



**“Oil India Limited  
Q2 FY '26 Earnings Conference Call”**  
November 17, 2025



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**MR. DHARAM SINGH MANRAL – CHIEF GENERAL MANAGER, EXPLORATION AND DEVELOPMENT – OIL INDIA LIMITED**

**MODERATOR:** **MR. VARATHARAJAN – ANTIQUE STOCK BROKING LIMITED**

**Moderator:**

Ladies and gentlemen, good day, and welcome to Oil India Limited Q2 FY '26 Earnings Conference Call, hosted by Antique Stock Broking Limited. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Varatharajan. Thank you, and over to you, sir.

**Varatharajan:**

Thank you, Shravani. Very good morning to everyone. I would like to extend a very warm welcome to all the participants and the top management of Oil India Limited. We have with us today the top management of Oil India represented by; Mr. Abhijit Majumder, Director of Finance; Mr. Saloma Yomdo, Director, Exploration and Development; Mr. Trailukya Borgohain, Director Operations; Mr. Bhaskar Jyoti Phukan, MD; NRL; Mr. Ranjan Goswami, ED Business Development; Mr. Ajaya Kumar Sahoo, ED Company Secretary and Mr. Abhijit Das, CGM, (F&A).

Without much further ado, I would like to hand over the call to Mr. Abhijit Majumder. The floor is yours.

**Abhijit Majumder:**

Good morning, ladies and gentlemen. At the outset, I would like to thank Antique Stock Broking Limited for hosting today's analyst and investor call for Oil India Limited. I'm Abhijit Majumder, Director of Finance; I'm joined today by my colleagues from Oil India, Mr. Trailukya Borgohain, Director Operations; Mr. Bhaskar Jyoti Phukan, MD NRL, which is our material subsidiary; Mr. Ranjan Goswami, Executive Director, Business Development, Oil; Mr. Ajaya Kumar Sahoo, Executive Director, Company Secretary, Oil; Mr. Abhijit Das, CGM (F&A) Oil; Mr. Dharam Singh Manral, CGM Exploration and Development, Oil; Mr. Saket Garodia from NRL Finance team.

On behalf of the management, I welcome you to our quarter 2 FY '25-'26 earnings call, covering the period first of July '25 to 30th of September 2025. The financial results were approved by the Board and duly published on 14th of November '25, based on statutory requirements.

Now I would like to hand over to our Chief Investor Relations Officer Mr. Abhijit Das, who will provide an overview of the performance of the current quarter and half year ended 30th September 2025. Mr. Das please.

**Abhijit Das:**

Thank you, sir, for the introduction. Good morning to all who have joined this earnings call of Oil India Limited. A brief strategic overview of our performance during the quarter and the half year ended for FY '25-'26. Oil India continues in a steady transition into an integrated energy company.

On upstream point front, we have continued to strengthen our resource base through the acreages expansion, focused exploration in the new prospective area achieving drilling targets as planned and at par production.

The midstream pipeline expansion is progressing well, and we are glad to announce you that the mechanical completion of our Numaligarh Siliguri pipeline was commissioned on 12th of October 2025. On the downstream side, expansion of Numaligarh Refinery is gathering momentum with commissioning of select units on track, and we are well planned to get commissioned in December 2025.

A brief operational highlights for this half year ended. I will now provide the highlights of our company's operation and financial performance for the current quarter. We experienced a minor dip in our upstream operations this quarter.

The combined oil and gas production for Q2 FY '26 is 1.652 million metric ton of oil equivalent and for HY FY, it is 3.332 MMTOE. The crude oil production for the quarter stood at 0.848 million metric tons, a minor decrease of 0.6% on quarter-to-quarter. And 3% -- rather 2.58% on year-to-year.

The natural gas production for the quarter stood at 0.804 bcm at marginal decrease of minus 2.8% on quarter-to-quarter, an increase in 0.6% on a year-to-year basis. The key rationale of our production dip was driven by a temporary production slowdown owing to the external factors in the Northeast region of the country. However, the operations have now normalized and daily production is again on its normal pace.

On the exploration and the development front, progress has remained strong. Oil India has drilled 18 new wells in Q2 FY 2026, achieving 100% of our target drilling and drilled 32 wells in HY 2026, an increase of 28% on year-to-year. Additionally, our offshore exploration campaign in Andaman Basin has achieved a key milestone with gas occurrence in East Andaman.

A brief on our international fund, Oil India holds 4% in Area 1 in Mozambique through its joint venture entity, BREML. In April 2021, degradation of the security situation in Cabo Delgado province in Mozambique necessitated to Area 1 concessionaries to declare force majeure and suspended the development activities. We have a good news here that the force majeure has been withdrawn from November 2025.

The Honorable Prime Minister inaugurated the Assam bioethanol plant, a joint venture of our material subsidiary, NRL in Golaghat District of Assam on September 14, 2025. This is India's first 2G bioethanol plant that uses bamboo as feedstock. Our 200 TPD formalin plant is commissioned in Boitamari in Bongaigaon of M/s Assam Petrochemicals Ltd our joint venture company in the Northeast.

A brief financial highlights of our company during the quarter FY '26 and half year FY '26. Here, the average crude oil price realization during Q2 was \$68.19 per barrel versus USD79.33 barrel in the previous quarter of the previous year. In FY '26 half year, the crude oil price realization was USD67.22 per barrel versus USD82.09 per barrel.

There is a decrease of 18.11% in the crude oil price realization. This was the major impact on our revenue because of reduction in crude oil price by 18%, our revenue has gone down at nearly about 44% as compared to the previous year.

