24,801 crore and registered PAT of 6,447 crore for the half year ended September 30, 2026. Our performance for the half year of FY27 reflects the strength of our operational fundamentals and disciplined approach to financial execution.

On behalf of Oil India Ltd., I extend our sincere appreciation for your continued trust, confidence, and support. Your engagement, constructive feedback, and insightful perspectives motivate us to strive for operational excellence, uphold the highest standards of governance, and deliver sustainable long-term value to all stakeholders. With that, I would like to conclude my remarks. We now welcome your questions and look forward to an engaging discussion. Kindly limit your queries to 2 per participant, allowing time for all others joining this conference call. 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 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

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

Probal Sen – ICICI Securities: Thank you for the opportunity. Very good morning, sir. Just on the production numbers, oil production, of course, is running ahead of the guidance that was given probably a few quarters ago. We are already at the 4 million-tonne run rate. I just wanted your thoughts on what is next in terms of oil production if we look at the next 2-3 years. As a trend, what would be the objective? Is it to maintain this 4 million-tonne run rate, or do we have sufficient prospects to achieve a slightly higher run rate? On the same subject, if we can also talk a little about how the gas production guidance is looking for the next 2-3 years. Obviously, there have been some delays in terms of pipeline connectivity and so on. But if you can take us through how we are looking to make this journey from the current run rate of about 3.2 BCM to the target of 5 BCM in the next 2-3 years, that would be great. That is my first question.

Management: May I request {? Manas ?} to address this particular query?

Management: [pause] Can you repeat the last part? The first question is whether we are already growing at the rate of 4 million tonnes and what the outlook is for the next 2-3 years. Correct? The second question is about gas production from 3.2 BCM and whether we can ramp it up to 5 BCM in the long run, over the next 3 years.

Probal Sen – ICICI Securities: [overlap] Yes, yes.

Management: [pause] Yes, you can see that I think already we have [inaudible]. The point is that we are on a path to 4 million tonnes. We are very confident that we will achieve 4 million tonnes this year. Our internal targets may be a little higher, but we are targeting 4 million tonnes. We are definitely on that path. There may be a little hiccup here and there, but we will be able to achieve that number.

But in terms of gas, we may achieve slightly more than last year, but we will not be achieving very high growth because we have many constraints. Today itself, one particular fertilizer company has taken a shutdown because of its requirements. So they will take for [trails off]

Probal Sen – ICICI Securities: I am sorry, sir, your audio has gone off. I cannot hear you.

Operator: Sir, are you there?

Probal Sen – ICICI Securities: I am here. I cannot hear the management.

Operator: [pause] Management, is the line connected? Sir?

Operator: Ladies and gentlemen, the lines for the management have been disconnected. Please stay connected while we reconnect them.

Management: [off-mic discussion] It is at 4, it is at 4. We are confident. Basically, there is nothing beyond this. Okay, we have taken only {? 1-2 ?}%.

Operator: [pause] Ladies and gentlemen, the management is back on the line. You may continue.

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Management: Yes, yes. If you look at the current production rate, at present we are producing more than 11,000 metric tonnes, which is an all-time high.

Management: We achieved 11,300 tonnes on September 30 itself. After that, we have also gone up to 11,347 tonnes. Now it is hovering around 11,100-11,200 tonnes, and we are hopeful that we will be able to maintain this production rate, which is around 4.05 million tonnes. If you talk about today's rate, or the rate in recent days, of 11,100-11,200 tonnes, it is 4.05 million tonnes. By March 31, we should be around 4 million tonnes, plus or minus. That is the figure I can tell you. But regarding gas, I already mentioned that connectivity is the issue, and we are doing our best to connect it within another 18-20 months.

Probal Sen - ICICI Securities: Just to clarify my understanding, sir, if you forgive me: for oil production, we should basically be looking at the 4 million-tonne run rate being maintained, plus or minus perhaps 2-3% here and there, at least for the next couple of years or at least for the next year. For gas production, this run rate will be maintained pending improvement in, or completion of, the various connectivity or monetization options. Is that a fair way to look at it?

