



“Oil India Limited
Q2 FY2024 Earnings Conference Call”

November 09, 2023



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- Moderator:** Ladies and gentlemen, good day and welcome to Oil India Limited's Q2 FY2024 Earnings Conference Call hosted by Antique Stock Broking. As a reminder, all participant 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Varatharajan Sivasankaran from Antique Stock Broking. Thank you and over to you Sir!
- Varatharajan S:** Thanks Rohit. A very good morning everyone. It is my pleasure to welcome all the participants and the management of Oil India to this conference call. We have with us Shri. Harish Madhav - Director (Finance), Shri Pankaj Kumar Goswami - Director Operations, Dr. Manas Kumar Sharma - Director E&D, and Shri Sachidananda Maharana – CGM Corporate Finance. I will hand the floor to Shri Harish Madhav for initial comments to be followed by Q&A.
- Harish Madhav:** Good morning. I am Harish Madhav Director (Finance) in Oil India. We were expecting our Director (Exploration) also to be present with us today but because there is some meeting in the Ministry he has to rush there. Anyways thank you all the participants. Thank you Antique for arranging this call. I thank and welcome all the participants to the call. The results have already been shared with everyone yesterday and I hope it is given and the results are sufficient but in case some queries and some clarifications are needed we are open for discussion so with this I will request my colleague, CGM (Finance), Mr. Maharana to give his opening remark on the results and then we can go to the question and answer.
- S Maharana:** Good morning dear friends. At the outset I would like to thank M/s Antique Stock Broking Limited for organizing today's analyst call. I am Sachidananda Maharana, CGM (Finance & Accounts) Corporate Finance of the company. The company's financial results of Q2 FY2024 were published on 8th November 2023. I will briefly give some indications about the performance of the company in both physical and financial terms. Now coming to the standalone results and beginning with the production front. The company has continued to improve its crude oil production which is higher by 5.7% in quarter ended September 30, 2023 at 0.835 MMT vis-à-vis 0.790 MMT in the quarter ended September 30, 2022. Crude oil production for the half year ended September 30, 2023 has also increased by 5.48% to 1.655 MMT vis-à-vis 1.569 MMT for the half year ended September 30, 2022. Natural gas production for the half year ended September 30, 2023 is lower by 2.45% at 1555 MMSCM vis-à-vis 1594 MMSCM for the half year ended September 30, 2022; however, the production during Q2 FY2024 has increased by 8.72% over Q1 FY2024. On the financial side average crude oil price realization for Q2 2023-2024 is US\$86.86 per barrel vis-à-vis US\$100.59 per barrel for Q2 2022-2023, this is a decrease by 13.65%. Crude oil price realization for the half year ended September 30, 2023 is US\$82.22 per barrel vis-à-vis US\$106.53 per barrel for the half year ended September 30, 2022 decreased by 22.82%. However the price realization made of special additional excise duty has remained around US\$75 per barrel. Average natural gas price for the half year ended September 30, 2023 is US\$6.5 per MMBTU vis-à-vis US\$6.10 per

MMBTU for the half year ended September 30, 2022. The turnover for the half year ended September 30, 2023 has decreased by 10% to Rs.10558 Crores compared to Rs.11737 Crores in the half year ended September 30, 2022 which is mainly due to lower crude price of US\$82.22 per barrel in half year ended September 30, 2023 vis-à-vis US\$106.53 per barrel in the half year end September 30, 2022. The EBITDA margin for the Q2 FY2024 has increased to 48.29% vis-à-vis 41.12% in the previous comparative period and EBITDA margin for the half year ended September 30, 2023 has increased to 50.52% vis-à-vis 42.85% in the half year ended September 30, 2022. The company has taken provision towards disputed service tax and GST on royalty including interest amounting to Rs.2656 Crores during the Q2 and half year ended September 30, 2023 on the ground of prudence and conservative principle resulting in a reduction of profit after tax for Q2 FY2024 to Rs.325 Crores from Rs.1721 Crores in Q2 FY2023. Profit after tax for the half year ended September 30, 2023 decreased to Rs.1939 Crores vis-à-vis 3276 Crores for the corresponding period previous year. The earning per share for the half year ended September 30, 2023 is Rs.17.88per share.