The natural price gas price is almost steady as compared to the previous year. It was \$6.78 per MMBTU versus \$6.70 per MMBTU. Gas was performed almost in line with the previous year. The price of crude oil has been regulated by the benchmark aligned by the Government of India during the half year.

The standalone revenue for Q2 FY 2026 was INR5,456 crores, which has grown on quarter-to-quarter around 9%, which is mainly due -- quarter-to-quarter around 9%. And FY '26, it was INR10,469 crores. Because of reduction in revenue and well write-offs, our EBITDA margin has also gone down to 34% as compared to 47% in the previous quarter.

The PAT for Q2 FY 2026 was INR1,044 crores, reflecting 28.8% growth on quarter-to-quarter. For half year, the profit stood at INR1,857 crores as compared to INR3,300 crores in the previous year, which is primarily because of lower price realization and higher provisioning of our E&P activities.

Because of lower profit, the EPS has also come down to around INR6.42 per share. However, it is reflecting 28% growth on quarter-to-quarter. A brief performance of our material subsidiary, NRL, our Material subsidiary -- the revenue of our material subsidiary NRL during this quarter was INR6,442 crores, which is up by around 2.5% on quarter-to-quarter and almost 24% on a year-to-year basis.

The refinery achieved a capacity utilization of 100% plus and the distillate yield stood at 86% for Q2 of FY 2026. The gross refinery margin was USD10.56 per barrel for Q2 FY '26. And up by 110% from the previous quarter and \$7.73 per barrel for FY 2026 for the half year. The EBITDA was INR989 crores for the quarter with PAT landing to INR725 crores. And for FY '26 HY EBITDA was INR1,774 crores and PAT was INR1,213 crores.

And a brief consolidated view of our company on the consolidated basis, reported a turnover of INR9,175 crores and PAT of INR1,640 crores for Q2 FY '26. We are pleased to inform you that the Board has declared a dividend and the dividend amount is INR3.50 per share during this quarter.

This is the first interim dividend declared by the company. Oil India has delivered a resilient and disciplined performance in the quarter -- disciplined performance in the second quarter of FY '26, supported by the operational stability and prudent financial execution.

As we look ahead, our focus remains on the execution excellence, production growth and long-term value creation across the portfolio.

With that, I conclude my remarks. We now welcome your questions and look forward to an engaging discussion. Kindly limit your queries to two per participants to allow time for all. Thank you.

**Moderator:**

Thank you. We will now begin the question and answer session. The first question is from the line of Gaurav Jain from ICICI Prudential Mutual Fund. Please go ahead.

- Gaurav Jain:** Sir, first question on other expenses, if we will see, it has come out on the higher side, around INR6,094 crores, this is way higher than the steady state run rate that we have been seeing. So if you can help us understand what all are the one-off items here, sir?
- Abhijit Majumder:** That's a good question. I think CGM (F & A) would be an -- can take this question.
- Abhijit Das:** Thank you, sir. During the quarter, as we have witnessed that there was some higher other expenses as compared to the previous year. There is only 1 minor reason of having higher expenses because and during the first quarter, what we have done, we have provided for our 2 blocks.
- One is in for Bangladesh and a one is for Gabon. Both these blocks we have already provided in our financial statement during the first quarter. It was amounting to around INR700 crores. And one well we have drilled during the quarter in our Andaman basin in Vijayapuram-2. We have also provided for that in around INR723 crores. This is the only reason which we are having higher other expenses during the quarter as compared to the previous year.
- Gaurav Jain:** On this Bangladesh and Gabon write-off, how should we be thinking about it going forward because it is now appearing in quite a few quarters?
- Abhijit Majumder:** So see, Gabon, as far as Gabon is concerned, we have thought of exiting from that area. So whatever expenses we have incurred maybe a little more expenses would arise based on the closure efforts that are going on. So apart from that, Bangladesh is also a closed chapter as far as the entire JV is concerned. We are in partnership with ONGC there. Both of us have decided to exit from that particular block. So we don't anticipate any further major increase in expenditure in each of these two areas. .
- Gaurav Jain:** Got it. On the employee expenses side also this quarter is on the higher side, sir, anything to call out there?
- Abhijit Majumder:** Sorry, could you come again, please?
- Gaurav Jain:** Sir, employee expenses, if you will see at INR526 crores, that is also higher than the run rate that we have been seeing a little on the higher side?
- Abhijit Majumder:** CGM (F&A) would like to answer.
- Abhijit Das:** For employee expenses, what we have seen, you have witnessed that there is around INR60 crores of more expenses as compared to the previous half year. So during the our pay revision government has mandated that once your DA percentage will increase up to -- across 50%, then your gratuity amount will increase from INR20 lakhs to INR25 lakhs.
- So, during this quarter, we have witnessed that our DA has crossed 50%. It is 51.29% during the quarter. So as the gratuity liability of the company has already increased, we have carried out the actuarial valuation considering the liability of the employee strength from INR20 lakhs to INR25 lakhs.

So the actuarial deficit, which has been accounted during this quarter is around INR60 crores. That is the only reason, which the employee benefit has gone up as compared to the previous half year. Rest, normal -- marginal increase of our employee costs relating to increase your normal salary and some medical benefits. But the major amount because increase in employee benefit is for the increase in actuarial valuation of gratuity expenses, which is INR60 crores.

**Gaurav Jain:** Got it, sir. That was helpful. Next, sir, on the production side at 1.65 metric million ton of oil equivalent, when we say that we are now back to like Q2, there were some one-offs which impacted the production. And in Q3, we are now back to steady state production, will it be possible for us to guide as to how should we think about production into Q3 and what is the steady state that we are back to now?