Management: Yes, yes, yes. If you look at last year's figure, or rather the year before, we were achieving 9,700 metric tonnes per day in oil. I am not talking about gas. It was 9,700 metric tonnes per day. By the year-end, we achieved 10,566 tonnes. That was around 1 million tonnes, so 10,566 tonnes. Even after that, we have now achieved more than 11,000 tonnes. So it is on a growth path. If you look at the average growth path, as he said, for the first half year we are around 20% higher. This year, we have achieved 15.9% growth in terms of oil production and the production rate. That is what I can tell you as of now. We are trying our best to increase production from mature fields and arrest the decline. At the same time, we are undertaking near-field exploration. The near-field exploration is giving us new hope because, on and off, we are producing from the near-fields, and we are able to monetize them very quickly. That is the best part about the near-field. Yes.

Probal Sen - ICICI Securities: Right.

Management: Once we achieve 4 million tonnes, I think we should remain at 4 million, 4.2 million, or 4.3 million tonnes, and we will keep growing. That is our outlook at present. Yes.

Probal Sen - ICICI Securities: Perfectly clear, sir. One more question, if I may, regarding NRL's performance and guidance. If you can kindly update us on where the expansion stands as of now, and whether the quarter-on-quarter dip in GRM is related to expansion-related testing or stabilization, or whether we should not read too much into the fact that Q2 GRM has declined somewhat from Q1. If you can provide some color on that.

Mharanajyoti Desai - Director Technical - NRL: Good morning. I am Mharanajyoti Desai, Director Technical - NRL. To answer your first question regarding completion of the project, we are targeting March 2027 as the completion date for the expansion project. The pipeline is also almost 95% complete, and that is also likely to be completed in Q4 of this financial year. Coming to the second question regarding the dip in GRM, as you know, the first quarter was a bumper quarter in which crack spreads for the products were very high. If you compare Q2 with Q1, the crack spreads for the products have come down. But if you see the SAED impact, that has remained more or less the same. Crude prices have also not declined much. In Q1, it was close to 100, and now it is around

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92, close to 92, for us. So that is the impact. Overall, on a half-yearly basis, we have achieved a GRM of $28 per barrel compared with $7.73 last year.

Probal Sen – ICICI Securities: Right, sir. Thank you so much. I will come back if I have more questions, and all the best for the quarter. Thank you so much.

Operator: Thank you. The next question is from the line of Vivekanand from Ambit Private Limited. Please proceed.

Vivekanand – Ambit Private Limited: Thank you for the opportunity. My first question is on the Numaligarh-Siliguri pipeline. You had mentioned last time that you would commission the pipeline by December. Could you give us an update on the ROU that was pending for this pipeline, the current physical completion, and the commissioning target? Secondly, could I have the current debt number and net debt number of NRL, as well as the cash capex already incurred and the commitment for FY27 and FY28 specifically for NRL? Thank you.

Management: MSPL is almost complete. The only issue with the Numaligarh-Siliguri pipeline is that it will come up once the expansion is completed. I think you are asking about PMCPL, which will be answered by NRL.

Mharanajyoti Desai – Director Technical – NRL: Regarding completion of PMCPL, the progress is almost complete. Out of the 1,640-kilometre crude oil pipeline length, 1,600 kilometres have already been completed, and the remaining 40 kilometres are still in progress. Earlier, we had given a December date, but we now feel there will be a slight spillover. By March, when our entire expansion project will be online, we are targeting mechanical completion, and PMCPL will also be ready by then. There were some issues with small parcels of land, and we are closing those issues now. As I already said, we have achieved 95% completion, and we are confident that we will be able to complete this PMCPL pipeline in Q4, well ahead of completion of the expansion project. Regarding the debt position, our current total drawdown is close to 20,500 crore. That is the drawdown we have taken against the total tie-up of 28,000 crore.

Vivekanand – Ambit Private Limited: What about the capex number for FY27 and FY28?

Mharanajyoti Desai – Director Technical – NRL: For the current year, the target is 7,500 crore, and we are on target. FY28 will be close to 6,000 crore as we complete these projects that are currently online. Therefore, next year's capex will be slightly lower than the current year's capex.

Vivekanand – Ambit Private Limited: One last follow-up on NRL's expansion. Will the capacity expansion require you to shut down any part of NRL for a period of time? Also, can you help us understand how the scale-up will happen from 3 MMT to 9 MMT? If you can provide some fiscal milestones as well, that would be helpful. Thank you.