Coming to financial performance of Numaligarh Refinery Limited, profit after tax of Numaligarh Refinery Limited during Q2 FY2024 is Rs.736 Crores vis-à-vis 728 Crores during Q2 FY2023 and profit after tax for the half year ended September 30, 2023 is 658 Crores compared to Rs.2134 Crores for the corresponding period last year. NRL's gross refining margin during Q2 FY2024 is \$16.04 per barrel vis-à-vis \$13.84 per barrel during Q2 FY2023. Gross refining margin for the half year ended September 30, 2023 is \$13.49 per barrel vis-à-vis \$23.04 per barrel for the half year ended September 30, 2022. NRL's EBITDA for Q2 FY2024 is Rs.1085 Crores vis-à-vis 1070 Crores for Q2 FY2023 while EBITDA for the half year ended September 30, 2023 is 1079 Crores vis-à-vis Rs.3058 Crores for the half year ended September 30, 2022.

Coming to consolidated results OIL's group turnover for the half year ended September 30, 2023 was lower at Rs.15225 Crores vis-à-vis Rs.21684 Crores for the half year ended September 30, 2022 and the group profit after tax for the half year ended September 30, 2023 is lower at Rs.2039 Crores vis-à-vis 5346 Crores for the half year ended September 30, 2022 which is mainly due to lower crude oil price realization, turnaround maintenance of NRL, and provision made towards service tax and GST on royalty amounting to Rs.2656 Crores. Board of OIL has declared an interim dividend of Rs.3.50 per share on face value of Rs.10 per share. With this my opening remarks on the performance is over and now we are open to Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Probal Sen from ICICI Securities. Please go ahead.

Probal Sen: Thank you very much for the opportunity. Congratulations on a strong set of numbers. Just wanted to understand this whole royalty issue now obviously this case has been going on for long and we have finally taken the contingent liability into the books now this quarter's provision of around 290 Crores has also been made in addition to the past provision so is this additional royalty



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something that we should now be building in for every quarter going forward till the case is resolved or settled in either direction?

S Maharana: Yes we will continue to take that provision going forward. Already for the current year 293 as you rightly said has already been provided that is of course including interest and going forward we will be continuing quarter-on-quarter.

Probal Sen: So on an annualized basis Sir what will be the amount we should be sort of roughly building in around 503 this is for the half year or this is only for this quarter the 290 Crores?

Harish Madhav: 293 Crores is for the half year September so I think you can see maybe double of that maybe 500 Crores it depends on the crude oil movement also, price movement also.

Probal Sen: Sure Sir understood but at roughly the constant rate we should be roughly works with correct?

Harish Madhav: Yes.

Probal Sen: Thanks for the clarification. The second question is Sir just wanted to understand what is the reason for the strong other income that has come through in this quarter is it NRL dividend that has been raised by the government?

Harish Madhav: Basically it is emerging from the dividend income from our share holding in NRL Indian Oil Corporation and NRL has given us the final dividend of last year it was declared that was accounted for current year after the AGM. In the case of Indian Oil Corporation we got about 220 Crores dividend from Indian Oil and another about 400 plus Crores dividend from our Singapore subsidiary including the Russian investments in Vankor and Taas that is the reason for the other income growth.

Probal Sen: Sorry just to recap Sir about 220 Crores came from IOCL around 400 Crores is our Russian subsidiary income and balance about 1800 Crores would have been the NRL dividend correct Sir?

S Maharana: Not 1800 Crores.

Probal Sen: 80 to around 100 odd Crores?