**Abhijit Majumder:** Okay. I think director operations can take this question? If you'd like to answer.

**Trailukya Borgohain:** Yes, can you hear?

**Gaurav Jain:** Yes, sir, you are audible. Yes.

**Trailukya Borgohain:** So there are a few factors actually that affected Q1 and Q2 both Q1 mostly, what happened is that we had a little bit extra loss due to LPGs shut down, that was unwanted and we never planned it. So because of that, we had some more loss in the first quarter. And also in the second quarter what happened is that I'd like to correct one line that the production impact dropped from 9,720 metric tons.

We achieved 9,720 metric tons per day at the end of the year also in the month of September -- September '16 -- we achieved -- September '15, we achieved 9,722 metric tons per day, which goes to -- which pro rata which goes to about 3.52, 3.53 something like that. So what happened is that -- and we were on a track where we were going to be around 10,000 metric ton per day this time.

But what happened is that there are a few ethnic groups here, six ethnic groups. And one of the ethnic groups in the Eastern part and they -- because they want the SC Status because of -- they did the economic block, not against Oil India, but it is to the government. But in the process, what happened is that we have to close down well because people cannot move for work inside and outside the facilities, oil facilities.

Because of that, the production dropped to 8,100 metric ton per day. Now we are hovering, we have brought it back to 9600 -- close to 9600. So we are because what happens when our natural flow is disturbed in some of the wells around 10, 11 wells, which didn't come. But we tried -- we have tried with other wells and also from new drilling, we have added to this amount. And the decline which we thought that it will create, but it didn't create that much, but we are again on right track. And it is -- if no such blockade happens, then we are expecting that we'll be around 3.5 plus this time, this is beyond our hand actually. Did I answer it properly means you got it.

**Gaurav Jain:** Yes, sir. Thank you for the elaborate answer. That was helpful. Last question, sir, on DNPL capacity augmentation, we have mentioned in presentation that 15th November is when we were

expecting mechanical completion from 1 MMSCMD to 2.5. What is the status on mechanical completion, sir, is that achieved?

**Trailukya Borgohain:** The DNPL pipeline.

**Gaurav Jain:** Yes.

**Abhijit Majumder:** I think Tuhin will take this question.

**Management:** Thank you so much, sir. Good morning everyone. So, yes the DNPL pipeline mechanically, we have completed all the works. And now the next step would be to obtain PESO and PNGR PESO approvals and PNGRB authorization for the expanded capacity. And also, there is one critical step in terms of hooking it up with the existing pipeline. For that, we would need 7 days of disruption in the pipeline. So we are planning it as we proceed with PNGRB authorization.

**Gaurav Jain:** Got it. So we continue to expect that what we mentioned by April '26, all of this will be done, we continue to expect the same?

**Management:** Absolutely. We will be up and running before April '26.

**Gaurav Jain:** Last question, if I may squeeze in a last question on NRL, the throughput at 0.75 metric million tons was also on the lower side, if we look at quarter-on-quarter, we operated at 100% utilization. Was there any maintenance shutdown and if that is complete now?

**Abhijit Das:** MD NRL, if you would like to answer this question?

**Bhaskar Jyoti Phukan:** Yes. See. We did not take any shutdown. There was -- as we are dependent on the crude supply from Oil India and there was a very marginal dip on the availability that also affected us. But we are still more than 100% and this quarter, we have accumulated crude and then we are getting some imported parcel as well.

So this quarter will be above 100% again, actually. So there was no maintenance related shutdown in Q2 and Q3, there was a small shutdown that we had to take on safety related thing in our primary unit, but we are out of that shutdown. So hopefully, in Q3 also, we will exceed 100%. So, we will maintain more than 100% for the entire year.

**Gaurav Jain:** Thank you so much, sir. That was helpful. All the best.

**Moderator:** Thank you. The next question is from the line of Probal Sen from ICICI Securities.

**Probal Sen:** Thank you for the opportunity. Very good morning. Firstly, on the Andaman write-offs, just wanted to understand what were the results of the drilling campaign so far and what has led to the write-off of the wells plus how many more wells are we planning at this point of time in terms of our drilling campaign in the region?

**Abhijit Majumder:** That's a good question. We have with us ED exploration. I request ED to respond to this.

**DS Manral:**

So very good morning to all of you. So Andaman exploration has been quite a success for us in the sense that we had ventured into Andaman way back in 1980s when we drill seven or eight well. So thereafter, after a long time we had again been into offshore waters because this is the thing, which is happening all around the world where the discoveries are being made.

So right now, we have completed 2 number of wells, One was the number one well was Vijayapuram 1 and the second well was Vijayapuram 2, where we could see the occurrence of hydrocarbons, and the gas was even flared Now what we are exactly doing is that we moved to the third well and we are currently drilling it.

But our plans have to appraise the Vijayapuram 2 occurrence of gas for which we are planning supplementary 3D seismic which is going to give us tighter control of the subsurface to plan future well and define the new strategy for exploring and exploiting hydrocarbon resources from there. And as far as the total number of wells goes.

So we have in line of site 3 plus 1 well as of now, which includes the two number of wells, which have already been drilled, the third well, which is on the drilling and there is one well in the in Andaman West, but depending upon the success and the appraisal, the exploration strategy will be charted out and we will go ahead with the momentum of discovering these hydrocarbon resources and the number of wells may increase in due course of time.

**Probal Sen:**

Just to understand, sir, thank you for the detailed answer. The write-off basically happens anyways as a matter of course, even if there is a reasonable -- even if there has been a successful discovery of hydrocarbons. Is my understanding correct?