Mharanajyoti Desai – Director Technical – NRL: Basically, this 3 MMT refinery is a standalone refinery, so we have configured the refinery such that the two units can be operated separately. Therefore, there is no requirement to shut down the existing 3 MMT refinery while commissioning the additional 6 MMT. Regarding the ramp-up, our target is to achieve close to 50-60% by Q3 of the next financial year, and in FY28-FY29 we will achieve 100% of the additional capacity.

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Regarding the refinery turnaround, the turnaround for the existing 3 MMT refinery will be taken sometime in October 2027. Therefore, there will be a shutdown of the refinery.

Management: ...the existing Numaligarh refinery during that period for a period of approximately 1 month. This is a regular activity that is carried out every 4 years.

Operator: Thank you very much, and all the best. The next question is from the line of Yogesh Patil from Dalat Capital. Please go ahead.

Yogesh Patil – Dalat Capital: Thank you for taking my question. If we look at the crude price realization of $92 per barrel for the quarter, which is $5 per barrel lower than spot Brent prices, what is the major reason for such a high discount to dated Brent prices? Historically, we have seen a very limited discount of $1.5–$2 per barrel. This is my first question.

Management: [pause] The crude price that we witnessed in the first quarter was $98 per barrel, and in the second quarter we saw $92 per barrel. If you average it for the whole half year, it is $95 per barrel. Our crude price is related to Brent and Dubai crude in a certain ratio. However, when we calculate our price, it is based on the basket defined by us for predefined areas. The crude price is calculated based on the benchmark we use for calculating the basket price. Therefore, discounting is not done in that manner. It is fully monitored against the international price we receive, and the price is determined as a monthly average based on the basket in 3 areas of our fields: Digboi, Moran, and Naharkatiya.

Yogesh Patil – Dalat Capital: So the basket is linked to Brent, Dubai, and one more benchmark that you mentioned. Could you please repeat it, sir?

Management: Our basket is linked with around 12–14 international crude benchmarks, and different areas have a combination of different international crudes. Those crudes have been benchmarked for calculating our basket, and on the basis of the international prices of those 11–12 crudes that form our field basket, the basket is calculated on a monthly basis.

Yogesh Patil – Dalat Capital: My second question is related to the share of condensate in overall oil production. You have guided for 4 million metric tonnes or more of oil production in FY27. How much condensate can one expect out of that? If you could break it down between crude oil and condensate, that would be helpful.

Management: Regarding crude oil production, for the half year ended September 30, 2024, it was around 1.968 million metric tonnes from our own crude oil production. Condensate was 0.003 million metric tonnes. Therefore, condensate is a very negligible percentage of the crude oil forming the entire crude oil production.

Yogesh Patil – Dalat Capital: The reason I asked this question is related to overall price realization, which I believe is at a sizeable discount to the basket or to dated Brent. If we consider condensate production, if it increases, overall price realization could take a small hit, considering the discount in the upcoming period. My last question is related to higher other expenses and the cost on the dry-well side. Could you elaborate on that?

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Management: [pause] As far as condensate is concerned, condensate is the same as crude. So, as far as price realization is concerned, there is hardly any difference. We treat it as crude. Whatever our crude price is, the same applies to condensate. As my colleague just explained, condensate is a very negligible share of overall crude production. Our production for the quarter was 1.021 MMT, of which condensate was 0.002 MMT. You can therefore very easily determine the percentage of condensate in the overall crude share. It is not going to have any impact at all on price realization. What was your other query?

Yogesh Patil – Dalat Capital: My second question was related to other expenses and dry-well costs during the quarter, Q2 FY25.

Management: If you compare with the previous half year, our total provision for wells was 1,440 crore. Out of this 1,440 crore, the total provision for our Vidyapuram-2 well was around 960 crore. In the current year, we have taken a provision for our Vidyapuram-1 well, amounting to around 1,408 crore. That is the primary reason for the increase of around 280 crore in provisions against our wells compared with the previous year. Last year, we also provided for 2 offshore wells and for 2 overseas losses in Gabon and Libya. In the current year, we do not have any provision against our overseas operations. The only reason for the increase of around 280 crore is the provision against our Vidyapuram-1 well.

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

Operator: Thank you. The next question is from the line of Vineet Bhanka from Nomura. Please proceed.

Vineet Bhanka – Nomura: Thank you for the opportunity. I have a couple of questions. Firstly, following up on the previous participant's question on the Numaligarh refinery GRM, GRM was down from 35 to 20 while crack spreads were higher on a quarter-on-quarter basis. Was it due to some inventory gain or loss adjustment, because I think the GRM you report is inclusive of inventory gain or loss? Or was the actual SAED-related discount in Q1 lower than what you realized in Q2? What was the difference?

