



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
Hindustan Petroleum Corporation Limited
(A Maharatna Company)

“Hindustan Petroleum Corporation Limited
Q1 FY '26 Earning Conference Call”

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MANAGEMENT: **MR. VIKAS KAUSHAL – CHAIRMAN AND MANAGING DIRECTOR – HINDUSTAN PETROLEUM CORPORATION LIMITED**
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MR. K. VINOD – EXECUTIVE DIRECTOR, CORPORATE FINANCE – HINDUSTAN PETROLEUM CORPORATION LIMITED

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

Moderator: Ladies and gentlemen, good day, and welcome to Hindustan Petroleum Corporation Limited Results Conference Call hosted by Antique Stock Broking Limited. 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 this conference call, please signal an operator by pressing star then zero 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 Limited. Thank you, and over to you, sir.

Varatharajan S.: Thank you. A very good morning to everyone. It's my pleasure, as always, to welcome all the participants and the management of HPCL, represented by Mr. Vikas Kaushal, Chairman, Managing Director; Mr. Rajneesh Narang, Director, Finance; Mr. S. Bharathan, Director, Refineries; Mr. K. Vinod, Executive Director, Corporate Finance. The floor is yours, sir, for your initial remarks.

Vikas Kaushal: Good morning, everybody. Thank you for joining the call, and thank you for your continued interest in HPCL. And thank you, team for organizing this call. I'm Vikas Kaushal. I'm joined by my colleagues, Rajneesh Ji, Director, Finance; Bharathan Ji, Director, Refineries; Vinod, ED, Corporate Finance and our Corporate Finance team. I would like to share our opening comments and then open it up for questions.

Over the last 12, 14 hours, many of you have written about us. We saw some analyst report. I've been tracking some of those. Some have posed questions, which we tried to address in the opening statement. And if left unaddressed, please feel free to ask those questions. We had last met in early May when we talked about our year-end results and then the Board meeting, which was held then.

Since then, we have been living in very interesting times with dynamic situations on multiple fronts, geopolitical, macroeconomic supply challenges, etcetera. All I would say is team HPCL has worked very hard to build momentum and push our business forward. We are in a good spot, and we are bullish about the future.

I'll give my commentary -- opening commentary in two parts. I'll talk about the current performance -- our view on the current performance and shaping up -- how are we shaping up the future. On the first part, current performance, the results are all out. You've seen we turned in a strong quarter on the refining side, 6.6 million tons of throughput, 15.6% higher than last year, 109% capacity utilization. A lot of it was driven by capacity expansion programs, which we had led.

As you are aware, Vizag, we had completed the capacity expansion last year, and it is now running at 15 million tons. Just for context, it was an 8.3 million tons refinery in 2022. It is 15 million tons now, almost double. I'll talk of the remaining part of the expansion project in the second segment I talk on.

In running our refineries, we have been focusing a lot on expanding our crude baskets. We are trying new ways of going to the market. Those of you who track crude purchases, etcetera, can see what we are trying to do or guess what we are trying to do. But -- through this, we have processed 4 new crudes during the year, a wider basket of crudes.

And we are currently and constantly working on upgrading our process and widening the participative interest from suppliers to supply to HPCL, and we have seen some good results on that. On the sales side, sales were above 13 million tons, which represents a growth of 3.2%. This resulted in strong financial results. EBITDA at INR8,124 crores. I think the numbers are all there with you. But profit after tax of INR4,371.

If you just compare Q1 last year to this year, it's 11x, 12x last year. But even if you just compare running quarters, it is 30% over last quarter. And if you're looking at 3 quarters, just the last 3 quarters, which have been good run for HPCL, you will see we have been clocking way above INR3,000 crores plus every quarter and roughly about INR1,100 crores PAT per month on a run rate basis.

Coming to the projects, they are progressing well. This was a question many of you asked in your analyst commentaries overnight. On Vizag project, the rough -- the bottom upgradation project, we have the OSID and PESO approvals. I think we announced it last time. We are in the middle of pre-commissioning activities.

Just as we speak earlier this week, we fired diesel into the flares. It is a very complex project, probably the first of kind done in India. So it will take us a few weeks to commission, but I can formally tell you that we are in midst of pre-commissioning activities.

We are targeting commissioning in the next few weeks. It could be before the end of this quarter, as we had promised in the last analyst call or at best spilling a quarter or a few weeks into the next quarter, depending on how soon we are able to take hydrocarbon in. So we are about to finish that project, and we expect to capture the benefits of that in the second half of the year, especially when this stabilizes October, November onwards.

On Barmer, there is 88% completion on the overall program. We have reprioritized how we are focusing on it, and we have enhanced our focus on the refinery section in the last few months. Refinery section is 95% plus completed. As I speak, 12 packages are fully commissioned there, 12 of 28 packages.

Petchem section is 73% complete. We have started the process of taking safety approvals and PESO approvals for the packages, which we are commissioning. And we are gearing up for crude in, as we had said in this year. We will do it in two parts. First, we will go in with the refinery section. Hopefully, in the next few months as the activity is complete. As I said earlier, it's about 95% complete.

Many of our other projects are going on track. Mangalore LPG storage cavern, it's ready. We are just awaiting pollution control before we do feed in on to that one. So that's a summary of how we see the current performance. Happy to take any questions later on. But let me talk also about how are we preparing for the future. And our aim as a management team is to take HPCL

to the next orbit of performance. We are already performing at a good clip. We talked of the numbers, but how do we go to the next level?

There are four key planks we are working on, and I'm outlining those four planks because in subsequent analyst calls, we will keep harping on these four planks. That's a part of our thought process. First and foremost is improving operational efficiencies. This is something I will delve a bit deeper today. But the remaining three planks are planning for next wave of growth, working on our enablers, the people, the digital aspects of our business, digitizing more of our business. And then fourth, also enhancing our external engagement so that what we are doing is visible to you all.

Today, I'll just focus a bit more on operational efficiencies. But in the subsequent analyst calls, we'll stick to these 4 buckets and keep updating your progress, and you can hold us accountable on the progress on these. In terms of operational efficiencies, I'm very happy to announce that as a management team, we launched you can call it as a cost takeout or it's a wider an EBITDA enhancement program. It's called Samriddhi.

It's actually being done internally, and we launched it in May. The target is -- it aims at taking out up to about INR1,000 crores to INR1,500 crores, INR1,500 crores is our aspirational target of savings -- an EBITDA uplift on our routine operational performance by March 31. We are at 25% of locked-in savings at this point of time and 16% of our target is actually accrued into quarter 1.