**Abhijit Majumder:**

I think that's correct because write-off is independent of discovery or occurrence of hydrocarbon because write-off is basically an accounting treatment, which is done based on the assessment of the situation there. It has got nothing to do with the discovery or the future prospects. So, I believe that answers your query.

**Probal Sen:**

Got it, sir. And any sort of timelines you can put on when we can get an estimate, even a contingent resource kind of a number from this region? Any assessment that your exploration team or seismic team has done at this point of time?

**Abhijit Majumder:**

Yes. ED exploration.

**DS Manral:**

As I told you in my -- as I told you that a very thorough appraisal of the occurrence of gas is required irrespective of the well, which is being drilled because each of the wells will be taken into account accordingly. So, we are planning a supplementary 3D seismic, which gives you a better image and tighter control of the subsurface. Once that is available with us, which we are planning very shortly, I think within another 3 to 4 months, we'll be carrying out the supplemental seismic in Andaman. So, this will give us those numbers which are much awaited by us as well.

**Probal Sen:**

So basically, sir, end of next financial year is when we can expect to hear more concrete updates as far as numbers are concerned? Is that the best way to look at it?



**DS Manral:** There are more number of wells as we complete our seismic exploration, as we image as we integrate, as we integrate them, we'll have numbers in our hand.

**Probal Sen:** The second question was with respect to the NRL numbers. Is it possible to share if there was any significant inventory component in the \$10.6 GRMs for this quarter?

**Abhijit Majumder:** So MD NRL, would you like to take that question?

**Bhaskar Jyoti Phukan:** Yes. I would pass this question to Saket. I don't think there was any significant contribution of inventory but let Saket answer this question. Over to Saket if you are there.

**Management:** MD sir, if Saket is not there, I'll just give a response.

**Bhaskar Jyoti Phukan:** Yes. You have the number -- you have the numbers. You can share the numbers. Yes.

**Management:** Mr. Sen, actually, this 10.56 has an impact of only \$0.44. So this is very minimal.

**Bhaskar Jyoti Phukan:** So therefore, the inventory was not the factor here. Actually, we enjoyed a very good margin in the second quarter. And the good news is that, that kind of margin still continues in the quarter 3. So basically, the quarter 2 margins, which were available has resulted in this GRM that you have seen.

**Probal Sen:** Got it. Sir.

**Abhijit Majumder:** More to do with the spread.

**Probal Sen:** Understood sir. So, one final question about the expansion. If you can kindly just once again refresh to what's the latest timeline for physical completion and commissioning of the expanded capacity?

**Bhaskar Jyoti Phukan:** We have already done around 95% in one of the plant called DHDT. So that is ready for pre-commissioning, in fact, pre-commissioning is underway. The primary unit CDU VDU scheduled pre-commissioning is underway. So, we are hopeful that by end of December, we should be in a position to commission our primary unit and gradually other units will come. But since it is a very, very complex refinery, you will understand that. I mean you have seen other refineries. So, it takes while maybe 2 quarters to stabilize. So, you can look forward for some production in the Q3 or Q4 of -- I mean, in the Q2 of next year, Q2 of next year.

**Moderator:** The next question is from the line of Kirtan Meta from Baroda BNP Paribas Mutual Fund.

**Kirtan Mehta:** First question was about the exploration write-offs. You mentioned that this is independent of the occurrence of discovery or prospects. So in what scenario do we capitalize the exploration well expenses?

**Abhijit Das:** This is CGM F&A who is answering. But could you please repeat your question?

- Kirtan Mehta:** On the Andaman exploration well be explained that we have written it off despite there has been a hydrocarbon discovery and we were planned to appraise. So, I just wanted to understand the accounting policy in terms of when do you actually capitalize the exploration expenses for well?
- Abhijit Majumder:** First of all, it's not a discovery. What we have basically informed the community is that we have observed traces of hydrocarbon in that particular area. So, for it to be declared a discovery, it needs further studies and maybe ED exploration can take it up to further explain once a discovery is established, then we certainly capitalize.
- However, before the discovery can be declared before discovery can be declared, lots of studies need to be carried out, which we are in the process of carrying out – so ED exploration, I think that answers your query you need further clarification.
- Kirtan Mehta:** So basically, even the third well expense that we are drilling as well as the appraisal well could also get capitalized because -- will also get written-off in that sense -- is that the right understanding?
- Abhijit Majumder:** Yes, yes. That's the right understanding. And capitalization would depend on so many other factors. But everything begins with the traces of finding out discovery -- hydrocarbon. So that is the first phase, which we have basically just crossed.
- Kirtan Mehta:** And could you also sort of highlight on the exploration well capex that has been planned for this year as well as next year? And how much of them is likely to be return off under this policy. -- till we have actually a discovery.
- Abhijit Majumder:** The write-off is not a policy-driven thing. Write-off is a decision which is taken based on the studies carried out based on various other factors. So once a decision to write it off is taken, then only it is taken. For us to write-off, we would be awaiting the results of various studies are both in-house and outside. So that is how it happens. Now capex I request CGM, F&A to please answer.
- Abhijit Das:** During the current year, we had budget about around INR7,000 crores of our total capex. The total capex has been distributed between your E&P activity as well as your normal PPE. So out of that E&P activity, we have around INR1,927 crores of budget of development drilling around INR1,700 crores. And our seismic is around INR650 crores. If you add up these -- all these three figures, it will be around 60% of our budgeted figure of INR7,000 crores.
- And normal PPE, what we have budgeted for this current financial year is INR2,284 crores. As of now, till date what we have been able to achieve is around INR5,561 crores has already been spent on account of our capex expenses. This INR5,561 crores also includes a contribution towards equity to our material subsidiary of around INR550 crores. So our achievement to a large extent is around 70% to 75% within this last 7 months, we are expecting to be beyond our budgeted figure.
- Abhijit Majumder:** Just to add on to what CGM F&A has just said, our capex year-on-year has been rising over the last few years. If I can just quote the numbers for '24-'25 against a budget of INR6,880 crores,

INR6,880 crores, our spending has been INR8,000 crores. So basically. Going by our track record, we exceed the budget provision. So, the same is likely to happen this year, too.