Management: [pause] As I already said, the basic reason is that the FOB prices of the products have come down in the international market compared with the Q1 numbers. That explains the difference. If you see the FOB price for MS, it was $129 per barrel in Q1 and came down to $110. Similarly, HSD was $175 in Q1 and came down to $138 in Q2. Moreover, the SAED that we bear has not changed as much. As we already said, the FOB price of crude oil has not come down much; it has declined from 100 to 92. That explains why GRM is lower in Q2 compared with Q1. As you said, Q1 GRM was $35.95 per barrel, whereas Q2 GRM was $20.71. On a half-yearly basis, the GRM we achieved was $28.24 per barrel.

Vineet Bhanka – Nomura: What was the inventory gain or loss in this quarter? I think last quarter there was a gain of $2, if I remember correctly.

Management: The inventory gain for Q2 was $5.78 per barrel.

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Vineet Bhanka – Nomura: Understood, sir. My second question is on the well write-off. I think the usual run rate was around 700-800 crore, while this quarter it is 1,480 crore. Why was the write-off so large? It is Vidyapuram, if I am not mistaken. What happened there?

Management: [pause] Actually, Vidyapuram-1 was the first offshore well we drilled during this campaign. We were drilling in Andaman, Kerala-Konkan, and the KG Basin. So [trails off]

Management: ...the rig was mobilized from Nigeria and the campaign started. The first well obviously incurs most of the initial cost. Therefore, the initial capex is generally higher for the first well. For the second well, you have seen that we significantly reduced it to 950 crore. The 1,400 crore initial cost actually includes mobilization and demobilization, everything including bundled services. That is why the overall cost of the first well was higher, and you will see the costs come down subsequently for the other wells. The cost has already come down for the second well.

Vineet Bhanka – Nomura: Just one last bookkeeping question on gas realization. I think $7.2 per MMBtu is higher than the APM ceiling, and I do not think we have deepwater gas. What is driving this additional realization for gas?

Management: We have some gas production coming from Pre-NELP blocks, which enjoy pricing without any ceiling. That is contributing to a figure slightly higher than $7.

Vineet Bhanka – Nomura: What is the volume share of the gas that does not have a ceiling?

Management: On a per-day basis, it hovers around 0.5 MMSCMD, whereas our total production is around 8 MMSCMD, or 8-8.5 MMSCMD.

Vineet Bhanka – Nomura: Thank you, sir. I will go back.

Operator: Thank you. The next question is from the line of Hardik Solanki from ICICI Securities. Please go ahead.

Hardik Solanki – ICICI Securities: Ma'am, my question has already been answered. Thank you.

Operator: Thank you. The next question is from the line of Somesh from Spark Capital. Please go ahead.

Somesh – Spark Capital: Hello. Thank you for the opportunity. Somesh here. My first question is on the exploratory drilling status. Could you give us an update on the status in Vizag, Kerala-Konkan, and Tripura in terms of the wells currently under drilling and the plan for the next few quarters? That is my first question.

Management: [pause] Vizag, Kerala-Konkan, and Tripura. In Kerala-Konkan, the first well we drilled was at a water depth of 60 metres, but the well depth was 6,250 metres. In that part of the basin, we have drilled one of the deepest wells in the country. Currently, as we speak, the well is undergoing testing, and we have identified 5 objects to be tested. We are sequentially testing all these objects. With Mission Anveshan coming up, we now plan to drill a second well in Kerala-Konkan because we want to go further down, perhaps to 6,500 metres, to fully probe the hydrocarbon potential in that basin. That should answer your question.

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Somesh – Spark Capital: In Tripura, and also in the other 2 regions, one in the KG Basin and the other in Tripura, what is the status of the exploratory wells?

Management: In KG-DWN, we have drilled this appraisal well, and we are very happy to share that we have already announced a notice of discovery of gas in this particular well in one of the zones. That zone is a completely new zone, so it is a discovery that has not been discovered earlier. As we speak, another zone is being tested, and it is currently producing oil. We will issue a detailed press release and statement in a couple of days because the well is flowing at a very good volume rate. We have now made a plan to revisit our field development plan because this appraisal well has given us some very good surprises, with previously unexplored sands having been tested. Our exploration strategy in KG-DWN will be reviewed shortly. After this well in the KG Basin is tested, the rig will go to Andaman to drill the fourth well. We expect to spud the fourth well in Andaman, on the western side of the island, by the middle of December this year so that we can complete it within this financial year itself.

