



OIL INDIA LIMITED
Conquering Newer Horizons

“Oil India Limited
Q3 FY '25 Earnings Conference Call”
February 08, 2025



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MODERATOR: **MR. SABRI HAZARIKA – EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Oil India Limited 3Q FY '25 Earnings Conference Call hosted by Emkay Global Financial Services Limited. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-down phone. Please note that this conference is being recorded.

I now hand the conference over to Sabri Hazarika from Emkay Global Financial Services Limited. Thank you, and over to you, sir.

Sabri Hazarika: Yes. Thanks. Good morning, everyone. On behalf of Emkay Global Financial Services, I welcome you all to the Q3 FY '25 Earnings Conference Call of Oil India Limited. We have with us the senior management of the company, led by Mr. Abhijit Majumder, who has recently taken over as Director Finance.

We also have Trailukya Borgohain, who's Director (Operations) and we have Mr. Rupam Barua, Executive Director, Finance and Accounts; Mr. Ranjan Goswami, Executive Director of Business Development; and Mr. Dharam Singh Manral, Chief General Manager, Exploration and Development.

So today's session would be a brief on the results by the management, and that will be followed by the question-and-answer round. So without any further delay, now I will request Oil India management for their opening remarks. Over to you, sir.

Abhijit Majumder: Good morning, all the participants who have joined us for this investor and analyst con-call. So I am Abhijit Majumder, Director Finance, Oil India Limited. With me, I have my team represented by the senior executives from the operations department, from business development, from finance. So may I now request our ED Finance to make the opening remarks.

Rupam Barua: Good morning, dear friends. At the outset, I would like to thank Emkay Global Financial Services Limited for organizing today's analyst call. I am Rupam Barua, ED Finance and Accounts of Oil India. The company's financial results of Q3 financial year '25 were published on February 7, 2025. I'll briefly give some highlights about the performance of the company in both fiscal and financial terms.

Now coming to the standalone results and the beginning with the production front, the company has continued to improve its crude oil production, which is higher by 1.4 percentage in quarter ended 31st December 2024 as 0.868 MMT vis-a-vis 0.856 MMT in quarter ended 31st December 2023. Crude oil production has increased by 4.1% in 9 months ended 31st December 2024 at 2.614 MMT vis-a-vis 2.511 MMT in the 9 months ended 31st December 2023.

Natural gas production during 9 months ended 31st December 2024 is at 2.446 BCM, increased by 2.90 percentage over production during 9 months ended 31st December 2023, which was



2.377 BCM. Natural gas production for quarter ended 31st December 2024 is marginally higher by 0.85 percentage at 0.829 BCM vis-a-vis 0.822 BCM for quarter ended 31st December 2023.

On the financial side, average crude oil price valuation for Q3 financial year 2025 is \$73.82/ barrel vis-a-vis \$84.14 per barrel for financial year '24, which decreased by 12.27% for 9 months ended 31st December 2024. Average crude oil realization is \$79.35 per barrel vis-a-vis \$82.89 per barrel for 9 months ended 31st December 2023, which has decreased by 4.27%.

Average natural gas price for Q3 financial year 2025 has remained unchanged at \$6.5 per MMBTU. The turnover for 9 months ended 31st December 2024 has increased by 1.38% to INR16,598.28 crores compared to INR16,673.06 crores for 9 months ended 31st December 2023, which is mainly due to higher crude oil and natural gas sales in 9 months of financial year 2025 compared to 9 months of financial year 2024.

EBITDA margin for Q3 financial year 2025 has increased to 42.76% vis-a-vis 41.34% for Q3 of Financial Year 2024.

Profit after tax for Q3 financial year 2025 is INR1,221.80 crores vis-a-vis INR1,584.28 crores for Q3 of financial year 2024. The profit after tax for 9 months ended 31st December 2024 has increased by 28.38% to INR4,522.71 crores vis-a-vis INR3,523.02 crores for 9 months ended 31st December 2023.

The earnings per share for 9 months ended 31st December 2024 is INR27.80 per share vis-a-vis INR21.66 per share for 9 months ended 31st December 2023.

I'm just giving you the financial performance of Numaligarh Refinery also. Profit after tax of NRL during quarter 3 of financial year 2025 is INR385.36 crores vis-a-vis INR858.72 crores during Q3 of Financial year 2024.

And profit after tax for 9 months ended 31st December 2024 is INR 990.94 Crore compared to INR 1,516.66 crores for the corresponding period of last year. NRL's gross refining margin during the quarter 3 of financial year '25 is \$2.10 per barrel vis-a-vis \$12.72 per barrel during quarter 3 financial year 24, and gross refining margin for the 9 months ended 31st December '24 is \$3.61 per barrel vis-a-vis \$13.12 per barrel for the corresponding period last year.

NRL's EBITDA for the quarter 3 financial year '25 is INR656.70 crores vis-a-vis INR1,218.19 crores for the Q3 financial year '24, while EBITDA for the 9 months ended 31st December '24 is INR1,789.21 crores vis-a-vis INR2,297.57 crores for the 9 months ended 31st December 2023.

Our consolidated results, the Oil group's turnover for the 9 months ended 31st December 2024 is INR26,575.93 crores vis-a-vis INR26,137.84 crores for 9 months ended 31st December 2023.