So when you see the strong quarter 1 results, there are some operational efficiency benefits, which is already starting to click in. I can give you the specific numbers, close to about INR250 crores of operational efficiencies have been locked in. Through this program, we are building in the theme of continuous operational excellence in our business, and there is a lot of cross-functional team working on it. And this is a shared goal, which is -- it's a KPI for all our senior leaders, EDs and Directors and me altogether.

Second operational efficiency theme is around -- we have launched a program called Abhyuday, which is very focused on increasing our throughput and sweating our retail assets more. We are focusing on 4,500 retail outlets, and this started again 2 months ago. And early days, we're getting the low single-digit KL improvement on an average in these pumps, but more could be expected there.

In line with this, we've also upped our dealer engagements, and we have launched Sarvottam and Uttam Awards where we are engaging our dealers a lot more. Third area on operational efficiencies is around capital allocation.

We have been, I would say, a bit more stringent on new capital allocation and roughly going at around two third, 60% to 70% of the run rate of last year in terms of new projects, which we are looking at. The idea was to work on debt equity and deleverage ourselves a bit, the results of which you would have seen in the financial results.

A few points I wanted to cover on the other aspects also. We are focusing a lot on sweating our assets. There is a better performance on fuel and losses in our refineries. I talked about crude

sourcing. I talked about throughput increase on refinery. Very briefly on two other initiatives on what we are doing for future. Some of you have tracked us would have seen we have signed a deal with ADNOC for gas supply. This is our second deal which we have done in this year. This is for a 10-year contract landing at Chhara terminal starting from 2028.

We've also, post that concluded sourcing of our cargoes for 2027. In addition, if you have tracked, we have signed a green hydrogen tender for -- it's been concluded for our Vizag refinery, 5 KTPA at a very attractive rate of INR328 per kg, which as far as we know, is the lowest discovered rate in Indian market as of now.

I briefly touched upon our digital transformation. We believe there are a lot more efficiencies which are feasible through redoubling our efforts on this. We had a program called Parikalp, but we are now taking the fresh wave of initiatives. It's a program sponsored personally by me and along with my leadership team, and we believe this will drive the next wave of operational efficiencies for us.

To conclude the opening remarks, we are on track to a strong year. But more importantly, we are preparing ourselves for a stronger future. I thank you all for your interest in participating in this dialogue. And me, along with my colleagues here, we look forward to your questions. Thank you.

Moderator: Question is from the line of Yash Nandwani from IIFL Capital.

Yash Nandwani: Sir, could you share the quantum of inventory losses in both the Refining and the Marketing segment?

Rajneesh Narang: See the losses -- the inventory loss in refinery was around INR1,400-odd crores. And in marketing, it was around INR600 crores.

Yash Nandwani: INR100 crores?

Rajneesh Narang: INR600 crores.

Yash Nandwani: Okay, sir. And secondly, sir, on LPG compensation, there are reports that cabinet may approve it today. So what is your view on this? And what would be the approximate compensation for HPCL in this regard?

Vikas Kaushal: So your view, yes, we are eagerly waiting for the decision, as you can imagine. Over the last few -- can you just mute your line? I think there is echo from your side. Yes. So we have been in discussions with the government over the last few months, as you can imagine, giving them all the data which they need. The decision, of course, has to be taken by the government of India, and we also read the same news as you do, and we are also waiting for the same outcomes there.

I wouldn't want to comment on the quantum because I'm not privy to what is the [inaudible 0:13:29] there and what part has been accepted, what's not been there. But all I would say is, as a management team, we are eagerly waiting for that decision, and we hope and we believe it will be game-changing for all the OMCs and also HPCL. We'll have to wait for the numbers.

Rajneesh Narang: I'll just add on whatever may be the quantum, around -- our market share is around 27% to 28%. So that percentage would come to us.

Vikas Kaushal: So if you see a number in the press, you can look at 27% as ours.

Yash Nandwani: And lastly, on the Russian crude. So what was the share in Q1? And do you see any impact in the near term? And just your comments, how the discounts are trending in present?

Vikas Kaushal: See, as I said earlier, we do a very rigorous exercise on how we buy crude. And -- we've only gone deeper and wider in this exercise. As we said, the Russian thing is just a few days old in terms of the sanctions. But as a team, we were already looking at what is the best economic decision for us.

In quarter 1, our share of Russian crude was only 13.2% in our overall portfolio, which was lower than last year. And it's not because of any geopolitical reason. It was economic decisions on what we needed to run in our refineries. We did that. In this quarter, the only place we ran Russian crude was in our East Coast refinery in Vizag. In Mumbai, we found other crudes to be more attractive.

What would be the impact? Well, they aren't -- it's not that we are not buying Russian crude. Those decisions are still open. It's just that whatever is economical will be bought. There is no guidance or direction on that aspect or do this or don't do that. We are all free to do that. We are looking at alternatives as and when economic situations present.

If we were not to buy Russian crude for any sanction-related reasons, the impact is not too significant for us as you can do the back calculations from the numbers. It was only 13% of it, do the 13% and do whatever little discounts you get on that crude. It's not a very significant impact.

Moderator: The next question is from the line of Yogesh Patil from Dolat Capital.

Yogesh Patil: Sir, sharp reduction in the gross debt, approximately INR12,300 crores compared to the previous quarter. Sir, if you could give us some idea how much it was reduced due to the lower requirement of the working capital? That's one thing. Going forward, do we have any target of net debt to EBITDA or total debt to equity, which will be for the period of FY 26-27? If you could share some details on this side?

Vikas Kaushal: I think let me just give you an overarching comment, and I'll request my finance colleagues to give deeper into the target. Well, see, year-end debt always is higher for us. So comparison on that is there, not only for us, for others, it's always higher. But there are aspects of our business, which we have tightened where we have reduced the short-term debt and more of that is going to happen.

In the previous analyst call, we had given a guidance that we would be somewhere in the region of 1.5 to 1.8 -- sorry, 1.15 to 1.18 or somewhere in that region, less than 1.2 in debt to equity. There, of course, we were conservative in that guidance. We are at 1.01, but that's -- and in the

year number, if I was to just extrapolate it for the year-end, this would be a slightly higher number.

Is there a guidance on what we want to give for future? No, not at this stage. We don't know the quantum of LPG recovery and in what shape it comes, that will have an impact on our debt. But I can say as a management team, we are very focused on deleveraging ourselves both at the parent level and on a consolidated debt level, and that's one of our prime focus this year.