**Kirtan Mehta:** In terms of the FY '26 production, could you also sort of -- would there be any implication of softer production on the FY '26 targets?

**Abhijit Majumder:** No. DO, would you like to take this question?

**Trailukya Borgohain:** Now can you repeat the question?

**Abhijit Majumder:** Kirtan, if you could repeat the question.

**Kirtan Mehta:** Sure, sir. I was asking, we had sort of a softer production in the Q2 than our own expectation. Will this have any implication on the FY '26 target? Or would we be able to compensate it during the second half.

**Trailukya Borgohain :** Definitely because if it was a small hiccup, we will not have been bothered. But this is -- this really impacted a little bit on our production because for around 2020 now -- if you look at in September '16, now today is November -- November 17. Almost 2 months -- out of this 2 months, if we're out of these 2 months, almost 1 month, our production went below close to 9,000, which we were producing at 9,720.

Now we are bringing it up. But we are trying our level best, because we have changed our strategies also. Now I am here in field headquarters looking at both production and some other aspects also so that we can bring the production up. I'm already here last some 20 days in the field headquarters only so that we can bring the production to that level. And maybe we'll bring it to the level, but I don't say that we'll be able to go to a very -- the expected level.

But we -- we are trying our level best to bring it to the level if it is not below -- not up to the expected level, but quite close to expected level. That is what our attempt is are doing optimization. Every day, we are trying to bring in new wells. Every day, I'm going well by well with the teams so that I can bring the production to the level which we have expected. Yes.

**Abhijit Majumder:** So, I think DO is cautiously optimistic there, but I'm quite hopeful that they will be able to kind of face the challenges -- and we are slowly coming back to our earlier level of production. I hope that possibly, if we might be able to surpass the target that we have set for ourselves, but I'll otherwise go with DO, whatever he has said.

**Kirtan Mehta:** One last question from my side. We have been working to sort of have the international partner for our deepwater exploration? Could you update the progress that we have made during the quarter on this, sir?

**Abhijit Das:** ED Exploration, if you can.

**DS Manral:** So reaching out to international oil and gas majors has been at the core of our building momentum to getting into deep and ultra-deep offshore waters. And in this context, let me tell

you that we have a service agreement with Total Energies, which is an oil and gas major, which has enormous amount of experience when it comes to deep and ultra-deepwater exploration.

And through this service level agreement, what we have done in the past is that we have leveraged their expertise in terms of well design, planning and other engineering strategies so that our exploration activities can come to fruition. And we are further trying to even work upon with them, engage with them to expand our scope of services. And I'm not going to declare it right now because we are still working on it over and above what we already have.

Apart from this, we have been reaching out to many other national and international oil and gas majors. One of them is Woodside Energy, where we are hopeful that we'll be able to have some sort of engagement with them so that we can partner together more than the financial part, what our objective is that the technical knowledge base and expertise is what builds upon success in any exploration activity per se.

So, this is a forte and this is what we are looking for so that together, we can synergize together and lead to some good discoveries in the offshore frontiers of Indian sedimentary basins. So, outreach is at the core of Oil India's activities.

**Trailukya Borgohain:**

Actually, I would like to add that we are in advanced discussion with Total Energies regarding this thing. Especially whatever exploration is going to happen in terms of strategaphic tire like is in ED (Exploration) has told these discussions are at a very high level, and it is going on. So, we are engaged with them. And in all future exploration especially in deepwater, there will be our kind of technical partners at least. But that is there.

The next thing, I didn't tell the number actually. So, what we are expecting is that the number in terms of production will be around more than 3.5 to more than 3.5 actually. So 3.5 will be, but we are asking for 3.55. There is a target. Like you asked me for a number, so I say that 3.5 to 3.55 will be my target for the production.

**Moderator:**

The next question is from the line of Sarthak Tita from DSP Asset Management Private Limited.

**Sarthak Tita:**

Sir just coming back on the production target. Last quarter, we had highlighted that we have 3.7 million ton of oil and 3.65 bcm of gas production target for this year. And subsequently, for FY '27, 3.95 million ton for oil and 4.31 for gas. Just wanted the four numbers, updated numbers post the weak production that we had in Q2?

**Abhijit Majumder:**

So, what exactly is your query. You want some numbers from us or you want a clarification or what exactly are you looking for?

**Sarthak Tita:**

I want updated FY '26 and FY '27 production guidance for oil as well as gas?

**Abhijit Majumder :**

So the updated production outlook is like this, FY '26, 3.776 million metric tons. However, going by the disruption that has happened in our producing area, we may have to scale it down to 3.55. We are still trying to achieve that target, but we are keeping our fingers crossed. As far as FY '27 goes, our number would be 3.798, you can take it as 3.75 on a conservative side. And FY '28

would be 3.98 or you may take it as 4. If I'm a little more optimistic, then it can take it as 4. So by FY '28, we'll be touching 4.

As far as gas is concerned, this year, we expect to achieve a production of 3.6 bcm, FY '27, 3.8 bcm, FY '28, 4.6 bcm. That's the overall outlook for the next three years.

**Sarthak Tita:** Got it. This was very helpful. Just one more thing. On FY '27, you mentioned in gas, 3.8 bcm right? That is significantly lower than the Q1 guidance that we had in for gas for FY '27. Considering DNPL to come up by April, which Tuhin mentioned, any other reason that we see that the weakness on the gas production outlook?