And consolidated profit after tax for the 9 months ended 31st December 2024 is INR5,542.66 crores vis-a-vis INR4,647.51 crores for the 9 months ended 31st December 2023. The Board of Directors of the company has recommended an interim dividend of INR7 per fully paid equity share. With this total, interim dividend declared by the company till third quarter is INR10 per



equity share. With this, my opening remarks on the performance is over, and we are now open to question-and-answer session.

Moderator: The first question is from the line of Probal Sen from ICICI Securities.

Probal Sen: The first question was actually on NRL. We have seen in other performance over the last couple of quarters actually being a little bit more subdued than what we used to. How much of this can be attributed to the ongoing expansion of capacity activities or stabilization related to that? Or would you say that it's your operational issues or the fact that Singapore margins have fallen in Asia, that is to account for this sharp fall in GRM?

How should we look at it? And how should we look at it going forward, sir? That was my first question.

Rupam Barua: Regarding the physical progress of the expansion plan, it has already progressed up to about 70% -- 73% until 31st December '24.

Probal Sen: How much percent, sir, sorry?

Rupam Barua: 73%.

Probal Sen: 73%, okay, that's physical completion, right?

Rupam Barua: Yes, physical completion I'm talking about. And as regards the capex incurred is already about INR23,000 crores until December, out of which about INR12,000 crores by way of debt financing.

Probal Sen: Okay. So is this something that we should look at as a reason for the drop in operating performance in the last couple of quarters, these expansion activities going on and so on because the GRMs now will have fallen very, very sharply?

Management: Yes, GRM has falling compared to last 9 months -- last 9 months, GRM was about \$13.12/bbl, whereas this end, the GRM is \$3.61/bbl, okay? So there are several reasons actually in which you -- even if you look at pan-India GRM, the GRMs not as impressive as the corresponding period last year for pan-India also. That is the first thing. Second thing is, there are some inventory exemptions, which takes place while calculating the GRM.

Now if you knock out on inventory adjustments, then the ideal GRM would have been at \$5.10/bbl with excise duty benefits and whereas the excise duty benefit is roughly around \$18 per barrel. If you take into account, this \$18 per barrel plus another \$6/bbl for GRM value without taking into account this inventory adjustment, then the GRM is roughly about \$24/bbl.

Probal Sen: Just to try, if I can, for my clarity, so the inventory adjustment for 9 months was about \$2 a barrel and about \$18 a barrel is the additional excise benefit that we are getting for the 9-month period, right, sir?

Management: Right, right.

- Probal Sen:** Okay, got it. That's one. The second part was just the other income seems to have fallen quite sharply in this quarter. Is it that some of the dividend payout we received was front ended for the second quarter?
- Management:** No, absolutely. Actually, this year till 31st of December, we could receive dividends of about INR690 crores only, out of which INR180 crores is from NRL, another roughly INR310 crores is from IOCL. So previously what happened, last year, we had some impressive dividend receipt of which about INR400 we had received from our Singapore subsidiary. So that one was a major dividend received last year, which is not present this time.
- That is one thing. Another thing is that the dividend, which we had received from NRL last year was around INR154 crores. Apart from this, some dividends we also received, although not very significant from BCPL and the DNPL also, which are not present this year corresponding period. And NRL dividend last year was around INR164 crores.
- So that is why roughly about INR1,100 crores to INR1,200 crores is the total dividend receipt that we had last year, which this year is about only INR700 crores. So there is a fall in the dividend received, so which has reduced Other income this time compared to last time.
- Probal Sen:** Very clear. Sir, last question if I may squeeze in?
- Abhijit Majumder:** Addressing your query on the drop in GRM, if I can just step in, what has happened is, across the board, you would see that GRMs have fallen. According to my understanding, except for NRL, none of the other companies are ahead of NRL so far as GRM is concerned. So that also has to be taken into account while you look at the bigger picture. That much I just wanted to underline.
- Probal Sen:** One last question, if my squeeze in. Can we get an updated number, if at all, of the production guidance for both oil and gas for FY '26, if you have any update?
- Management:** The production actually is expected to be finally around 3.48 with respect to -- this thing, for 2025. Although we targeted 3.6 around, but because of a number of reasons, we had some of the areas where -- this is Director (operation) by the way [Inaudible 17:04]. So we are expecting around 3.5. We will be trying very hard to reach 3.5.
- Probal Sen:** This is for oil, sir?
- Abhijit Majumder:** That is the outlook for oil.
- Probal Sen:** And for gas, sir?
- Abhijit Majumder:** 3,300 for gas. That is our target now.
- Probal Sen:** That is for this financial year, sir, right, FY '25?
- Abhijit Majumder:** Yes, yes.
- Probal Sen:** I was actually asking for FY '26, if there is a target as of now?



Management:

Our target is to become a 4 million ton crude oil and a 5 BCM company, so that's our target. So we are inching towards that. This year possibly, even though the target is 3.5, we may still reach that target. I'm not writing off that possibility. However, as you have seen that there are huge challenges. Our fields are all depleting fields.

Still -- I mean most of the peer companies, they are suffering a decline, while we're still maintaining. And this year also, our production has gone up by 4.1%. So we are quite hopeful that possibly in the days ahead, we'll again be achieving a bigger target. We will reach that 4 million ton target by the year '27.