We had already shared that in the previous analyst call. I'll request my finance colleagues to give a bit more detail on the numbers to satisfy your answers there.

Rajneesh Narang: As regards the quantum of normally the year-end extra debt, which gets added on primarily on the short-term front, it is around -between INR6,000 to INR7,000 crores more than what it is stated here. And rest Chairman has already covered. Yes, one thing is there for sure that if the compensation, what is likely to be announced today in case the same comes in, it would be a very significant reduction in the number as compared to the current levels is what is...

Yogesh Patil: Okay. So sir, next question related to again, the LPG under recovery. During the quarter 1 FY '26, what was the average under recovery on the domestic LPG? And during Q2 FY '26, how much it has come down? If you could provide some details on the rupees per cylinder side, it would be helpful. And sir, what is your in-house estimates for the LPG under recovery for FY '26? Any reduction do you see compared to the FY '25 that would be helpful.

Vikas Kaushal: Yes. See, we'll give you some broad numbers. We do not want to give all the details right now because there is a decision which is pending on this and -- but we'll directionally give you some numbers. So -- please, you speak...

Rajneesh Narang: See, if we look at the last year, the total under-recovery on LPG was around INR10,900 crores. And if you look at the first quarter, it is around INR2,148 crores. And going forward, if we look at Q2 going by the current level of under recovery, we may add another INR1,000 crores to the -- on an about bottom line basis.

In terms of the monthly pricing, it will keep on -- it depends upon the Saudi CP -- contracted CP price. And if I have to list down what was the under-recovery in the previous few months, it was -- in April, it was around INR167 per cylinder. In May is INR164, in June...

Vikas Kaushal: [Inaudible 0:20:15] Last quarter. All I would say is there's a lot of effort by us and other OMCs also to make sure we are optimizing on the input costs on LPG to reduce any of the under recovery. And if you track Saudi CP, that has come down, which has also helped us in this period.

Yogesh Patil: Last question to touch. Suppose the under recoveries are on the sliding side, declining side on the top of that, crude will also come down. Do we expect the total debt numbers of INR50,000 crores -- INR51,000 crores will come down to -- on the lower side? Is that the correct understanding?

- Vikas Kaushal:** Yes, I shared earlier that as a management team, we do want to deleverage HPCL, that's the trend we are using. So part of the money will be used to bring down the debt. We are already working on it. The numbers we'll be able to give you in the next analyst call or our guidance in the next analyst call.
- Moderator:** The next question is from the line of Probal Sen from ICICI Securities.
- Probal Sen:** Just wanted to understand a little bit more on the Rajasthan refinery economics. We have seen petrochemical spreads remaining depressed probably for longer than what we have anticipated. And obviously, in this refinery, we have a plan to have almost 30%, if I believe, of the throughput [inaudible 0:21:45] to petrochemical. So just wanted a view on how you see the cycle evolving? And does it impact the way our configuration is for Rajasthan refinery or any tweak that is needed to do that? Just your thoughts on this.
- Vikas Kaushal:** Thanks, Probal. I'll go first, and then I'll request Director, Refineries also to chime in on the numbers. I think our objective right now is to finish the asset. We are less concerned on the petchem specs, etcetera. The key thing is to finish the asset. It has been delayed, but we are now having a line of sight of completion of the asset there.
- Having said that, yes, we all know petchem spreads have been lower in the last few years. There's been a lot of overcapacity in the market. But we also think they are firming up right now. So who knows? Maybe we will -- the asset will enter at the right time. On third part of your question is optimization tweaking feasible. Well, once the asset is done, a lot of things are feasible, and we do have plans for a lot of different things there.
- But as I said earlier, as a management team, we are very focused right now on getting the asset up and running. The subsequent plans would follow. We will do -- every asset does an optimization. We talked about Vizag going from 8.2 to 15. We do have plans on what to do further with that in terms of debottlenecking, etcetera. There will be similar attempts at Barmer also, which will help optimize the asset further. I'll request Bharathan ji to add his thoughts on it.
- S. Bharathan:** Maybe a couple of things. Yes, it is one of the largest integrated refining-cum-petrochemical complex from day 1. 26% of the product comes out as petrochemical. At the same time, it's also brought in the best energy efficiency processes. The integration is done in such a way that the cost of production will be kept minimum. These are some of the positives. And we do have opportunities to optimize the intake cost. There is a crude cost also, which we'll be doing along as we go. Thank you.
- Probal Sen:** One more question, if I can slip in. And this might be a little bit more simplistic. The expense of...
- Moderator:** Sorry to interrupt. Mr. Probal, may we request you use the headset?
- Probal Sen:** Is this better?
- Moderator:** Yes, go ahead.

Probal Sen: Yes, Sir, just one more question. This was about the inventory loss that has happened in this quarter. Forgive me for sounding simplistic, but the extent of loss seems to be a bit larger than I think what most of us were looking at. So just wanted to understand, is there something we are getting wrong in terms of the holding period or the price changes [inaudible 0:24:34] thoughts on this.

Vikas Kaushal: Probal, you run the refineries on Excel sheets. We run the refineries on an actual thing where we have a so many large customer bases to handle. There will be decisions we will take at different point of time on whether to increase our inventory or reduce the inventory. If you track what was happening during this period on geopolitical events, you would see there could have been decisions we have taken to buy some extra cargoes as an insurance and all those kind of things.

At the end of it, we run the business to ensure supply and continuity are there. Yes, there are going to be times when we are holding more stock, either of finished products or inventories, given our judgment about how the demand-supply situation will pan out. This was the period when there was a lot of challenge in Israel -- Iran-Israel things.

Supplies were -- a lot of you were writing about Strait of Hormuz and how it will impact. So we as companies are also responding on what we wanted to do and how do we ensure the supply. So we probably carried more inventories during this period.

Moderator: The next question is from the line of Sumeet Rohra from Smartsun Capital.

Sumeet Rohra: Sir, firstly, I would like to congratulate you. It's an extremely superior performance what you have delivered because, sir, the way I always look at it is LPG is a controlled product. So that's got nothing to do with us. And looking at that, you've reported about INR6,500 crores, INR7,000 crores profit, which is truly staggering.

I mean, sir, I remember 5 years ago, HPCL used to report INR6,000 crore annual profit for a year. Today, you have taken this company to a level where you are delivering this kind of profit on a quarter. So sir, firstly, many, many congratulations on that. You guys are doing a fantastic job. It's truly heartening as an investor to see the transformation which HPCL is going through, all thanks to a fantastic management team headed by all of you. So many, many congratulations on that, sir.