Somesh – Spark Capital: Understood, sir. Any update on the Tripura well?

Management: Regarding the third well, Vijayapuram-3, we have acquired additional seismic data covering around 600 square kilometres of additional 3D seismic. This was not part of our committed work program, but because of the positive testing results we obtained in Vijayapuram-2 and Vijayapuram-3, it became necessary to reassess the geology. Vijayapuram-2 and Vijayapuram-3, which established the presence of gas, were drilled based on the availability of 2D seismic data. The 3D seismic data was missing, and that data would have provided better imaging and helped us plan the appraisal well, especially around Vijayapuram-2 and Vijayapuram-3. We plan to drill at least a couple of appraisal wells in that area, taking into consideration the processing and interpretation of the new 3D data we have acquired. We have provisioned Vijayapuram-3 and have not written it off yet because you never know; this current well may come in handy, and we may be able to re-enter it and sidetrack it to a better position that is structurally more favorable. Alternatively, this well may be utilized for deepening if required. Therefore, we have not yet written it off. Based on the interpretation and study results that we expect by January, we will take a call on Vijayapuram-3 as well, including whether we will use it or write it off.

Somesh – Spark Capital: Understood, sir. On that note, could you help us with the upstream capex? What is the plan for exploratory capex in the current year and next year? Could you also provide the onshore-offshore split?

Management: [pause] Actual capex as of September 30 was 6,000 crore. That capex has to increase. It may increase to around 13,500-14,000 crore. For the current financial year, the estimated capex breakup is as follows: surveys will be around 1,200 crore, exploration and development drilling capex will be around 4,000 crore, normal capital equipment will be around 4,500 crore, and overseas investments, as of now, because of the update on the Mozambique project, will not involve any significant investment. For other JVs and subsidiaries, we will have around {? 330 or 350 odd ?} crore. That is approximately the breakup of the current year's capex.

Somesh – Spark Capital: Understood, sir. Just one follow-up on the capex point. Over the last couple of years, our drilling intensity has been increasing, as has the number of wells we have been drilling. This has also shown up in good oil production growth. I want to understand the momentum

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in terms of drilling intensity [inaudible] higher range, but is there any reason why you think it will remain around 4 million tonnes? Is it because the renewal decline rates are higher? Could you provide some color on that?

Management: You will realize that until a few years ago, we were drilling around 38-45 wells. Last year, we drilled 74 wells. This year, our internal target is to drill 100 wells. For that, 29 drilling rigs are already in operation, and another 5-6 additional rigs are in the pipeline. This momentum of drilling close to 100 wells will be business as usual for us from now onwards. You may then ask why, with additional rigs, we cannot drill more [cut off]

Management: The answer is that we are drilling deeper now. We are drilling wells up to 5,000 metres, 5,500 metres, and 6,000 metres. We are going to drill wells up to 6,500 metres, where the formations will be harder and the subsurface problems will be more complicated because it is a very tectonically active and geologically active region in which we are working. Therefore, this business-as-usual level of approximately 100-110 wells per year will be our target in the coming days. Of course, that is contributing significantly to increased production because the exploration success ratio from exploratory wells is 82%, while the success ratio for development wells is 100%. This has contributed significantly to production. Production also, as the Director Operations mentioned, is increasing despite an average field decline of 12-15%. We are producing 20% more from the field itself. That also speaks volumes about the development management that we deploy in our fields.

I think you must appreciate that despite the fields being very old and mature, we are still able to produce at a reasonably good pace, surpassing our previous records. That shows that we are going deeper, using more resources, and thereby achieving higher targets. Capex would naturally be higher, and the cost of production would accordingly also increase because we are producing more and the volume is increasing.

Another specific point, which the Director Operations has also mentioned, is that exploration is giving us a ray of hope in {? Kanara-Basin ?}. This has already been established, and we have already issued a notification, a notification of discovery. This is a slightly high pour point oil at a shallow depth. We have physically seen the oil. We went there and saw the oil coming out, and now we are deploying faster monetization procedures to determine how we can monetize it. This work is also ongoing. Therefore, on the exploration front as well as on the production front, I think we will be getting some new additions, although they may not be very large like some other fields. This will also add to our GP, the [inaudible]. Yes, definitely. That is in {? Kanara ?}.