Harish Madhav: NRL is about 160 Crores, IOCL is about 290 Crores and 400 Crores from the overseas subsidiary first half I am talking about.

Probal Sen: Understood Sir one last question if I may if we can just refresh the guidance of production for FY2024 and FY2025 and the capex for the next couple of years?



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- Harish Madhav:** Production we have an MOU target of 3.8 million tonnes of crude oil and almost similar volume of natural gas this year but certainly looking at the current numbers 3.8 may not be feasible but we are certainly trying to reach at least 3.5, 3.6 million tonnes of crude oil by the end of the year and natural gas production is suffered in the first quarter because of the customer uptake issues, BVFCL, Numaligarh, BPCL they were all under shutdown so first quarter natural gas production has really suffered we have told about 8.5% growth we have already done in the second quarter so natural gas maybe some 2-3% growth over last year but crude certainly is about 3.5, 3.6 MMT we are targeting.
- Probal Sen:** Understood Sir and capex for next couple of years?
- Harish Madhav:** Capex reported number is about 13000 Crores for both OIL and NRL put together about 4900 is for Oil India and about 8700 is NRL.
- Probal Sen:** Alright Sir thank you so much. I will come back if I have any questions. Thank you for your time and Happy Diwali.
- Moderator:** Thank you. The next question is from the line of Sabri Hazarika from Emkay Global. Please go ahead.
- Sabri Hazarika:** Yes good morning Sir so I have few questions. First one is relating to the windfall tax so what we have seen is that in the last some of the quarters whatever rate the government basically gives the book rate which comes dividing your number with the crude production is generally lower so I asked this question to ONGC also they said that some inventory-related adjustments could have happened, so we were like assuming that but this quarter I think the rate basically was higher so is there any accounting-related adjustment or anything you want to say on this?
- Harish Madhav:** See accounting-related adjustment, inventory and all certainly will happen but the windfall tax whatever is decided by the government it is based on the fortnightly rates normally the rates are decided on a fortnightly basis and maybe accounting part may be different some corrections adjustment here and there but on an average if you see the rates declared on fortnightly basis last year after September current year after September the net realization to Oil India has been around \$75-76 per barrel that is how the adjustment is happening but accounting yes there may be some corrections some adjustments on account of inventory.
- Sabri Hazarika:** Right Sir so secondly on gas pricing premium from APM Fields so any update on that the committee was supposed to look into it?
- Harish Madhav:** There is no update as of now. We are still expecting that some guidelines will be issued.
- Sabri Hazarika:** Fair enough and thirdly on the NRL front I think this rights issue basically covers the entire equity infusion or do you think some more instruments will come down the line?

- Harish Madhav:** As of now it covers the entire equity infusion for the refinery expansion project what was envisaged and only thing is that the first call was paid 25% and as and when the money is required that will also be given by the NRL but I think the rights issue for the full 100% of the capital commitment has been given.
- Sabri Hazarika:** Sir just one small question. Your interim dividend was there any impact of this whole GST thing there or it could have been higher if that that thing would not have been accounted is that the right assessment?
- Harish Madhav:** I think it is a question beyond presumption or assumption if we have not accounted for 2600 possibly we would have given a high dividend no doubt about it but as a prudence for the future of the company also looking into the huge liability we see it is a very fair decision on our part to provide for this liability and provision.
- Sabri Hazarika:** Right but the minimum 30% payout that prevails right?
- Harish Madhav:** Yes DIPAM guidelines we will certainly try to comply this.
- Sabri Hazarika:** Fair enough and thank you so much and all the best.
- Moderator:** Thank you. The next question is from the line of Kirtan Mehta from BOB Capital Markets. Please go ahead.
- Kirtan Mehta:** Thank you Sir for the opportunity. In terms of the NRL have we seen any increase in the opex particularly when we look at the GRM this has increased by \$2.2 per barrel Y-o-Y but the EBITDA was lower by \$0.6 per barrel Y-o-Y so is there any particular increase in the opex that has come through during this quarter?
- Harish Madhav:** There should not be any serious increase in the operating expenses. We will let you know the details but apparently there should not be any significant increase in the opex part of NRL.
- Kirtan Mehta:** Right now it is implying something like a \$3 increase Y-o-Y so that appears bit on the higher side?
- Harish Madhav:** \$3 increase is not possible. I think there is some issue something maybe understanding issue we will clarify that \$3 is impossible to grow in opex not possible.
- Kirtan Mehta:** You mentioned that we have got 400 Crores dividend from the Singapore subsidiary so is our Russian dividend which was stuck that has been released now?
- S Maharana:** No actually Oil India International Pte. Limited 100% wholly owned subsidiary that is in Singapore they already have a fund with them which are the dividend received from the same entity prior to the embargo so from those funds the dividend has been given