Now sir, I just have a few questions, if you can just help me understand. Sir, firstly is on the Vizag. So on the residue upgradation project, now you said that we'll commission it now. So is my understanding correct that the middle distillates today, which are lower for us, would actually then go to 84%, 85% and that in turn would get GRMs up by about \$2 to \$3. If you can explain a bit on that.

Sir, secondly, it was very heartening when you spoke about the operational excellence program, which you started. So sir, this INR1,500 crores of -- which you said of incremental savings, if you can basically just also dwell a little bit on -- so that's already started, as you said, in INR250 crores in Q1, etcetera. And how do we plan to improvise more on that?

And sir, just one more thing is on the LPG part. So now -- I'm sorry, I missed that part, but is my understanding correct that from September onwards, the LPG loss on a cylinder would come down to about INR50 or INR60 or something of that sort, sir?

Vikas Kaushal:

Thanks, Sumeet. Thanks for the kind words for the management team. We all get egged on and pushed on by the sharp questions you all ask on these things. So they are very good guiding forces for us on what we need to do. On your -- let me answer in the reverse thing because I've probably forgotten the first question.

On the LPG recovery, yes, the numbers could be there. Now what it will be in September, we'll have to see. But as we talked, the trend was downwards, and there has been a significant drop in Saudi CP last month. So yes, the trend is downwards there. So I think that would -- it would be -- I don't want to give an exact number on what it would be in September, but it's directionally headed towards that. So I think that's point number one. On Vizag upgradation, it will be about 83% distillates, if I'm not mistaken, you want to add Bharathan ji on...

S. Bharathan:

It's about 4%, 5% more than what we have been doing now. It will be crossing that 80%, around 83% what we'll be reaching.

Vikas Kaushal:

And we still have one more step of optimization further on this, which is when we are able to pump in natural gas into the refinery. Right now, it does not have a pipeline connection. So there will be one more uplift, which will come later. But by and large, you are directionally there, the distillate yields will start going up.

On your third part on the program on Samriddhi, I think there are -- we are attempting it at multiple things. One, being sharper at how we spend our money, where do we spend our money. So there are a lot of initiatives around real cost takeouts. Second, there is operational efficiencies being built in. Just to give you an example, the 60 bottling plants we have, how much throughput I can get through from each, what is the cost for each of the plants.

Even if I benchmark my own plants within the whole 60 plants, I can get improvement areas and every fan you stop or every light you turn off or every time you increase the speed of the carousel, it gives benefit. So there are initiatives like that. But there are a lot of big ticket initiatives, which come from trying different things on sourcing and movement of products.

We are attempting a lot of those things, shifting some movements from say, a traditional way to a different route, leveraging coastal, trying to do different things. If you notice on how we are going to market in terms of buying our spot cargoes, you would see there are certain different things we are attempting. I won't say thing A is the strategy or the thing B is the strategy. All I would say is we are much more nimble in terms of what we are attempting in the market.

Just for one example, I can quote this because this is in public domain. We used to earlier go and buy every -- one cargo every week. Now there are times when we go to the market to buy four together. So those of you who understand cargo buying, you would know the leverage which can happen both in terms of our own optimization versus what we get from the market is there.

The participative interest in our cargoes at times is really high. Our teams are running very hard. We have upgraded some of our tools in terms of optimization. So there are a lot of, I would say, thousand such things which are happening all across the place, which will give us the results. It's a very ambitious target. I think we are very confident of getting to 1,000 plus, which -- but we want to push ourselves towards 1,500.

Just to give you context, if it's 1,500, this will be \$0.6 per barrel for the total number of barrels we sold. Am I right on that? 0.6. For everything we sell this year, this will be \$0.6 per barrel. If we get to 1,500. Even if we fall short slightly, and we will keep reporting it on analyst call.

If you ask my thing on where I'm willing to give a guidance, I'm willing to give a guidance between 1,000 to 1,500, somewhere in that range we will call. I'm confident of 1,000. 1,500 is the aspirational goal, but we'll hope for that.

Sumeet Rohra:

Sure, sir. And sir, just if I may just add one thing now, this as an investor point of view -- from an investor angle, sir, I truly understand that we are going to now delever, etcetera. But sir, at some point of time, after you finish the delevering and when you're satisfied with all your financial metrics ratio, I, sir, humbly request that you must consider a buyback.

Because sir, today, our market cap of INR80,000 crores versus a balance sheet value of INR2 lakh crores clearly is a big mismatch. And there are absolutely no question that a company of this magnitude cannot be trading at this paltry market cap. So I would humbly request, sir, if you can -- at some -- at the opportune point of time, please do consider this because it will definitely be very value accretive for all stakeholders.

Vikas Kaushal:

Fair point. We take note of that.

Moderator:

The next question is from the line of Nitin Tiwari from PhillipCapital India Limited.

Nitin Tiwari:

Congratulations on good set of numbers and Y-o-Y improvement in your reported numbers. So my question -- first question is related to your refinery margins. So the refinery margins were like for lack of a better word, rather disappointing in this quarter at \$3, whereas all the crack spreads if we look at, whether it's basically gasoline or gas oil, all the crack spreads have improved on a sequential basis. So why is that the case?

And even if we adjust for the inventory losses that were there, still the adjusted refinery margins would be lower than what they were in the previous quarter, whereas the crack spreads have improved on a sequential basis. So how should we look at this metric going ahead? I mean what your guidance would be on that, especially in light of the project Samriddhi that you pointed out where you're looking at cost savings, etcetera. So I mean, your thoughts on that, please? That would be my first.

Vikas Kaushal:

Sure. I think on the refining margins, what you see are after the inventory losses, we'll give you the specific numbers on refining margins if the inventory losses weren't there.