**Abhijit Majumder:** Would you like to take it?

**Management:** Yes. So in terms of gas production capacity, we are very well prepared to ramp up gas production to much higher levels. But the numbers that were reflected here are as per the ramp-up plan of the NRL new refinery. So the NRL new refinery consumption won't start in day one. So it would stepwise, increase in steps, and that's how the number are right at here.

**Sarthak Tita:** Got it. Thank you so much. It was very helpful.

**Moderator:** Thank you. The next question is from the line of Sabri from Emkay Global Financial. Please go ahead.

**Sabri:** So I've got two questions. Firstly, on the production side. So on the gas side, I think your numbers you mentioned is 3.6 bcm for FY '26, but the first half number is something like 3.25 bcm. So somehow it doesn't add up because in order to do 3.6 bcm average for the year, you'll have to do 4 bcm for the second half. So possibly, I think it could get adjusted, right? Probably this year, it could be more like 3.3 bcm, 3.4 bcm, then we got 3.7 bcm, 3.8 bcm. Is that the right understanding?

**Abhijit Majumder :** DO, would you like to take this question?

**Trailukya Borgohain:** Yes, yes, yes, yes. You see when there is a disruption, so it affects both oil and gas actually. So because of that, we will have a little bit less with respect to 3.65 bcm is our target, for the gas.

**Sabri Hazarika:** That is full year or that is second half of this year?

**Trailukya Borgohain:** Yes.

**Sabri Hazarika:** Is that for the full year FY '26 or second half of '26, 3.65 bcm.

**Trailukya Borgohain:** This is for the whole year, for the whole year -- we don't target the half year, we don't target actually. We target for the whole year. And we are trying to cope up and we are -- we will be having more production with respect to last year, that is for sure. Because in gas, we can ramp up actually. So we can ramp up. Only thing is that the gas -- in case of gas, what happens is that the demand is the most important part.

Now is the time for the tea gardens, they take less gas in this month. So even if I have the capacity, we cannot increase the gas production by that much. You understand my point. So because tea gardens this is not a plucking time. This is the lean time for the tea gardens. So other industries, when they take, we are ready to give. And hopefully, if NRL increases and if somehow, we can bring it forward, this DNPL index, then maybe we can increase further. That's all. And I think we will be having the same production or a little bit higher production with aspect to the last year, not less.

**Sabri:** Yes, sir. And second is DNPL, I think possibly that is the main pipeline for you to raise production. So this pipeline, April 2026, it will get fully commissioned and from -- and NRL volumes will also get expanded by that same time. Is that right? And then if not others, then at least we will supply to NRL around 2, 2.5 MSMD. Is that the right understanding?

**Trailukya Borgohain:** Yes.

**Sabri:** Okay, sir. So second question is on your capex. So you have mentioned that you have done INR5,500 crores for H1 and INR5,000 crores is basically the core capex, if we remove the NRL rights subscription, then -- but your cash flow capex is something like INR1,600 crores, INR1,700 crores. So is this because of that write-off getting adjusted in the P&L -- is that the adjustment why there is a mismatch between cash flow statement capex and what you have stated in your presentation?

**Abhijit Das:** No. Is not like that. See, INR5,561 crores is our total capex utilization till date. But if we run through the figures, this is the capital equipment, which we have budgeted for INR2,284 crores, we have already spent INR1,280 crores. So, for exploration and development drilling is concerned, it was budgeted as around INR3,500 crores, INR3,600 crores. Out of that, we have already spent INR2,200 crores.

For survey, which we have planned for INR629 crores, we have already spent INR572. For our overseas, what we have thought of around INR100 crores or INR120 crores, we have already spent around INR385 crores. For subsidiaries and joint ventures, which we planned around INR350 crores in the beginning of the year, because of the add-on of the NRL investment, it is now standing at INR1,117 crores.

So, the cash investment activity, which has been shown in the cash flow, that may not be the exact figure with what we have already been achieved through the capex because it is a mix of investment as well as the financing activities also.

**Sabri:** Got it. And regarding your Andaman, I think Bangladesh and Gabon, I think we had done with the write-off? Or is there anything more pending.

**Abhijit Das:** We want to make it clear that based on our accounting policies, the principle which we follow as per Ind AS 106. We only write off our wells when it is fully out of question. Now is that we have provided for our Gabon, we have provided for our Bangladesh asset also in our books of accounts.

But final write-off will only be taken when we will fully decide that all the activities for the particular blocks have been closed, and we have to wind up them from the fleet. We have provided in our books of accounts, but the final write-off may positively or indicatively maytake this by end of this year. And lastly, we been taken here in the first quarter itself.

**Sabri:** Got it. And the last question is this INR700 crores. So this is Vijaya Puram-1, only 1, right, not 2.

**Abhijit Das:** It's Vijaya Puram-2, not Vijaya Puram-1.

**Sabri:** Okay. Vijaya Puram-2, which has been completely provided for INR720 crores. So Vijaya Puram 1 will be, again, tested now. And based on that, you will take a call. And then the third well and fourth well will come. Is that right?

**Abhijit Das:** Yes. Yes. The ED exploration and development has already explained to you the details. What is the plan for the Vijaya Puram-1 and Vijaya Puram-3. So subsequently, it will come out.

**Sabri:** And INR720 crores was for H1 or it just Q2?

**Abhijit Das:** See what happened during H1, we have provided for two of our blocks -- the major expenditure. Providing for our well assets is a normal course of our business. Whenever we see that a well has not been able to achieve what we have planned for, we automatically, based on our accounting principles, we provide .