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

Subhree Hazarika – Individual Investor: Hi. Subhree from NPS. First of all, there is this PNGRB document regarding the hookup of IGGL and DNPL. Do you have any comments on that, and what exactly is the status right now?

Management: What is happening is that we have already approved this investment, and a 168-kilometre pipeline is under construction. It will take 18 months from now, from the date of construction, correct? At the same time, Mr. Subhree, we are working on the gas processing plant

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in Madhuban, as I already mentioned. We will process the gas there and send the additional gas. The maximum capacity will be 5 million standard cubic metres, but on average, we are planning for 3.5 million standard cubic metres.

Subhree Hazarika – Individual Investor: I meant, sorry, I was referring to the DNPL and IGGL connectivity within the [inaudible].

Management: Okay. This requires some work there. We have already connected that part, but we need to take a small shutdown there. Yes. Basically, this activity is being undertaken by NRL and IGGL, not directly by Oil India Ltd. The work is already underway, and the interconnection will be physically completed by the end of this month. After that, we expect all the statutory approvals from PESO and OISD, as well as the PNGRB authorization for this interconnection. Once that happens, the project will be completed. We expect to see gas flow by the end of January.

Subhree Hazarika – Individual Investor: Understood. Secondly, I have 2 bookkeeping questions. First, what was the dividend income in other income this time?

Management: Total dividend income for this half year is 894 crore compared with 610 crore in the previous year. The dividend received in the current year was from our foreign subsidiary, which contributed 266 crore. NRL, our material subsidiary, gave us 336 crore. We received another 91 crore from IOCL. Cumulatively, that comes to approximately 894 crore for the current year as dividend income.

Subhree Hazarika – Individual Investor: Understood. Thank you. My last small question is about the fire in the tank farm. Is it affecting our operations in any way, or is the impact limited?

Management: Mr. Subhree, the fire has had some impact because ICF handles more than 1,000 kilolitres of oil per day. However, we have a bypass system there. We can route it through other nearby OCS facilities. Therefore, we have significantly reduced the total impact. Although it will have some impact, we will compensate for it at a later time. We are holding back on some wells and controlling production to a certain extent, but the impact will not be very high. Our people are at the PESO office today. We expect to receive complete bypass approval for the ICF. We also received approval yesterday that whatever oil was in the ICF can be taken out of the ICF. Therefore, there should not be much further impact in the coming days. There may be some issues for 2–3 days; otherwise, our people are working day and night to establish the bypass.

Subhree Hazarika – Individual Investor: Understood. Thank you very much, and all the best.

Operator: Thank you. The next question is from the line of Nitin Tiwari from PhillipCapital. Please go ahead.

Nitin Tiwari – PhillipCapital: Good morning, sir. I hope I am audible. Thank you for the opportunity. My first question is with respect to NRL. Is the reported refinery margin before SAED or after the SAED adjustment? Also, could you help us with the distillate yield, broadly in terms of gasoline, gasoil, and so on, for NRL in this quarter as well as the previous quarter?

Management: The GRM is after the SAED adjustment, to answer your first question. Distillate yield for the half year is 87.15%.

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Nitin Tiwari – PhillipCapital: I wanted a breakdown of how much diesel we produced in this quarter versus the previous quarter. Also, was the $36 reported in the first quarter before or after SAED?

Management: Yes. [pause] For Q2, our total production was 810 TMT. The major component, as you know, was HSD at 542 TMT, and MS was 193 TMT.

Nitin Tiwari – PhillipCapital: 193. And in the previous quarter, Q1, what were the MS and HSD figures?

Management: [pause] Just one second. We will have to retrieve those numbers, but if you compare with Q2 of last year, it was [trails off]

Management: ...507 TMT for diesel and 182 TMT for MS.

Management: On a quarter-on-quarter basis, HSD production increased from 507 TMT to 542 TMT, and MS production increased from 182 TMT to 193 TMT. To answer your question regarding Q1 production, HSD production was 526 TMT and MS production was 169 TMT for Q1 FY25.