- Rajneesh Narang:** If you look at the core GRM, if the inventory losses were not there, HPCL has a core GRM of 6.54. Now if you have to compare it with respect to the Q1 of last year, it was \$5.35. So it has improved compared to last time.
- Nitin Tiwari:** Sir, I was referring to the -- sorry for the interruption, sir, I was referring to the March quarter. Your reported number was 8.44 and adjusted for an inventory gain, it was 7.1. Correct me if I'm wrong over there. Whereas the crack spreads have improved versus the March quarter. So ideally, our refinery margins would have gone up in June quarter, I mean, unless until there's something else which you would probably want to highlight.
- Rajneesh Narang:** If you look at the cracks and spreads, don't get factored as part of inventory losses. So even if you look at Y-on-Y, it is -- even quarter-on-quarter, yes, you are right, it was 7.1 if I go by the Q4 24-25 number, which is 6.54 in the current quarter.
- And the differential is primarily because of the spreads also and the conservation of the refineries which we have. But in terms of the various performance of the refinery is concerned, per se, if you see, we had the lowest fuel and loss in this quarter.
- Nitin Tiwari:** Yes, sir. please. I appreciate the lower fuel and loss part. That's why I was not able to put everything together if our fuel and losses are lower, the crack spreads have improved versus the March quarter, then why is that our adjusted refinery margin still lower than the March quarter?
- Vikas Kaushal:** Yes. I think we've explained the numbers. These are complex assets. Sometimes some things fall in a particular direction there because it's -- if you see between quarter-on-quarter also, it's - - while it is lower, it's not an alarmingly lower number that we have suddenly forgotten how to run refineries. I think we are conscious that we need to improve that. There is a lot of efforts. You talked about Samriddhi. Yes, it includes a lot of improvement initiatives.
- We know the areas where we want to improve, and there will be a concerted effort on it. Hopefully, in the subsequent quarters, you will see the core GRMs going upwards as first the rough comes up and some of the operational initiatives which come up, they are -they also sort of operational improvement initiatives, they start giving results.
- See, when you start comparing numbers quarter-on-quarter, there are always sometimes a particular month, a particular unit was down and all those kind of -- or was under a turnaround, etcetera. So I think those things are, I would say, more in the realm of operational, I would say, day-to-day operational challenges. There was nothing alarmingly different from the way we ran the refinery. Are there areas where we can improve? Absolutely. And you will see that improvement in the coming quarters.
- Nitin Tiwari:** Fair enough. My second question would be with respect to the ethanol blending debate that is going on in the country. And so just wanted to understand that what is the current ethanol blending rate? What is our target if at all, I mean, this rate is going to go up? And what is our ethanol sourcing price at this moment, sir?
- Vikas Kaushal:** So on the ethanol blending, yes, there is some debate. It has got -- we all know it's got accentuated after some influencer also wrote about it recently. 20% blending is a mandate by

Government of India. All of us have to follow that mandate. If I'm not mistaken, we are -- I don't remember the numbers offhand, but we know that you can correct, but we are close to 19-point something, 19.95% or something. We are following the mandate and our plan for this year is to follow the mandate.

In terms of ethanol sourcing, there is an industry-wide optimization, which happens on ethanol sourcing so that the distances are traveled less. We also keep on doing our own initiatives. Can we move things from here from by rail to another location and all those kind of things. So we are trying to optimize whatever we can do. If you're asking specifically on the price of ethanol, I don't remember it offhand. I'll ask my team if they remember the price. If not, we can give you.

Rajneesh Narang: That varies depending upon the feedstock for sugar or grains or for maize and all. So it depends upon the price of the product.

Vikas Kaushal: But sir, the government listed price, so we go by that. As on date, as we speak, notwithstanding the social media controversies of the campaigns around it, our plan for the year is to follow the government mandate of 20% ethanol blending pan-India.

Nitin Tiwari: Got it. Correct me if this understanding is wrong that I suppose the cost of procurement of ethanol, I mean, excluding taxes is about INR57, INR58, right? So I was just like trying to understand that this price is higher than what your refinery gate price would be for petroleum products.

So in effect, like more ethanol that you blend in petrol, there is a possibility of you losing margin because in a sense, I mean, while you are blending an expensive raw material in your product, your selling price is more or less -- I mean, that is unchanged, that still remains at where it is. Is that understanding correct?

Vikas Kaushal: I would say that's partially correct in some form. And you can look at it, there is more to ethanol blending than just these 2 numbers. There are characteristics of fuels, what gets changed, what we can do with our refineries around it. So there is a lot more at play with these. There are a lot of technical aspects around it.

But the way I look at it is also it's a mandate by Government of India given to all the people. It's a Government of India program. We all have to -- it's like you and I might not like the income tax we pay, but we have to pay the tax. That's the government mandate there.

So is the management team kind of losing sleep on it? No. All what we are trying to do is optimize what is in our control, the logistics, how do I ship, how do I store, what inventories I keep, making sure my blending is okay, making sure I'm not carrying excess inventories.

That is something we are very focused on ethanol blending because unlike refinery happening in one place, ethanol blending happens in multiple different places. So we are trying to work hard on operational aspects of it. If Government of India changes the mandate upwards or downwards, we'll react to it. Do you have something to add?

- Rajneesh Narang:** Yes. Just to answer him regarding the lower core GRM in this quarter compared to the previous quarter. This quarter, we had a higher inventory of ISD, that is the intermediate stock. And once this will be converted into the final stock, that value will get realized in the subsequent quarter.
- In the July quarter, that would have already come. So it is not loss of value. It's the only thing is that on the month end when this period got closed, this product was lying as an ISD where the valuation is less.
- Vikas Kaushal:** And just to give you more comfort around the entire thing, the reason for that is that's what I said earlier. One of our units was under maintenance. One of our diesel converting units was under maintenance. So we had to carry more intermediate in our tanks, which will get processed. So when you see the next quarter's numbers, you will see that reflecting in the higher distillate yield for that refinery. It was more of an operational thing, nothing unusual.
- Moderator:** The next question is from the line of S. Ramesh from Nirmal Bang Equities.
- S. Ramesh:** Congratulations on the results despite all the challenges. So the first question is if I may clarify, there was a mention of a figure of INR1,000 crores for LPG losses. So are you suggesting that the LPG loss will come down by INR1,000 crores?
- Rajneesh Narang:** Yes, going by the current level of the Saudi CP prices, in case there is no change in the retail selling price of the cylinder, what you are saying is right. Yes.
- Vikas Kaushal:** Quarter 1, -- Director, Finance talked about quarter 1 under recovery being lower than just the prorated of last year.
- S. Ramesh:** Okay. So if you look at the Vizag RUF project, the overall capex is about INR30,000 crores as per your presentation. So how much is the balance -- the actual project cost for the RUF project? And if you look at the breakeven analysis, I'm just trying to get a sense, if you take the entire INR30,000 crores, you need an upside of around \$4 just to breakeven on the interest and depreciation. So how do you see the economics of this capex on the project? And what is the absolute margin you require on an integrated basis for Vizag to make it profitable and get double-digit ROC?
- Vikas Kaushal:** So I think just on the capex, the total capex, what the number you said, give or take, a few hundred crores is exactly the number. Part of it has already been capitalized, which is the refinery expansion section. I talked in my opening comments about 8.22 MTPA going on to 15 MTPA refinery and throughput in the first quarter was actually 4 million tons.
- So that part, the benefits are already starting to come in with the RUF getting commissioned and stabilized. I would also use the word stabilized because it is a complex technology, the first time being attempted in India at this scale. We would see an uplift on the distillate yields and resulting uplift in the GRMs.
- The way we look at it is, it is going to be a profitable project. I don't look at it -- actually, we don't look at it the breakeven the way you are looking at \$4 breakeven and all because there is a lot of complexity which can be done. The way RUF works for us even more than just what is

the distillate yield thing is it allows me a wider spectrum of crudes, which I can handle and give me more collateral benefit as an organization.