Management:

So '26, you can expect that we'll maintain it. And most probably, we are going to drill in some of the high potential areas this year, like Barekuri. So we are targeting those areas. Once we enter there, I think our production will pick up. And maybe we'll be reaching at least 3.6, 3.7 -- 3.65.

Management:

Just for your information, we have already crossed the Brahmaputra and gone to the northern bank of the river, where also we have observed -- we have identified traces of hydrocarbon there.

Dharam Singh Manral

I am exploration and development CGM. When we talk about the production and the production profile and what is going to happen until the end of this fiscal year and what is going to happen onwards, I would just like to tell you that Oil India Limited has been aggressively acquiring exploration acreages under the open acreage licensing policy bid round. And so was the case that you know that we are producing primarily from our main producing area in the south bank of the river Brahmaputra.

When I say south bank of the river Brahmaputra, I essentially mean that the river Brahmaputra that flows from the mountains down to the alluvial plains, it divides our operational area into north bank and south bank. So this is the context we need to understand first. So our primary production from the Assam and Assam-Arunachal Pradesh or Assam and Assam shelf basin is coming from the main producing areas. So post acquisition of these aggregates, we have aggressively carried out exploration activities.

And I would like to tell you that after 3 decades of perseverance in the north bank of river Brahmaputra, it is for the first time that we have tested crude oil, in the sense that we have established a working petroleum system over there. There have been several companies who have worked over there in the past, including us, but our perseverance has led us to establish a hydrocarbon system over there in place.

So what we are doing down, in order to further monetize this discovery, we are planning extensive supplementary seismic and geophysical investigation, so that this can be brought on to production because this has opened plethora of area for us and new frontiers in north bank of river Brahmaputra.

This is one. Another thing that we are doing in order to increase and enhance our production from our main producing area or from a Rajasthan district in the west is that we are carrying out extensive G&G studies and petroleum system modeling studies, both in-house and through the hiring of international consultants.

Why so because the oil and gas, it lies in the minds of the geologists, geophysicists and the reservoir engineers, so think about it. So perceptions, opinions can bring about new insights. And let me tell you that even in south bank of river Brahmaputra, what we have been able to do is, we have built the deepest onshore oil well in India, which is to the depth of 5,779 meters, which is not a rare feat.

And the most important icing on the cake is, that in one of the wells, we are -- from these deeper horizons, we are producing crude oil at the rate of around 40 kiloliters per day. So with the appraisal and the development of these discoveries, it is going to certainly aid in development of hydrocarbon resources.

Moderator: The next question is from the line of Vivekanand S from Ambit Capital.

Vivekanand S: Sir my first question is on NRL. You had spoken about getting additional approvals for petrochemical as well. What is the status of the total capex that is envisaged for NRL? And if you could give us an update on the time lines for that to come onstream? And simultaneously, how is the progress of the DNPL debottlenecking that you are doing? That's question one. I have one more on Oil India. Maybe we'll talk about that after NRL's answer.

Management: As far as petrochemical project is concerned, that is a project of about INR7,200 crores of capex. And until now the company has -- NRL has already spent about -- almost INR950 crores to INR990 crores on this project. And the expected completion is maybe after 3 years by December 2028.

Vivekanand S: Okay. Could you also give us an update on the 3 to 9 MMTA capacity expansion and the DNPL debottlenecking that you were planning simultaneously?

Management: 3 to 9 MMTA capacity expansion of the NRL is concerned, that has already achieved about 70% -- more than 70% complete and physical progress has been made. And already around INR23,000 crores of capex has already been spent on this project till now.

Management: Out of which around INR12,000 is debt funding, so that's the status. And it is likely to be commissioned by the end of this year.

Management: And as far as DNPL is, the upgradation is going actually. This is an older line, so now new capacity expansion is going on. So it will expand to 2.75.

Management: Actually sir, DNPL line, this was an exclusive line used by Oil India Limited and NRL for evacuating the OIL's natural gas specifically to Numaligarh Refinery Limited. So this was a dedicated pipeline, which was constructed with 1 MMTA capacity. But as on date, as Numaligarh Refinery is under expansion, so they will require more appetite for natural gas.

So on date, although they are taking 0.9 to 1 BCM of gas from us -- through this pipeline, but they will be requiring additional gas up to around 2.5 to 2.75 BCM after completion of their expansion in December, which is targeted in December '25. So this DNPL line is under augmentation and expansion for that reason.

So the project is progressing, which is being undertaken under two phases. First phase is of about 53 kilometers to 58 kilometers, and the next phase is 53 kilometers to another 190 kilometers. So that particular project is undergoing under DNPL own window. And it is having a capex of about INR433 crores.

And the first phase is expected to be completed by March 31, 25. And second phase is expected to be completed by March 2026, so that it gets matched with the completion of our refinery expansion.

Vivekanand S: Understood. As far as your consumers are concerned for gas, could you give us a broad split of the key consumers of your natural gas output, the current 3.3 BCM that you are generating, where is it being sold to? Could you give us a rough sense of that?

Management: It is not 3.3, sir.

Vivekanand S: I meant annual, sir.