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- Kirtan Mehta:** What would be the quantum of dividend which is currently stuck basically the typical share that we are assuming so at this point of time?
- Harish Madhav:** You are talking about the ruble funds stuck in Russia it is about 450 million equivalent dollars I think.
- Kirtan Mehta:** Fine Sir and in terms of Baghjan we have talked about a committee submitted the report so could you also explain us through are we expecting additional provisions around Baghjan?
- Harish Madhav:** We are not expecting any additional provisions from Baghjan. The committee report which has been submitted to NGT. We have gone through that report and this is of course the first report and in that report basically nothing has been earmarked for Oil India to be done, guidance and instructions are to the pollution control board and the government agency to work out a plan, etc., but Oil India has not been asked to do anything or to commit any expenditure as of now.
- Kirtan Mehta:** Understood Sir. Thanks for this clarification.
- Moderator:** Thank you. The next question is from the line of Abhishek Nigam from Motilal Oswal. Please go ahead.
- Abhishek Nigam:** Yes thank you so much for the opportunity. Sir first question just on the exceptional item so I understand that contingent liability was there for a while has something changed in the last two three months that you have taken this now that is my first question?
- Trisonku Kotoky:** Actually what has happened as you have rightly pointed out there has been some amount of change that has been there between the contingent liability that was earlier reported and the amount which has been found out in the profit and loss account in terms of exceptional item this time, this is basically on account of accounting for the interest on the amount that has not been deposited by us in the state of Assam and Arunachal Pradesh in view of the High Court stay order so that has also been accounted for along with the contingent liability reported earlier.
- Harish Madhav:** I think you are looking for the reasoning for taking provision instead of contingent liability or you are looking exclusively to discuss this number?
- Abhishek Nigam:** I am just wondering why have you taken it now has something changed in the last two months?
- Harish Madhav:** We were expecting a hearing on merit with the Guwahati High Court where the largest chunk of this disputed demand is pending but somehow that merit hearing did not take place it has further been deferred and we do not know when it will happen and looking into the amount of liability we just indicated earlier about 450-500 Crores annually depending of course on the crude price movement it was thought of that we should provide for this money rather than simply accumulating into contingent liability.