**Sabri:** It is INR350 crores, INR360 crores for the two quarters? Or it is just one time Q2 itself INR720 crores? Just wanted to know.

**Abhijit Majumder:** No, it is INR723 crores for this quarter itself.

**Sabri:** Okay. This quarter itself, it is INR723 crores. Okay, sir. Thank you. That's all from my side.

**Moderator:** Thank you. The next question is from the line of Pranitha from Morgan Stanley. Please go ahead.

**Pranitha:** Thank you for this opportunity. I just wanted to understand, is there any planned shutdown for NRL for next three to six months, especially with all the mechanical completion that is planned?

**Abhijit Das:** MD sir, would you take up this question, please?

**Bhaskar Jyoti Phukan:** It was regarding what?

**Abhijit Das:** They are asking whether there is any plan for shutdown of the refinery?

**Bhaskar Jyoti Phukan:** No, no. There is no plan for shutdown. Shutdown will come in FY '27 only.

**Pranitha:** Sir, when are you expecting the first crew to take an expanded capacity?

**Bhaskar Jyoti Phukan:** In December this year. In the primary unit because we have to gradually commission the refinery one unit after the other. So first the crude intake is likely to happen in December itself.

- Pranitha:** And the ramp-up after the second quarter will be -- how much are you targeting?
- Bhaskar Jyoti Phukan:** **Actually** Ramp-up will be gradual. Any very serious volume will come in the Q2 of next FY. So that means starting from, say, June onwards, July onwards, you will see a rapid ramp-up of the capacity. So, prior to that, we will have the commissioning activity going on. It's a very complex refinery that we are going to commission that you must understand, yes.
- Pranitha:** Right, sir. And what is the net debt level right now in NRL.
- Bhaskar Jyoti Phukan:** Pardon.
- Pranitha:** Debt level?
- Bhaskar Jyoti Phukan:** Debt level, Trisonku, if you can give debt level, I think debt to equity ratio you can tell Trisonku it is with you.
- Abhijit Das:** If you see that the leveraging ratio for NRL as of now for Q2, what we have, it is INR17,799 crores of total debt has been already been taken by NRL.
- Pranitha:** Thank you.
- Moderator:** Thank you. The next question is from the line of Bineet Banka from Nomura Services. Please go ahead.
- Bineet Banka:** Thank you for the opportunity. So can you please update on the USD 300 million dividend, I think which you have stuck in Russia?
- Abhijit Das::** I'll pass on to my DGM Finance
- Management:** Yes, I have rightly pointed out that some amount is lying in Russia with the counter measure imposed by the Federation of Russia against the corporates, which have been incorporated in unfriendly jurisdiction. And the investment by Indian Consortium, IOCL and BPRL has been routed through two entities in Singapore. One is Vankor India Pte Limited and one is Taas India Pte Limited.
- Since these two entities are incorporated in Singapore and unfriendly jurisdiction of Russia, funds are not allowed to be repatriated out of Russia at this point. But we are evaluating various options, and we are hopeful that we'll be able to give you some positive news in this respect by the early part of next financial year.
- Bineet Banka:** Sir, can you remind what is the annual run rate of dividends from Russia?
- Management:** What's the question?
- Bineet Banka:** An annual run rate of -- what is the annual dividend that you get from Russia in U.S. dollars?
- Management:** If you look at that, out of our investment in TYNGD, more than 100 -- around 109% has been paid back by this particular asset, and that is within a period of eight years of investment.



And the total dividend paid back is USD474 million. And the investment was USD436 million. So this is basically the run rate you can derive out of that. And regarding the other investment in Vankorneft, out of the investment of 598 million, 498 million has been paid back by this particular investment.

**Bineet Banka:** Sir, second question is on the completion of this Paradip-Numaligarh Crude Pipeline. So, after the completion, are you also looking to import crude from Russia since you already have, I think, participating interest in those couple of assets?

**Bhaskar Jyoti Phukan:** Let me take this question. See, we have already identified more than 100 varieties of crude, and it actually depends upon which gives the base economics. So we will import accordingly. And provided there is no sanctions against a particular country. So, we have to abide by whatever rules are there at that point of time.

Because we have Russian crude, and we may not be able to import if there is a sanction ongoing actually. So that would be my take at this point of time. But at the time of import, we will take a call. Did I answer your question?

**Bineet Banka:** Yes, sure. Sir, just last question on the Andaman write-off, just following up on that. So if the discovery is established, will these well items be reversed and capitalized?

**Abhijit Das:** See, as I have told before, the provisioning of the wells and write-off of the wells is 2 different activities, 2 different independent activities. We have provided for well number 2 for INR723 crores. This well has been considered as no presence of hydrocarbon. So accordingly, this well is -- can consider as abandoned and has been provided in the books of the accounts. So far other wells are concerned, the progress of the drilling is still going on, study is on. Until and unless we finally fix up that there is no presence of hydrocarbon then...

**Management:** It is occurrence of hydrocarbon.

**Abhijit Das:** Occurrence of hydrocarbon, till then we'll not capitalize it. So as of now, for well number 2, you can -- we can conclude that we have provided, and this cannot be capitalized in the future.

**Trailukya Borgohain:** I'd like to answer this question because this is related to exploration and production. So since if you discover in an exploratory area, exploration well, you cannot capitalize in immediate context. You will have to ascertain the total volume. You will have to ascertain if -- whether the economics works out or not and for that, you have to have appraisal well, you have to have development well.

And the exploratory well in the first place is not monetized directly. This is one reason, because you are not thinking about the completion, you are not thinking about the complete well head set up, everything. That is why, generally, the exploration wells are written off. That is the way it is done generally. That is to answer you because this question came twice. That is why I thought. Did I...?