Management: Sir, actually, our major customers are basically some fertilizer companies, some power companies.

Management: We have NEEPCO is there, we have APGCL, tea gardens.

Trailukya Borgohain: So out of that, the major customers, to name a few, one is Assam power generation company is there, which is called APGCL. Then there is NEEPCO. The APGCL is taking our gas for two of their plants, one is Namrup Thermal Power plant and Lakwa Thermal Power plant. Then it goes to BVFCL. And as far as fertilizer is concerned, it goes BVFCL and APL. So then tea gardens, some of them goes to the tea gardens and some small power plants.

Management: But our expectation is that once the IGGL is commissioned, we'll scale up our production. We have plenty of gas there. The current situation doesn't quite prompt us to scale up our production, the moment the IGGL happens and the CGD -- I mean, blocks that have already been awarded and those companies are all doing their back-end work, so this integration of their network will help us to send gas to all parts of the country and all major parts of Assam.

Trailukya Borgohain: And already recently, one thing has developed for tea gardens. Generally, the tea gardens in upper Assam take the gas. The tea gardens in the middle part of Assam and lower part, they were not taking. Now there is the discussion going on to supply the gas to them also, for these networks.

Vivekanand S: Sir, how big are tea gardens?

Trailukya Borgohain: Another part of the answer is mentioned the previous question.

Vivekanand S: Sir, how big are these customers, sir, could you explain in terms of, let's say, scalability of your supply there?

Management: What exactly is your query -- question?

- Vivekanand S:** My question is how big can it be from scalability and supply perspective?
- Management:** As far as tea gardens are concerned, most of our tea gardens are supplied through our Assam Gas Company Limited, which is a CGD player and gas transportation company in the area. So currently, they have close to 650 tea customers, mostly in the upper Assam region and Golaghat. And this same company is also expanding its own network, downstream network, in few other districts in their upper Assam area.
- Now what Director Operations was mentioning, with the IGGL network coming in and connecting to Oil India's own upstream network, this gas will now become available even to the tea gardens, tea gardens on the north bank of Assam, specifically Sonitpur, Biswanath Charali, Lakhimpur, all those areas, so which will currently give us a leap to doubling the number of tea gardens that we are servicing currently.
- Management:** I think his question was how big are the customers?
- Management:** So in terms of the bulk consumers of gas, industrial consumers, we have BCPL, which is taking around 1.35 MMSCMD of gas. NRL is taking around 1 million metric standard cubic meter of gas. And there is APL, which is 0.5. MMSCMD, BVFCL is taking 1.1 MMSCMD of gas, NEEPCO is taking 1.4 MMSCMD of gas. APDCL has 2 power plants at Namrup and Lakwa, they are taking 1.16 million metric standard cubic meters per day of gas.
- Assam Oil Division, AOD refinery is taking 0.3 MMSCMD. Tea gardens is around 0.723 MMSCMD. So that's largely the big customers. There are other various small customers like GAIL and small industry units that take around 0.1 to 0.2, depending on their requirement.
- Management:** Once the CGD happens, then you will have a lot of industries coming up in Assam, which are now using other sources of oil. They would also be buying gas from us because gas is -- the country's objective is to transform to a gas-based economy and then targeting the tea gardens in the northern part of the river, all of that will help us to develop a real gas market in the northeastern part of the country.
- Management:** If I may add, sir, there is a development coming up where a new fertilizer plant has been planned in Namrup. So that also may probably become a source of gas consumption, which would be -- currently, they are consuming around 1.1 MMSCMD, which might go up to 2.3 MMSCMD.
- Vivekanand S:** That's very helpful, sir. Thanks so much for the detailed explanation. Just one small second question, which is related to the new well gas. So ONGC, we heard them say that 10% of their production, the DGH has reviewed and classified as new well gas where we are getting higher realization, 12% of the last month crude basket. When do you expect some of your production efforts, the hard work getting rewarded with higher realization, sir?
- Management:** Very interesting question. And we have already built up sufficient volumes of this new well and the new intervention gas. And with our expansion plans as Director Operations mentioned, we expect this new well gas to multiply even further and become a large portfolio of our total gas production in the next 2 years to come.

For the volumes, which we have already -- under these guidelines, we have already submitted to DGH, which has been assigned the nodal responsibility of identifying and validating this gas. And very recently, DGH has vetted the quantities of gas, which might be qualifying for this premium pricing.

So we are now -- since you would understand this requires an allocation from the ministry, from our side, Oil India has already given some numbers. Once those numbers are vetted by the ministry, and we are expecting it to come through and it would -- and we expect it to coincide with the DNPL augmentation and NRL refining capacity coming up, those 2 events should ideally coincide.

Moderator: Sorry to interrupt. May I request Mr. Vivekanand to please rejoin the queue. We have participants waiting for their turn. The next question is from the line of Gagan Dixit from Elara Securities.

Gagan Dixit: Sir, when you say that you are waiting for the Indradhanush Gas Grid to get completed, then you have access for the rest of India. So if I am understanding correct that you are waiting its connectivity till Numaligarh, I think, because after that, then GAIL Guwahati- Barauni pipeline, you will get it. So how much is the kilometer of the section that is left by the IGGL to be connected with your major field? I think it is in the Assam or Arunachal, I think?