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- Abhishek Nigam:** Fair enough and Sir you provided revised FY2024 numbers on production can you give us a sense of FY2025 as well for oil and gas?
- Harish Madhav:** It will be difficult to say anything but looking into our performance certainly we will be growing in the volume maybe you can expect some 4-5% growth over the current year but current year if I say 3.5, 3.6 over and above that having 4% growth itself will be close to 3.8-4 million tonnes of crude oil but I cannot commit any such volumes as of today.
- Abhishek Nigam:** Fair enough I understand and just the last question on the GST on royalty is it possible to give us the rate at the GST applies is it 10%, 15% so then we can make our own estimate?
- Trisonku Kotoky:** It is 18% Sir.
- Abhishek Nigam:** Perfect. Thank you so much that is it from me.
- Moderator:** Thank you. The next question is from the line of Keval Doshi. Please go ahead.
- Keval Doshi:** So wanted to know the status on new oil discoveries within India as well as outside India especially on what is happening on Mozambique project?
- Harish Madhav:** Mozambique project outside India let me first cover. There is no oil discovery as of now because all these projects are already discovered and under development or under production like Russia is under production. Mozambique is already discovered it is under development so outside India there are no fresh discoveries, no fresh acquisition also by Oil India. Domestic part also April 1, 2023 to September we have not made any discovery as of now but exploration activities are on so certainly there will be some discovery it is anybody's guess but still we hope that there will be some discovery. We will add something to our reserves. Reserve replacement ratio certainly we targeted also to keep it on a positive side if more than one so certainly that we will be achieving. As of now no such discovery has happened.
- Keval Doshi:** Is the work on the Andaman Nicobar blocks yielding positive outcome?
- Harish Madhav:** It is too premature to say anything about Andaman because only the G&G studies have been done based on those studies we will be drawing our exploration drilling programme and drilling can happen only mid of next financial year somewhere after June-July 2024.
- Keval Doshi:** June, July 2024 okay.
- Harish Madhav:** We expect to start the drilling in Andaman.
- Keval Doshi:** Thank you so much.



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- Moderator:** Thank you. The next question is from the line of Hardik. Please go ahead.
- Hardik:** Can you just share the exploration write-off being provided for the quarter and the second question is what would be our gross NRL GRM including excise duties?
- Harish Madhav:** Including excise duty numbers are not available with us otherwise the core GRM which is the main indicator of refinery performance that has already been indicated by our colleague. I think it was \$13.4 for the period April to September.
- Hardik:** The amount of exploration write-off provided for the quarter?
- Trisonku Kotoky:** This quarter we had not taken any write-off, only about 3 Crores provision has been taken in this quarter.
- Hardik:** Thanks Sir that is helpful.
- Moderator:** Thank you. The next question is from the line of Somaiya from Spark Capital. Please go ahead.
- Somaiya:** Hello thanks for the opportunity Sir. Sir first question is on the consolidated debt can you give a breakup between upstream and NRL debt apart from the standalone?
- Harish Madhav:** Our Oil India's current standalone borrowing is about 11000 Crores and our subsidiary in Singapore it is another 4000 Crores basically 500 million dollars and 11000 crore it is all overseas borrowing and our overseas subsidiary in Singapore has another 4000 Crores of borrowing and Numaligarh also is I think about 5600 Crores so total consolidated debt is about 20000 Crores.
- Somaiya:** Got it Sir. Sir in terms of the Numaligarh expansion capex so what would be the quantum that we would have spent so far and in the next two years how would we kind of spend the remaining amount?
- Harish Madhav:** The total capital commitment for Numaligarh is about 28000 Crores out of which actual expenditure till September is about 13000 Crores.
- Somaiya:** Got it Sir and the remaining amount that needs to be spent would be completed most of it would be completed by FY2025?
- Harish Madhav:** By FY2025 yes.
- Somaiya:** Got it Sir and what would be your normal mode maintenance capex for NRL keeping aside the expansion project?
- Harish Madhav:** Not very much maintenance capex maybe few 100 Crores only nothing much.