Nitin Tiwari – PhillipCapital: It is just an observation, sir. MS and HSD production has increased sequentially, and cracks for both products have mostly held up, so we are slightly puzzled about the drop in refinery margin. You mentioned headline prices, but the crack spread has mostly held up between the first and second quarters. We are somewhat puzzled there. It would be helpful if you could clarify that either now or later, at your convenience. You also mentioned the headline prices.

Management: [pause] To answer your question, the decline in the spread, whereas the {? FAD ?} has remained almost the same for both quarters, has resulted in the decline in GRM.

Nitin Tiwari – PhillipCapital: Did our crude procurement cost change in any way, in terms of logistics or anything else that impacted our crude procurement cost between the first and second quarters?

Management: There is no change as such. Basically, FOB prices have come down slightly, but compared with that, as I already said, FOB prices of products have declined much more than the decline in the crude price.

Nitin Tiwari – PhillipCapital: My second question is regarding the Andaman exploration program. Could you give us a consolidated picture of what we have invested so far, how many wells have been drilled, and the write-off taken against our investment in Andaman? I suppose there were 3 wells, Vijaypuram-1, Vijaypuram-2, and Vijaypuram-3. Which wells have been written off, and what is the perspective on total investment and total write-off?

Management: In Andaman, the initial plan was to drill 4 wells. We have drilled 3 and written off 2. We are retaining the third well for now because it may still be utilized for re-entry based on the new 3D data we are acquiring. Therefore, we have still provisioned for that well. The fourth well will be drilled by December this year, and we expect to complete that fourth well within this financial year as well. Based on the new 3D data we have acquired, we may drill 2 appraisal wells, 1 for Vijaypuram-2 and 1 for Vijaypuram-3, to determine whether we can revisit the structure further. The first well we wrote off was around 1,400 crore, and the second well we wrote off was about 950

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crore. If we write off the third well, it will also be in the range of 850-900 crore.

Nitin Tiwari - PhillipCapital: Vijaypuram-1 is the second well that you wrote off, correct? You mentioned around 900-950 crore.

Management: Just one small point regarding the write-off of the third well: it is subject to the outcome of the studies currently being undertaken. As {? Director ?} has already mentioned, 600 square kilometres of 3D seismic data is being acquired, and the data will be thoroughly interpreted before taking a decision on whether to write it off.

Nitin Tiwari - PhillipCapital: Understood, sir. I was trying to understand the 280 crore figure. Given that you mentioned the first well had a 1,400 crore write-off and the second had a 950 crore write-off, what is the incremental 280 crore write-off related to?

Management: [pause] The incremental 280 crore write-off includes one field in our western satellite, for which we have taken around 168 crore. In another 2 central fields, we have taken another 65 crore. For another well in {? Janvari ?}, we have taken a provision of 44 crore. Overall, for the Devi block of Ashoknagar, we had a provision of around 20 crore. These are the major items that make up the additional 280 crore.

Nitin Tiwari - PhillipCapital: Understood. So Vijaypuram-1's write-off is 950 crore, and the rest of the write-off contributed the additional 280 crore. Got it, sir. Thank you for answering my questions. I will get back in the queue.

Operator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Varatharajan for closing comments. Over to you, sir.

Management: I request the management to provide any closing comments.

Management: Our closing comment would be to have faith in our abilities. We have been present for over 6 decades, and we are perhaps the only company reporting year-on-year growth, drilling more wells, and making discoveries. As our directors have already mentioned, we have made a discovery in KG-DWN, which will be reported soon, and there has also been a discovery in Cambay. These are the positive developments taking place. You only need to remain patient and have faith in our abilities.

Management: Thank you, sir. I would like to [cut off]

Management: Yes, sir, please go ahead.

Management: I now request my CIRO, Mr. Abhijit Das, to deliver the closing comments.

Abhijit Das - CIRO: Thank you very much, ladies and gentlemen, for your participation in Oil India Ltd. Q2 FY25 earnings call. Many thanks to Antique Stock Broking Limited for helping us organize today's session smoothly. We hope we have been able to address your queries and provide the clarity you were looking for regarding our quarterly performance and ongoing activities and initiatives. Should you require any further information or clarification, please feel free to contact our investor relations cell. The contact details are available on our website. Once again, thank you for

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your kind participation and continued trust in Oil India Ltd. We value your engagement and look forward to interacting with you on an ongoing basis. Thank you, and have a great day ahead.

Operator: Thank you, Abhijit ji, and thanks to all the management and participants as well. Have a nice day.

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

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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