**Bineet Banka:** Yes, sir. So sir, just last question. So on the NRL refinery, once the expansion is complete, what is the maximum gas volume that we'll be taking in? Because I think there will be some priority

sector commitment as well. So I think current run rate is around 0.5 MMSCMD, if I'm not wrong. So what is the maximum you can take it up to?

**Management:** So the current run rate in NRL refinery is around 0.9 to 1 MMSCMD, higher than 0.5. And after full expansion and 100% capacity utilization, it will go up to 3 MMSCMD.

**Moderator:** The next question is from the line of Gagan Dixit from Elara Securities.

**Gagan Dixit:** I have sir some technical questions related to the Andaman discovery. So earlier news says that the gross feet pay, I mean the hydrocarbon where you find is between the, I think, 20 to 12 to 20 to 50 meters. So it is like 100 feet pay.

So based on your understanding, what is the, I think, the minimum threshold of the gross feet pay that gives you confidence that yes, it is a discovery? That is my first question, sir. And second thing is that when you try to drill the two more wells, appraisal wells, I think, looks like based on the first discovery. So how far in the distance you are thinking to drill? I mean, that gives some idea about the area of the discovery.

**DS Manral:** So I am coming to your first question, okay, when you said that we are talking about ascertaining the volume. See, this is an exploratory well. Number one, we should understand that this is a pure exploratory well in the area, number one. And what we have established is the occurrence of gas. This is number two.

And number three, as I told earlier, is that we are trying to conduct a supplementary 3D seismic in order to have tighter control of the subsurface in ascertaining the extent, the literal extent of the potent sand bodies where hydrocarbons could be trapped, okay? So this will come only, as our Director of Operations also explained that this is the exploratory phase. This will be followed by an appraisal phase, followed by a development phase thereafter.

So what happens essentially during an exploration phase, moreover in the case of offshore is that you do not monetize the discovery from the first well itself because you take up an exploration well with the minimum amount of infrastructure to establish it because there is a high cost of a well that goes into exploration if you build upon a development facility for it. And it is not even prudent to do it in that manner.

So, this question should be nubbed off this way. Number two, you were telling me that you are drilling an appraisal well, the next well that we are talking about, third well. It is not an exploration -- it is not an appraisal well. It is a pure exploratory well, the third well that we are drilling right now. So what we will essentially do is we'll drill this well if we establish hydrocarbons over there.

It will also go through the appraisal phase. So each and every occurrence of hydrocarbon or establishment of hydrocarbon goes through an appraisal phase necessary where you conduct much more geoscientific analysis through seismic data acquisition, processing, interpretation, integration of the data that you have acquired through these wells and then take it to the process of discovery. And then is when you ascertain the volumes and decide upon your appraisal and field development program. Thank you.

- Gagan Dixit:** Yes, and sir, it's a deep water discovery. I think it's around 300 meters deep in the water. So do we have the -- so in case of the gas, do we have the -- do you know the capabilities available to get the gas? Because I'd call earlier the ONGC has the problem to get the UD1 discovery because it's the ultra-deep water gas discovery. So is there any risk for managing the gas, I mean, to take out, to sell?
- DS Manral:** First of all, let me correct you. These are not deep water discoveries...
- Trailukya Borgohain :** Actually, I'd like to correct you that this is not deep water actually. This is not deep water. This belongs to still shallow water you can say?
- DS Manral:** And let me complete it just for the sake of clarity, because Andaman is coming time and again. I'm pleased to answer Andaman because it has been a milestone for Oil India Limited in terms of establishing the occurrence of hydrocarbons over the last three decades. So it has been a real achievement this way, and we are definitely getting motivated by the number of questions being asked. So this is not deep and ultra-deep waters. It is shallow waters. The water bathymetry is 300 meters. So the definition of shallow, deep, ultra-deep, it follows with water bathymetry, not with the column that you have drilled, say 2,620 meters that we are talking about. Thank you.
- Gagan Dixit:** Okay. Sir, and my final question is what is particularly the rig rate that is being charged here? I mean, the rigs that you are hiring for this drilling of this Andaman block?
- DS Manral:** I think the ODR rate is around -- you were talking about the daily operational rate?
- Gagan Dixit:** Yes, yes, yes. Because rig cost is typically higher [inaudible 1:09:24] on the fee side.
- DS Manral:** I think it is around INR2 crores ODR.
- Moderator:** Ladies and gentlemen, that was the last question for today. We have reached the end of the question-and-answer session. I now hand the conference over to Mr. Varatharajan sir from Antique Stock Broking Limited for closing comments.
- Varatharajan S.:** Thanks, Shravani. There are a few more in the question queue, please take it up with the management or with us subsequently based on your convenience. I request the management with their closing remarks please.
- Abhijit Das:** Thank you very much for all those who have joined this con-call, and all the questions were very helpful and effective for us. So your participation in Oil India's earnings call, it's a big thank you to Antique Stock Broking for helping us to organize today's session smoothly.
- We hope that we will be able to address all the queries and provide the clarification you were looking for on our quarterly performance and ongoing initiatives. Should you require any part of information or clarification, please feel free to reach out to our Investors Relations cell. The contact details are available in our website.
- Once again, thank you for your time, participation and continued trust in Oil India Limited. We value your engagement and look forward in interacting with you on the ongoing basis. Thank you and have a great day ahead.

**Varatharajan S.:**

Thank you, sir. I wish to thank all the participants and the management for giving us this opportunity. Have a nice day.

**Abhijit Das:**

Thank you so much, everyone.

**Moderator:**

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