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- Somaiya:** Got it Sir. Domestic E&P operations so we can continue to think about 4500 to 5000 Crores of run rate capex for the next one or two years?
- Harish Madhav:** Yes approximately that will.
- Somaiya:** Got it Sir and also the international assets any update that you can give in terms of the operational performance, the Vankorneft or the Russian assets and any additional contribution that we need to make in any of these assets?
- Harish Madhav:** For Russian assets no additional contribution is expected from our side and as far as the operating performance of those two assets both are performing in line with the estimates at the time of their acquisition so there is no adverse implication, in fact Taas asset has performed better, they were expected to produce peak production of about 5 million tonnes per annum but they are producing more than that.
- Somaiya:** Got it Sir any colour in the last six months in terms of what would be our share of earnings from these assets, I was just trying to understand what is the run rate cash flow from these assets?
- Harish Madhav:** We can only tell about the dividends which have been declared during the current period otherwise expected cash flow and all it depends Russia we all know there are piping-related issues projecting the cash flow will be difficult, only thing the dividend numbers if you wish we can share with you what has been declared in papers.
- Somaiya:** Got it Sir and also these assets generally the oil pricing for these assets are below the benchmark is that the right understanding, the Russian assets are sitting lower realizations compared to the international benchmarks so the dividend whatever we have received has been on a relatively lower oil price so is that understanding right?
- S Maharana:** That is true. There is a cap on sale of crude from Russia definitely the realization will be lower and based on the earnings these companies will be declaring the dividends.
- Somaiya:** Got it Sir and from Mozambique standpoint any equity that we need to further infuse in the next one or two years any requirement on that?
- S Maharana:** Board approved number was 1.8 billion out of which we have already invested around 1.4 billion and at the project level already the operator is in the process of starting the activities and once this force majeure is lifted we will be able to get the funding from the ECS there, so once the funding starts most likely the equity contribution from the partners will be reduced.
- Somaiya:** Got it Sir. Thank you. Very useful thanks.
- Moderator:** Thank you. The next question is from the line of Vikash Jain from CLSA. Please go ahead.



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- Vikash Jain:** Hi Sir thanks for taking my questions. Firstly Sir if you could tell me the seismic cost for this particular quarter?
- Trisonku Kotoky:** Seismic cost for this quarter is about 110 Crores.
- Vikash Jain:** The previous quarter and the Y-o-Y comparison.
- Trisonku Kotoky:** Previous quarter was about 150 Crores and last year corresponding quarter was almost 105 Crores.
- Vikash Jain:** So what has happened in the interest cost that have gone up this particular quarter is it the accounting for this interest on the GST that royalty thing has that been accounted in interest cost and that is the reason why there is a 35% Q-o-Q jump in interest is that what is causing it?
- Trisonku Kotoky:** You are saying finance cost?
- Vikash Jain:** Finance cost from 166 Crores it has gone to 224 Crores what has happened over there is it this GST thing or there is something else?
- Trisonku Kotoky:** One issue is that there was some exchange gain accounted in the first quarter accounts on account of finance cost related expense cost so that is the reason in the first quarter the finance costs are lower compared to the second quarter.
- Vikash Jain:** What is the exchange variation included in interest in this particular quarter, what is that amount the Forex variation included in interest in this quarter?
- Trisonku Kotoky:** It is about 38 Crores.
- Vikash Jain:** 38 Crores?
- Trisonku Kotoky:** Yes.
- Vikash Jain:** But still it is pretty reasonable jump on Q-o-Q basis, so is this going to be the kind of run rate that we look at about over 200 Crores right every quarter from here on?
- S Maharana:** As you know that one of the reasons for increase is also increase in the benchmark rate.
- Vikash Jain:** Yes of course I am saying that if the benchmark rate gets stayed where it is 200 Crores kind of a quarterly number is something that we should be looking at?
- S Maharana:** Yes.