Management: So there are 2 propositions. One proposition is the DNPL pipeline, which is already getting augmented. And there is a proposal for interconnecting at NRL, at Numaligarh with the Northeast gas grid. There is another proposal wherein northeast gas grid, IGGL has applied -- has been given authorization from the ministry under Section 42 to lay a line up to Oil India's facility in Duliajan, which is the central hub of all gas processing for Assam and Arunachal fields.

So this pipeline will directly get from oil and gas fields to the northeast gas fields through a bigger pipeline. This pipeline will have a capacity of 3.3 MMSCMD. I hope that answers your question.

Gagan Dixit: Okay. And sir, if my understanding is correct, most likely it should be the Duliajan to the Kharsang somewhere, that's where you are waiting for the connectivity for the Indradhanush Gas Grid.

Trailukya Borgohain: Regarding that, I'd like to answer you is that Kharsang is a little bit different because we are connecting -- with Kumchai already we have connected, some 81 kilometers of pipeline has already been connected, and the Kumchai gas is coming. So by that way, we have reduced the flaring in Kumchai also, and we have increased our production also in Arunachal.

So Kharsang, there is a proposal that Kharsang will also connect to this -- this come from Arunachal actually, southern part of Arunachal eastern districts of this -- Changlang district, that is Kumchai. So it is an 81 kilometer pipeline. So it crosses many rivers. And it was a very downstream one, and our people have completed it.



So I think if Kharsang any more gas comes up because that will be another JV. So their gas can be connected to this particular line by another hook up line.

Gagan Dixit: Sir, final question is, when it is expected to be completed?

Trailukya Borgohain: Actually, Kumchai line is completed.

Gagan Dixit: Okay. So Indradhanush Gas Grid, that's the portion that you are expecting. So I think as you said that when it's come, then your production, you were able to sell outside. So that's why I asked. I just want to understand it.

Management: So Indradhanush Gas Grid has been given authorization by MOP&NG. Now the proposal is with PNGRB. Once the PNGRB authorization comes, it's an 18-month project.

Moderator: The next question is from the line of Kartik Kohli from CLSA.

Kartik Kohli: I just have a bookkeeping one. Could you please give out the seismic costs for the quarter and for the 9 months...

Moderator: Sorry to interrupt you, Mr. Kohli, but we cannot hear you that clearly. Your voice is sounding muffled, sir.

Trailukya Borgohain: Could you please repeat the question?

Kartik Kohli: Could you let me know the seismic costs for the quarter?

Rupam Barua: It is about INR535 crores for the 9 months, I'm talking about the 9 months. And for the quarter, it is about INR200 crores -- INR210 crores.

Kartik Kohli: And what was this in 3Q FY '24?

Rupam Barua: FY '24, it was INR388 crores, INR390 crores for the 9 months and INR125 crore for the quarter 3.

Kartik Kohli: I just wanted to clarify. You said IGGL will take 18 months or the overall process will take 18 months?

Management: Yes, project completion is 18 months.

Kartik Kohli: 18 months from now?

Management: From the PNGRB authorization.

Moderator: The next question is from the line of Nitin Tiwari from PhillipCapital.

Nitin Tiwari: Sir, just to get clarity on the questions which were asked earlier as well. If you can just lay out the road map for reaching the 4 MMT and 5 BCM that you spoke about. So I'm lot very clear on your FY '26 production guidance. So one, if you can help with that first? And then what is the time line we are looking at for 4 MMT and 5 BCM?

Secondly, what are the infrastructure requirements that are pending for ramping up of our gas production because there were a couple of pipelines mentioned when you gave out the details. So I'm not very clear on which pipelines are like under construction and which are pending authorization.

You mentioned a PNGRB authorization pending for one pipeline. So if you can just make put the entire picture clearly in front of us, that would be very helpful. That would be my first question.

Trailukya Borgohain:

Yes, the 4 MMT is the target. Initially, we had the plan for -- specific five areas we targeted to give maximum impetus on drilling, new drill. So these were like, I don't know the names of the areas. This time, we have added 2 more areas, so 7 areas we had taken up. So one of the areas, there was a little bit of supply, a little bit of production as expected, but all other areas, like we have added this time the Barekuri, specifically we have added Barekuri and also Sesabil, two more areas.

So these are new -- Sesabil is a new discovery, and we are planning to drill a number of wells. Specifically, in Barekuri, we are going to drill around 15 more wells in coming days. And in Sesabil, we are planning for another 3, 4 wells. So the production will ramp up from these areas. And at the same time, we are working on the other five areas.

So like Kumchai, we are planning to put -- I think most probably, we'll be able to put 2 rigs together at the same time, so that Kumchai production will also ramp up. So these are some of the activities we are picking up. And with this, we are hopeful that we'll be able to reach 4 MMT. And what is happening Rajasthan, we are planning from 700 now...

Nitin Tiwari:

Sir, time line for 4 MMT? When are we going to see the 4 MMT production? '27?

Trailukya Borgohain:

As of now, it will be '27 -- '26, '27.