And when we have RUF and Barmer all coming on stream, our asset footprint is higher. Our choice of -- we can process more dirtier crudes. We can manage our crudes between our refineries. We can do a lot more asset-based RUF etcetera. The flexibility is something which will not get translated into just the IRR of that project. The flexibility goes into the system there.

So as a management team, we are not really worried about \$4 being -- or I don't know how the \$4 calculation is there. It doesn't rest with me fully, but I'll let my finance team answer on to that of their question. But we are quite confident that once RUF comes in, we have an incremental lift off on our EBITDA month-on-month. And already, we are seeing an incremental impact on EBITDA, as one of you just mentioned in terms of how the trajectory has gone upwards.

So we are quite confident on where we are. We are, I would say, cautiously optimistic on this getting completed. Cautious we are using because as I said earlier, it is a very, very complex technology. But anything to add on this? Yes, yes. Please, if you have a follow-on question, please let us know.

S. Ramesh: Yes. So before I go to the next question to CNG. So the reason why I asked about Vizag is in your branch accounting notes in the results on Page 2 of the auditor's notes, there was a loss of INR512 crores after taxes. So post the rough project and the expansion benefits, from which quarter can we expect that number to become positive? And what is the kind of steady-state run rate because that's part of your overall results, right? So just to get a sense in terms of that number, that's a loss as we speak in the first quarter.

Rajneesh Narang: Yes, yes. But the losses -- because in my initial statement, I had given you the inventory loss at refinery of more than INR1,400-odd crores. So that primarily is the reason that it has gone into it.

S. Ramesh: Okay. So on CNG, can we get the details on the stand-alone GAs in terms of what is the current sales volume in first quarter compared to last year first quarter? And if possible, the fourth quarter, you've given some numbers for the full year in the annual report, but just to get the quarterly run rate, if you can give us the stand-alone city gas distribution sales for your 14 GAs and how many of them are in commercial operation now?

Rajneesh Narang: If I have to just give the sales volume in this quarter, it is around 32 TMT of CNG sales vis-a-vis 22 TMT in the previous quarter. And what was your next question?

S. Ramesh: So what will be the corresponding number for fourth quarter '25? And how many CNG stations are in -- pardon?

Rajneesh Narang: 22.

S. Ramesh: So 1Q '25. For fourth quarter, what would it be?

Rajneesh Narang: 27 sorry.

- S. Ramesh:** So fourth quarter '25, 27.
- Rajneesh Narang:** See current quarter is 32. Q4 of 24-25 was 27 TMT and the corresponding period Q1 24-25 was 22.
- S. Ramesh:** Yes. Got it. So how many CNG stations or GAs on commercial operation now? And when -- what would be the number...
- Rajneesh Narang:** Total CNG stations is 2,070-odd CNG stations under HPCL. But in our GA, it is around 350-odd.
- S. Ramesh:** The annual report mentioned that it's already up to 475. So as on date, how many of them are in commercial operation? And as we move along in FY 26-27, how many GAs or CNG stations will be in commercial operation?
- Rajneesh Narang:** All are in -- more or less all are in commercial operation.
- Vikas Kaushal:** There's only a few months lag between like just getting it ready and getting it. The gas in into the stations happens reasonably quickly.
- Rajneesh Narang:** The number which you are referring to may be including the JV one, which I'm talking about where we are -- the GAs are with us...
- S. Ramesh:** Okay. Okay. So is your EBITDA, if I may just dwell on this a bit more, is your reported EBITDA including some positive EBITDA contribution or is there a loss in the stand-alone GAs?
- Rajneesh Narang:** No, we are having positive EBITDA from our GA.
- S. Ramesh:** Okay. So I would like to give a suggestion. IOC has already started giving the gas segment details. So if you may also like to give that sometime in the first half or starting the second half, it will be useful for us to understand the progress in the gas business.
- Vikash Kaushal:** Okay. Thank you. Noted the suggestion.
- Moderator:** The next question is from the line of Achal Shah from Ambit Capital.
- Achal Shah:** With respect to volumes and percentage capacity utilization by FY '30 and '35. Yes Sir, I'll repeat my question. Sir, what kind of volumes and percentage capacity utilization are we expecting at Chhara terminal for FY '26? And where can we go from here like FY '30 and FY '35, where are we seeing these volumes and utilization levels?
- Vikas Kaushal:** Yes. So I think FY -- I don't have the exact numbers. Do you have the exact numbers? We'll give -- we can take out the exact numbers. In terms of -- right now, as you know, the breakwater is not fully complete. As a result, we cannot offload cargoes during the monsoon period. Post that, we are starting with the October onwards, we have our -- from the previous gas deal, we will start having our cargoes already.

And I think if I'm not mistaken, 4 cargoes are being planned this year for the second half. And of course, we can always look for additional spot cargoes. Whatever gas we had has been fully sold. For this year, we aren't expecting a massive capacity utilization. It will probably be low teens, if I'm not mistaken. I don't have the exact number with me. But from next year onwards, we would be looking at a further increase...

Rajneesh Narang:

Around 30 to 40.

Vikas Kaushal:

Yes, in the terminals there. And I'll ask Rajneesh Ji to give the numbers. He has dug out the numbers. As this progresses, '27, -- as I talked earlier, we already have signed a deal for '27. We already have a second deal done for '28 onwards. And more of these will become. We are also looking out for giving out capacity to others who are landing in there. So this is the year when we hope to complete the breakwater and from next year, operate as an all-weather port. Do you want to share those additional numbers?

Rajneesh Narang:

See, this year, we are targeting that the capacity utilization will be around 10% to 15%. And next year, we'll be targeting between 35% to 40%.

Achal Shah:

Got it, sir. Sir, just one last question, if I may. What is the current Russian discount in Q1, dollar per barrel and in July '25 dollar per barrel?