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- Vikash Jain:** Other income on Q-o-Q basis has declined by 35% is it that last year's NRL dividend was much higher is that the main reason or is it something else?
- Trisonku Kotoky:** Actually last year corresponding quarter NRL dividend was much higher as compared to the dividend that we have received this quarter because there is a gap of about 400 Crores in the dividend received from NRL but that has got compensated to a much extent by the dividend that we have realized from our Singapore subsidiary which is roughly about 200 Crores of realization for this quarter.
- Vikash Jain:** But even after taking all of this into account so the EPS for first half is closer to Rs.18 but the dividend is only about three bucks is it that maybe we typically are second half heavy in our dividend payments is that how we should think about it?
- S Maharana:** No, actually if you see the first interim dividend that we had paid last year was around Rs.4.50 per share and the first interim dividend this year is 3.5 and that is after taking this provision of 2600 Crores so that way as already our DF sir has told that we will try to comply with the DIPAM guidelines which is 30% of PAT or 5% of networth whichever is higher so overall we can see afterwards.
- Harish Madhav:** Last year first half our EPS was around Rs.34.
- Vikash Jain:** Understood Sir I saw that. I realized it so basically the second interim is typically much higher so that is something which we should be looking at.
- S Maharana:** 50%.
- Vikash Jain:** Thank you Sir. Thanks a lot and Happy Diwali.
- Moderator:** Thank you. The next question is from the line Varatharajan Sivasankaran from Antique Stock Broking. Please go ahead.
- Varatharajan S:** Thanks Sir. Sir like on the production guidance we seemed to walk down a little bit any specific issue which you want to highlight why this would be so?
- S Maharana:** No, there are no specifics; we are expecting that crude production should be around 3.6.
- Varatharajan S:** If I were to look at the next two years any numbers that we should actually build in?
- Harish Madhav:** It is difficult at this point of time to talk about. I think beyond current financial year any future numbers it depends on lot of things if any new discovery happens and the drilling results whatever we are doing but efforts certainly are on our part to continue growth in crude oil production at least 4 to 5% annually over next two three years timeframe that is what internal target is there and

hopefully we will be achieving that but giving any specific number at this point difficult will be difficult.

Varatharajan S: Not a problem Sir on the Venezuela thing now that the sanction seem to be released one is about are we looking at capex and secondly about the pending dividend?

S Maharana: Right now of course there are certain positive developments in Venezuela but the activity in the block that we have has not started as yet. The production is much lower. We are reviewing the position and perhaps in next one or two quarters we will have some more clarity on the prospects there.

Varatharajan S: The pending dividend will be used for any additional capex or would that be released to?

Harish Madhav: Additional capex will happen when you are talking about Venezuela, additional capex will happen only if the project activities they start moving up, what will be the timeframe and all it will be very difficult because we are still trying to examine the effects of this ease in the sanction issue so it is very early to say but if this commitment we can indicate that we have a total commitment of 425 million, about 60 million is already spent, so in case the project picks up further then yes future capex will happen but the timeframe when it will happen we will not be able to say.

Varatharajan S: On the Mozambique front obviously there is already a talk about escalation in the cost potentially so incremental cost would it largely be raised as debt at the entity level or would they be calling you for equity contribution?

S Maharana: It will be largely on debt basis.

Varatharajan S: Thank you Sir.

Moderator: Thank you. As there are no further questions I would now like to hand the conference over to the management for closing comments.

Harish Madhav: Thank you very much once again Antique and Mr. Varatharajan especially for hosting our conference call and thank you all the analysts and investors who joined our conference call for joining us, for seeking clarifications, for questions, etc., and we are open to answer any further queries. You can always refer back at any point of time you want and I hope our results have been satisfactory. We feel it is better than satisfactory because except for the exceptional number that we have indicated 2600 Crores provision otherwise the operating and financial performance of the company has been consistently better over last four, five quarters, so we assure the investors about the continued sound performance and the concerns on the dividend part also let us be assured that we will be meeting dividend expectations of the shareholders, of the investors and in line with the guidelines that are there for dividend distribution by the government. So thank you very much once again for everyone for joining and thanks Antique once again.



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Moderator: I would like to hand the conference over to Mr. Varatharajan Sivasankaran for closing comments.

Varatharajan S: Thanks Rohit. I would like to thank the management for giving us this opportunity to hold the call and thank all the participants for joining in and asking very interesting questions. Thanks everyone and have a nice day and wish you all a very Happy Diwali.

Moderator: On behalf of Antique Stock Broking that concludes this conference. Thank you for joining us. You may now disconnect your lines.