Management:

We are almost at 3.6. So it won't take us much to reach that level. These are some of the medium term activities that we have taken up. Apart from that, the announcement of the ninth round of OALP bidding, we were holding around 55% of exploration acreages. After the announcement, we are yet to receive the letter of award from DGH. Our acreage will go up to more than 1 lakh square kilometers. So this shows our intent to scale up our production and go even beyond 4 MMT. 4 MMT is the target for...

Trailukya Borgohain:

So what is happening is that this time, we are targeting areas outside of Northeast also. So some prospective area, we have already earmarked and most probably we are -- if we get those areas. We may not go for seismic because seismic is already available in those areas. And we'll directly go for drilling in some high prospective areas. So this is one action we are taking up.

Management:

Just for the sake of an opportunity, I would just like to summarize it. That in order to augment our oil and gas production, what all initiatives we have been taking. Apart from the fundamental target of 4 million metric tons that we want to receive by the next fiscal year or next to next fiscal year, which our Director Operations commented. See what happens is that we are primarily an upstream company with, of course, our presence in midstream, downstream.

And even in alternative and in renewable energies, and even going into the mineral resources as well now. But to fuel all these initiatives, we need to have our bottom line fixed. So what we have been doing over the past is, over the past 4, 5 years, we have increased our exploration acreage by six to sevenfold. So what does this essentially mean? This essentially means that if we don't explore, we don't identify.

If we don't identify, we don't harness -- evaluate. If we want to evaluate, we don't exploit or harness hydrocarbons. And we do not develop them. So exploration is our forte. We'll keep on exploring, exploring and exploring because this is only what is going to lead to reserve accretion. And as I already mentioned in one of the previous questions that this is bound to lead to reserve accretion and more results for us in the future.

Which will translate into better production of oil and gas. And then what I mean to say is that, what happened is that the Government of India has decided to release around 1 million square kilometers of area in the no-go zone areas in the east and western offshore of the Indian subcontinent. These are very promising areas, which for the last 10 to 15 years, the government did not -- we have certain statutory problems, defense installations that these were not in place.

But since the release of this no-go zone areas, Oil India Limited has taken a very aggressive and very calculated step in acquiring around 40,000 square kilometers of acreage just as an operator, which is yet to be notified by the Government of India, but we know that we are the lead bidder, and these basins are Mahanadi, KG. And the most important thing is that we have, for the first time, put our foot on to the land of Gujarat in Cambay where we were nowhere present. So this is another milestone that we have acquired and locked, which is prospective.

Apart from this, we have also extended our collaboration and outreach because you know that exploration is an inherent uncertainties in terms of exploring, exploiting of hydrocarbon resources, which we have tied up with national and international oil companies for collaborating and have got 3 blocks in the Indian subcontinent to forward our exploration, development and production targets.

Management:

For the gas, we are doing some of the areas where like in terms of allocation of gas, we have already applied to the government that we need to allocate the increase amount of gas that needs to be given to the customers because allocation is not done by us. So that is one part because that already we have applied. From our side, we have applied that this much of gas we are going to give it to the customers.

So that application has already gone to the ministry and ministry is looking at it. The other point I would like to raise here or tell you here is that sometimes because of the seasonal fluctuation and many other reasons, the gas wells needs to be shut down. So what we are doing this time is that when we shut down the gas, we lose the associated oil that comes up or condensate whatever that comes up, it is a loss to us.

This time, what we have done is that, we are looking at underground gas storage. When we produce the gas, this underground gas will be stored in the reservoir, while we take the liquid at the same time. So my liquid production doesn't go down. So this is what is already we are doing.



And in one area, in a well called Naharkatia-257, we have already started putting the gas at the storage.

So if there is any demand/supply issue, then we can immediately put it in the – dry gas into the reservoir. But at the same time, we can produce the oil. These are some of the steps we have taken.

Nitin Tiwari:

That's very helpful. On the pipeline bid, just wanted to understand that, which pipeline has a pending authorization from PNGRB because I suppose you were talking about 2 pipelines here, one was IGGL, of course, and the other was the expansion of DNPL. And then you also spoke about the connection to Duliajan. So which pipeline is where the authorization is still pending?

Management:

Just one minute, I'll explain one more area also. Sometimes what happens is that we have a pipeline some -- because of one area in the northern sector, Bherjan. So what happened, there also because of low offtake from other customers, there is an issue that we have to shut down the well, and we lose a lot of gas.

So what we are doing now is that we are bypassing it with another pipeline. So we are bringing 20 kilometers of pipeline. We are planning that. So this will also help us. These are local pipeline, of course. This should help us in mitigating the risk of losing the gas in the process. But regarding the other pipeline, I'm requesting my colleague to reply.

Management:

The DNPL pipeline, there is a capacity augmentation, which is already underway from 1 MMSCMD to 2.5 MMSCMD. The other pipeline we are referring to is the IGGL pipeline, which has been serviced by or ordered by MOP&NG -- directed from MOP&NG to PNGRB for authorization. And once that authorization comes, it is an 18-month project.

Third pipeline, which he was referring to, is the pipeline which connects our Arunachal Pradesh fields to our central gas gathering station in Duliajan. So this pipeline has unlocked that Arunachal Pradesh field, which was long disconnected from the gas network and the gas has been monetized.

Now this pipeline is in place now, that Kumcahi-Arunachal Pradesh field can be developed further and it has a capacity of another 1 million standard cubic meter per day.