Vikas Kaushal:

That depends on the moment of the trade and it's difficult to give you a broad number on what is the things. I gave you what is the impact on us and what amount of Russian crude we are using, which was 13% and I told you that the impact, if we were to use 0 was sort of not -- or it was easily absorbable by us in terms of our current performance. I would not like to go into specific discounts on any specific cargo.

Moderator:

The next question is from the line of Mayank Maheshwari from Morgan Stanley.

Mayank Maheshwari

One question from my end was more related to the marketing side. If we look at both on diesel and gasoline, you have seen a bit of a loss in market share. Can you just talk to us about the strategy in the wake of the competition now, especially from private players as well? What are you kind of thinking on kind of maintaining or increasing market share after the Vizag refinery upgrade?

Vikas Kaushal:

I think that's a great question. Two things, I would say. One, when you look at the loss share, if you look at the last year Q1, you would see we had literally a spike in that period. If I remember the numbers correctly, it was a 5.5% market share. So the base effect for us was higher. Having said that, we believe we could have done better in the market. July has been better for us.

In terms of fight from competition, well, that's the reality. We have our own strengths. The private sector has their own strength. I become less worried about what they are doing. I'm more keen on what we can do. We talked about upgrading the throughput. We talked about greater dealer involvement. So that's an area where we are reinforcing ourselves, trying to do more and more of activities so that the customer connect with us -- the customer experience with us goes better.

When you are handling 25,000 retail outlets, almost 25,000, 24,000 to be precise, it's a long exercise. As I said earlier, we have launched a program on 4,500 of our retail outlets where we are doing many of these experiments, which will result in throughput increase, but more importantly, it does -- it is sharpening the way we are getting into the market. So it's going to be -- market share is never an easy thing to fight for, especially in the market in retail. So it's going to be a flag fest, and we are gearing up for it.

Mayank Maheshwari

Sir, just a follow-up on that. I think the industrial side is where I think there is more pain. So is there anything that you're thinking about on that front?

Vikas Kaushal:

No, you can go deeper into the numbers. I won't say that there is a market share loss. But remember the fact that we buy a lot of product, there was no business case for me to sell product at lower than RTP, which some of the others have done in the market. They might have surplus product on it. If we have surplus product, we can also fight that battle and use some of our refining margins to gain the market share.

But in this quarter, if you are a cricket follower, I would say that ball was well left by us because that market was going way outside the off stump in terms of even INR11,000 KL or INR10,000 KL per discount. We took a very conscious call of preserving our bottom line rather than preserving our market share.

Moderator:

The next question is from the line of Vikash Jain from CLSA.

Vikash Jain:

Specifically, I think you've spent some time on Samriddhi, but there are other 2 projects that you talked about. One was Abhyuday and the other one was -- sorry, I forget the name, which was to increase throughput per retail outlets.

So when you talk about this INR1,000 crores to INR1,500 crore EBITDA gain, is this across these projects all put together? Or these would all be other things which are more longer term and where gains will come in, but over and above that number, but slightly longer time to come in?

Vikas Kaushal:

See, the way we look at the number INR1,000 crores to INR1,500 crores, that's the -- Samriddhi is our umbrella initiative. As I said, we have launched it. We are doing it currently internally without external help. But there are a lot of initiatives under it. The way we count that number is this target is it should be locked in, in some form, either it is a one-off gain which gets accrued in the year. You source certain deals better or you do optimization on certain kind of things. So there are one-off things.

But there are the structural things which we are doing, they should be locked in on a run rate basis by end of the year, clearly. That covers a wide range of things. It actually -- Abhyuday is a second. I'll talk on that also so that there is clarity. On this one, there is a wide range of initiatives from operational efficiencies to different kind of -- sourcing different things differently, sourcing efficiencies, if you factor cost kind of thing. There are wider arrays of how we are doing crudes, etcetera. There are logistics savings. So you can see a mix of sourcing, operational and better utilization of cash. Those are the 3 buckets, I would say.

On Abhyuday, it's actually not a cost takeout or there will be an indirect effect on EBITDA, but Abhyuday was to the question being asked by the gentleman earlier, it is about strengthening our retail and making sure our asset throughput goes up. We have lower throughput than BPCL on an average basis, we want to close that gap and focus on making sure our retail outlets are generating more money. It will have an indirect impact on EBITDA, but we are not counting that because then it becomes too complex accounting. I want to keep that counting very simple. So I hope that clarifies the difference between those 2.

Vikash Jain: Yes. Just one small follow-up and then maybe one clarification because I did not -- firstly, I did not hear the number on inventory loss on marketing. It was INR600 crores, you said, right?

Vikas Kaushal: Yes, INR600 crores, you heard it right.

Vikash Jain: Yes. So just -- and coming back to the Abhyuday part. So does that also mean that we will be far more judicious than where oil marketing companies have traditionally been in terms of opening up of retail outlets since we are far more focused on getting that metric on throughput and asset turns right. Will that mean that we'll be far more judicious in terms of locations and density, etcetera? I am not trying to suggest on what the processes were historically, but is that something which is part of...

Vikas Kaushal: The answer is yes.

Moderator: The next question is from the line of Somaiah V from Avendus Spark.

Somaiah V.: Sir, first question is on the crude sourcing. On a blended basis between Q4 to Q1, would crude sourcing cost would have gone up? That's the first part. Second, what are the dynamics that changed between Q4 to Q1, which led to a lower Russian crude procurement? And you also mentioned that it was more used on the Eastern part. Is there a price angle, price cost angle or anything? What dynamics changed? And is that kind of reversing now? That's my first question.

Vikas Kaushal: Yes. Did we get the first part of the question, I...

Rajneesh Narang: Yes. See, if you look at the results, that itself is signaling that the crude cost has come down. That is primarily because the crude prices have softened. That is getting reflected by almost a reduction of INR10,000 crores in the cost of goods consumed there.

Somaiah V.: Sorry, just a small clarification that I was referring to the crude discounts that we get on a blended basis between Q4 to Q1. Has that narrowed on a blended basis for our overall portfolio?

Vikas Kaushal: It's very difficult to give an answer to that because every week you go for crude buying, the discounts vary. It's a very dynamic market. It's a demand-supply driven market. So I wouldn't want to generalize on it. I think at a general level, you can take the guidance which Director, Finance gave on the overall crude because otherwise, we'll be giving you a wrong impression. Crude is very -- same crude could be on a discount -- lower discount or a premium this week and on dated Brent and next week, it's in a different position based on who has the cargoes, etcetera. So we'll probably leave it at that.