Moderator:

Sorry to interrupt, may I request the participant to please rejoin the queue. We have the participants waiting for the turn. The next question is from the line of Nitin Tiwari: from PhillipCapital.

Nitin Tiwari:

Basically, the pipeline that we are talking about is connecting Arunachal to Duliajan, that's what the pipeline you're talking about, where authorization is pending.

Management:

No. That pipeline is already operational. We have constructed that pipeline. Arunachal to Duliajan pipeline is already operational. The one pending is the north bank.

Nitin Tiwari:

Pending is north bank, understood, sir. Second question, sir, is like as you mentioned that you've acquired a number of acreages.



Moderator: Sorry to interrupt you, Mr. Tiwari. May I request you please rejoin the queue?

Nitin Tiwari: Two questions are allowed, right? So this is the second question I'm asking. Sir, as you mentioned that you have acquired quite bit of acreage in the recent licensing. So like when you see you entered into a technical collaboration with a global major, are you also evaluating something like that? Can we expect some announcements on that end, sir? That is the second question from my side.

Management: Yes, of course. We have been extending our outreach to various international oil and gas companies, both, not just in terms of physical coexistence or physical collaborations. But what we are looking is at technology, knowledge partnership and even PI, means participating interest. So let me tell you that we have signed a technical service agreement with TotalEnergies France for helping us in our exploration and development and understanding deep and ultra-deep offshore waters, so that we can leverage their expertise and knowledge.

So it's prima facie expertise and knowledge. And thereafter, later if we find them to be prospective together, we can mutually decide upon areas of potential interest where we can farm in or do other types of exploration activities. But as far as other collaborations are there, we are already in touch with various international oil companies, which I'm not going to mention right now because we have not been able to freeze on to them, but they are in advanced stages.

And the evaluations on the prospectivity, perception and the exploration endeavors that will go into these acreages is already in place and in advanced stages.

Moderator: The next question is from the line of Pranita from Morgan Stanley.

Mayank: Mayank from Morgan Stanley. Just two questions. First, in terms of, sir, you talked about flaring. Now in terms of percentage flaring because of lack of pipeline because of the other issues in terms of demand, would you give us an idea of what percentage of your gas is right now getting flared? Or if I were to kind of put the question another way, what would be your total production capacity today if you did not have the supply or the demand constraints on the pipeline side?

Management: So flaring, the primary reason was not only due to pipeline. It was due to remote facilities, remote installation where there were associated gas where oil was being produced, and that there was not sufficient capacity to put it into gas pipelines. Now what we have done is, we have progressively reduced the flares over the last 1 year -- over the last 2 years to a level of 0.2 MMSCMD.

But at the same time, we have planned at 11 sites new compressor facilities, which are remote facilities, where compressors will be installed to put the low-pressured gas, which is being flared into our gas distribution network. Now the compressors have already started getting dispatched and delivered to our site. And the first of these compressors will get installed in March 2025. So we expect to reach a level of zero normal flare in the course of next year.

Management: See, in percentage term, it has come down from 8% to 4%. The preceding 9 months, that is FY '23, our flaring percentage was 8. Now in the current 9 months ended 31st December, this has come down to 4.

- Mayank:** And does it go to zero after the compressors?
- Trailukya Borgohain:** Yes. After implementation of all the 11 compressors we are bringing, I think it will further go down, maybe close to 1.5.
- Management:** Not just monetizing the gas. This is also our green effort that there shouldn't be any escape of emissions into the environment. So it is a double kind of whammy for us. It will help us generate more revenue and at the same time, solving the environmental cause.
- Mayank:** And sir, the second question was more in terms of NRL. Can you share us the progress on the NRL project? How much is complete, what the time lines are, and the capex, etcetera?
- Trailukya Borgohain:** More than 72%, 73% completion and physical progress -- 78%, sorry, 78% physical progress has been done. And the project cost already spent is about INR23,000 crores, and it is still expected to be completed by December '25.
- Mayank:** So all the major equipment and everything is all in place and I suppose the last pipeline was going on so you can start mechanical completion in December '25?
- Trailukya Borgohain:** Majority of the units have already been physically completed by about more than 90%.
- Mayank:** Okay. Sir, when do you start the commercial operations? Like is it somewhere March '26 or...
- Management:** It means that as soon as the new refinery with new capacity gets completed, it is not that overnight it will pick up to 100%. It will gradually pick up to 100%. Maybe the first year, it will run at about 50% to 60%, then going forward to say 75%, then 75% to 100% will be equipped in the third year, expected.
- Management:** What we are basically doing is that because refinery expansion is a progressive thing. It will happen over a period of time. However, at the other end, once it picks up so that the associated facilities are all in place, so what we are doing is we are almost at the completion stage of the Numaligarh-Siliguri pipeline. That also is being augmented so that this capacity will go up from 1.7 MTA to 5 MTA. So things are happening simultaneously.
- Trailukya Borgohain:** This is what Director Finance telling is that it's a product pipeline. Like once we bring the crude, at the same time, we need to have the product going out. So if we cannot deliver the product, so in this case, our product pipeline is around 90% we are complete. And by April it will -- by April of this year, 2025, it will complete -- before completion of the Paradip-Numaligarh crude oil pipeline. That is this outlook.
- Mayank:** So sir, is it fair to say that everything will be ready by December '25 or whatever logistical requirements are there and then you can kind of ramp up from December '25 or you ramp up from April -- March '26?
- Management:** We are completing -- mechanical completion will be by December 2025. There will be some commissioning exercise that will be there, so it will take some time. After that, it started like what he already said is that accordingly, this will start produce -- like the production will be getting augmented. It will be a step by step process.

- Mayank:** And sir, for mechanical completion, you don't need any shutdowns or anything of that of the existing refinery units, correct? That should be all normal...
- Management:** Existing, we will be commissioning. Exercise will be done, then accordingly, this will be getting augmented.
- Moderator:** The next question is from the line of V. Sivasankaran from Antique Limited.
- V. Sivasankaran:** Two questions. One on the Andaman program. How is it going and what are the milestones you should look forward to?
- Management:** The Andaman -- see, Oil India has operated in the Andaman and the Northeast Coast of India in the past. But recently, we have again started our exploration activities in Andaman shallow offshore blocks. There are 2 blocks over there. The total number of locations have already been identified. One well has been spotted, and it has reached a target of 2,805 meters.
- The drilling operations are on and the targets for Oligocene reservoirs, which are expected at a depth of around 3,500 meters plus, so we are expecting and hopeful for making a discovery over there. Things are going on as we had planned as of now. So following this well, we'll be drilling another 3 wells in the Andaman offshore block.
- V. Sivasankaran:** On the Numaligarh front, one, about the crude pipeline progress? And secondly, on the petrochemical, what is the position currently? And is an approval still pending from the Board? Or is it more like approval is done and ordering is pending?
- Management:** As far as approval, environmental clearance, etcetera, is concerned, these have already been received, already around 900...
- V. Sivasankaran:** I am talking about the petrochemical side of the story, sir.
- Management:** That is what I'm saying, petrochemical. As far as petrochemical plant is concerned, so all environmental clearance, etcetera, has already been obtained. And we have already spent about INR800 crores to INR900 crores on this project until now. But since refinery expansion is also going ahead on a war footing, so that is why these plants would not be taken up so aggressively. And because we have got target completion within next 3 years' time.
- So by December '28, we are expecting this plant also to be completed, to be in place. The total project cost is about INR7,200 crores.
- V. Sivasankaran:** And the progress on the crude pipeline, percentage completion as of now?
- Management:** Crude pipeline is on track.
- V. Sivasankaran:** So completion by what day?
- Management:** Yes, yes. It is expected to be completed along with the refinery expansion completion target of December '25.

Moderator: The next question is from the line of Sabri Hazarika from Emkay Global.

Sabri Hazarika: This will be the last question. So I just wanted to clarify a few things you mentioned. You mentioned about the oil guidance, but what is the gas production guidance for FY '25 and '26, and 5 BCM when it is expected to be hit?

Management: 5 BCM is targeted in the year '27, '28.

Sabri Hazarika: And what will be the production for FY '26? How much are we planning?

Management: It will be close to 3.8 BCM, 4 BCM.

Sabri Hazarika: And regarding the Arunachal pipeline that you said, this pipeline is commissioned, right?

Management: Yes. Arunachal pipeline is commissioned. The gas is already -- coming to the FDGS.

Sabri Hazarika: So sir, this pipeline will basically monetize around 1 MMSCMD potential gas from the Arunachal field, right, including Kharsang, right?

Management: Yes, you are right. kharsang not included.

Sabri Hazarika: So this is different, right? And last question is, you mentioned 2 more areas being added to that mission 4. I did not get the names properly. Sesabil or what was it?

Management: You want to be specific. So these are Barekuri and Sesabil.

Sabri Hazarika: Sesabil and Barekuri, right?

Management: Yes.

Sabri Hazarika: Okay. Fair enough. And last question, this north bank pipeline, IGGL, the new one, which will connect Numaligarh with Duliajan directly, so you said PNGRB approval is expected in 1 month, then it will take another 1.5 years to commission that pipeline. Is that right?

Management: We have said that MOP&NG has given its directive to PNGRB for authorization. Followed by that IGGL has already applied for authorization and the authorization is expected any time soon. And 18 months is the project duration for the completion of the project.

Sabri Hazarika: Authorization will come in 1, 2 months, right?

Management: It is expected any time soon.

Management: We can't be that specific. However, we are expecting that it will come.

Sabri Hazarika: Okay. Fair enough. And is there any major NRL shutdown, which is expected because of the commissioning of the expanded capacity?

Management: Nothing as of now.



- Management:** Sabri, actually shutdown may not be required because as you know, both these units are independent. So the other biggest unit – the whole unit can run independently of the new unit. So that is why shutdown of the old unit may not be required when this new unit will be commissioned.
- Sabri Hazarika:** Got it, sir. Thank you so much for this conference call, and I hope it is quite informative and insightful for participants. Sir, we will end the call. And before doing so, any closing comments from your side?
- Abhijit Majumder:** So it's a pleasure having you all with us for this interactive session con-call. So I extend my sincere thanks to all those who participated in the con-call, and wish you all the very best.
- Moderator:** On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.