On the other part, on your East Coast, first of all see, when we buy the crude and we process it, there are two aspects, we should understand. There is obviously a cost of it, which landed cost, yes, rates are different, etcetera. But that is only one part of it. The bigger part is what do I do with the crude and what do I do with the mixture of the crudes I have? What demand am I meeting? So there is a big science behind -- each crude has its own signature, the assays around it, depending on what products I have, what inventories I have. It's a very complex buying thing.

So it's not just crude price and the freight landing at my refinery. That's only onetime the input. There are times when we buy a crude, which is much more expensive than what is landing cheaper because that gives me a product set which I can sell in that month at a much better price and hence, my net realization is better.

So it's a very complex process, I would say. But in generalization, if you ask me to be more specific on why it wasn't used in West Coast, well, when we went to the market, we've got better crudes, which were giving us better realization. A lot of -- if you see what has gone up in our portfolio in that period is actually West African crude.

So we managed to get some good cargoes on West African crude. It comes in distance and time is shorter there and freight is shorter. So -- and then they were matching the products which we wanted to sell. So our portfolio has got a bit more -- the West African crude in our portfolio has increased during this period.

Rajneesh Narang: I'll only just say that the decision to buy crude doesn't depend upon what is the extent of discount being given, but on what -- which crude will make more higher product GPW, we call it, higher gross product worth of -- or what value it will create in our system through our model.

Somaiah V.: Understood, sir. So one clarification on the debt part. What was the working capital release this quarter? And also you did mention Q4 generally is on the higher side. So if you could just help us bridge between Q4 to Q1, what are the moving parts in terms of debt reduction?

Rajneesh Narang: This quarter, the short-term debt is around INR6,547 crores primarily, which is used for the working capital. And in March, it was around INR20,000 crores.

Vikas Kaushal: And the second question was how much is the spike in the year-end so that they can factor in...

Rajneesh Narang: Around INR6,000 crores to INR8,000.

Moderator: The next question is from the line of Saurabh Handa from Citigroup.

Saurabh Handa: So the questions are primarily pertaining to the LPG side. So assuming there is some announcement in the near term on LPG subsidy, is it fair to assume this would pertain to last year's under recoveries?

Vikas Kaushal: I think difficult to comment on it because, as I said, all things are under preview. You've also read what's in the press. I can only comment on it. I won't comment on what's been discussed between us and the government. But we hope there is a more comprehensive solution. So let's see. We're keeping our fingers crossed on it.

- Saurabh Handa:** Just on that, I mean, is there any discussion on a better mechanism for you to account for subsidy receivables from the government? Because otherwise, it just significantly understates your income statement if you aren't able to allow -- account for it at least as a receivable, which was the situation prior to this buffer accounting?
- Vikas Kaushal:** No, I understand that. I don't know whether that's the topmost thing government wants to solve. I will leave it to them to handle it. See, the way I know this causes a concern to all who are tracking it, and it causes -- ideally, I would also like to have a clean, consistent set of reporting quarter-on-quarter without having to explain buffers, etcetera.
- But that's also the reality on it. Again, as a management team, we work within the constraints which -- where we operate in, and we try to do our maximum on the operational side. So let's see, hopefully, things will -- let's wait for the decisions, maybe some things will come out, which will help us all understand this thing better.
- Saurabh Handa:** Okay. And sir, just again, following up on that. So if there is an announcement anytime soon, I mean, you did say that it would bring down your debt. So are you expecting a cash disbursement also to happen soon or that could happen like later in the year with the supplementary?
- Vikas Kaushal:** I'll wait for the decision is what I would say.
- Moderator:** Ladies and gentlemen, due to time constraints, that was the last question for today. I would now like to hand the conference over to Mr. Varatharajan Sivasankaran for closing comments.
- Varatharajan S.:** I also had a couple of questions maybe if I can get that addressed right now. One was on the HMEL details like if you can share? And second issue was like constantly, we keep getting queries on the potential or possible increase in the capex cost in the Rajasthan refinery.
- While we know you have already spent almost INR60,000 crores and the overall number is INR72,000-odd crores and the escalation should not be -- there's not much scope for escalation. However, we're saying that and you're saying it will be very different. So if you can give some inputs on that.
- Vikas Kaushal:** Yes. On the Rajasthan refinery, you talked about the previously approved numbers. We are taking the final stock on where the project cost would end. I think by the time on the next analyst call, we'll be able to have a sense on it. Obviously, it's a complex project. There have been time delays, etcetera. All I can say at this point of time on the hard costs, we do not anticipate any major changes from the last estimate.
- The delays have obviously impacted working capital, which depending on where we commission, will have some amount of additional working capital burden onto the project -- not sorry, working capital, IDC burden. You guys are smart and you can calculate that. By the time next analyst call comes in, we will be able to give a guidance on what we expect as the broad final cost on the project. I hope that answers -- was there a second part of your question?
- Varatharajan S.:** No, that is perfectly fine. And if you have HMEL numbers, if you can share?

- Rajneesh Narang:** HMEL, the GRM was around \$7-plus per barrel. And in terms of EBITDA, it's around INR1,000 crores.
- Varatharajan S.:** Yes in case you have closing comments, please go ahead, sir.
- Vikas Kaushal:** Okay. Thank you, Varatharajan, and thank you all for your interest on it. I hope we've been able to answer the questions. As I said in my opening comments, our teams worked hard on delivering a strong performance. Some of you have recognized this. Some of you thought it missed your estimates. Well, I would say, from our management side, it didn't miss our estimates. It did -- we did aspire for more. And hopefully, we will do more, but we were proud of the achievement, what the team has done.
- As you can see, we are gearing up to take HPCL to the next orbit in terms of its performance. Many of you asked some very sharp questions. Some have given suggestions. We'll take note of that. And we would like to keep the dialogue on with all of you. You give us valuable suggestions.
- Some of you met us, met me; met Director, Finance; ED, Corporate Finance and others. If others want to meet at times, we are happy to have a dialogue there. And otherwise, we'll meet at the end of the next quarter, hopefully, with some good results behind us and which shows a consistent track record of performance for HPCL.
- Thank you all for your interest in the company. Thank you all for supporting us. Thank you all for challenging us, which is very important in our business, and have a good day.
- Varatharajan S.:** Thank you, sir. It is a pleasure having you. I should thank all the participants as well as the management for taking time out to have this very fruitful discussion. Thank you, everyone, and have a nice day.
- Moderator:** Thank you. On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.