



Investors Meet

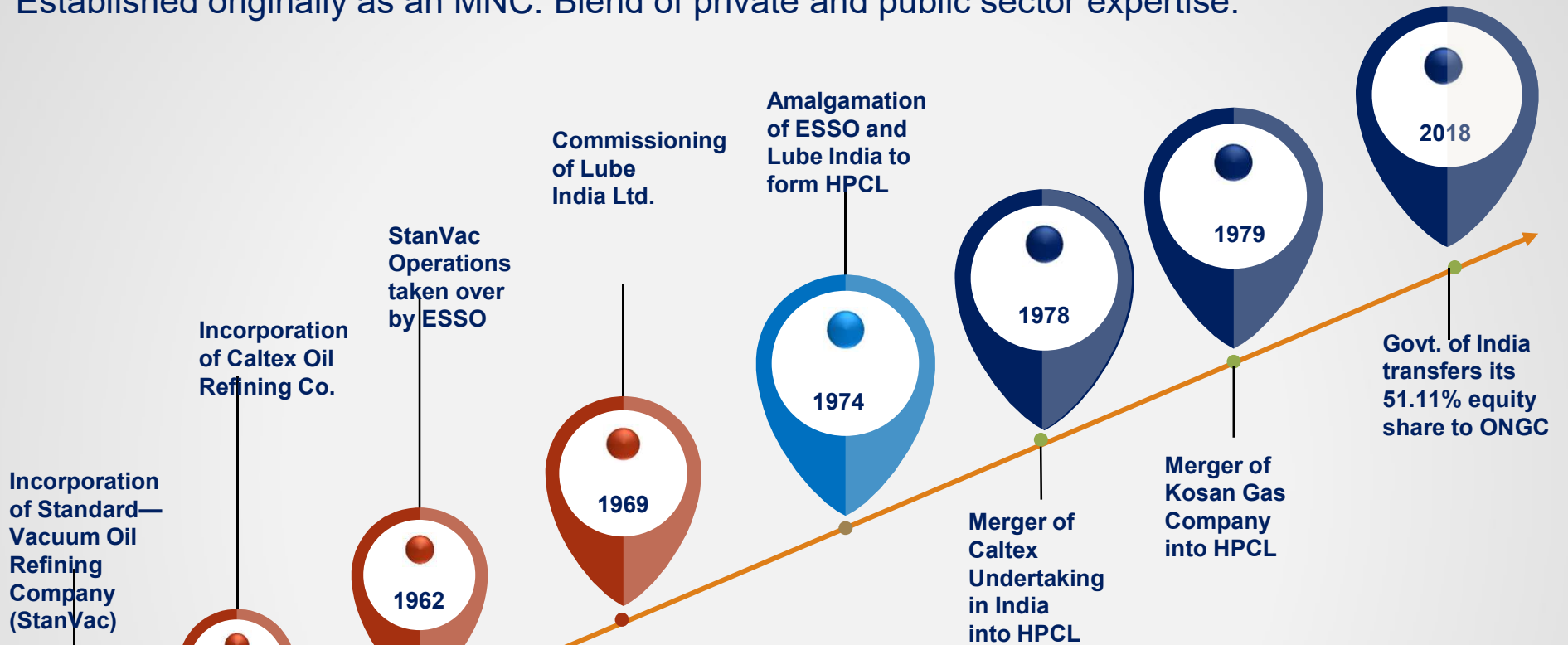
“Enhancing Stakeholder Value”



14th December 2018
Singapore

Evolution of HPCL

Established originally as an MNC. Blend of private and public sector expertise.



Significant Growth over the Last decade

	FY2008		FY2018
Sales (\$bn)	17.3	➔	37.5
Throughput (MMTPA)	16.8	➔	27.1



Global Rankings & Ratings



#951
(#23 among Indian companies)



#48
(#7 among Indian companies)



BBB- (Stable)

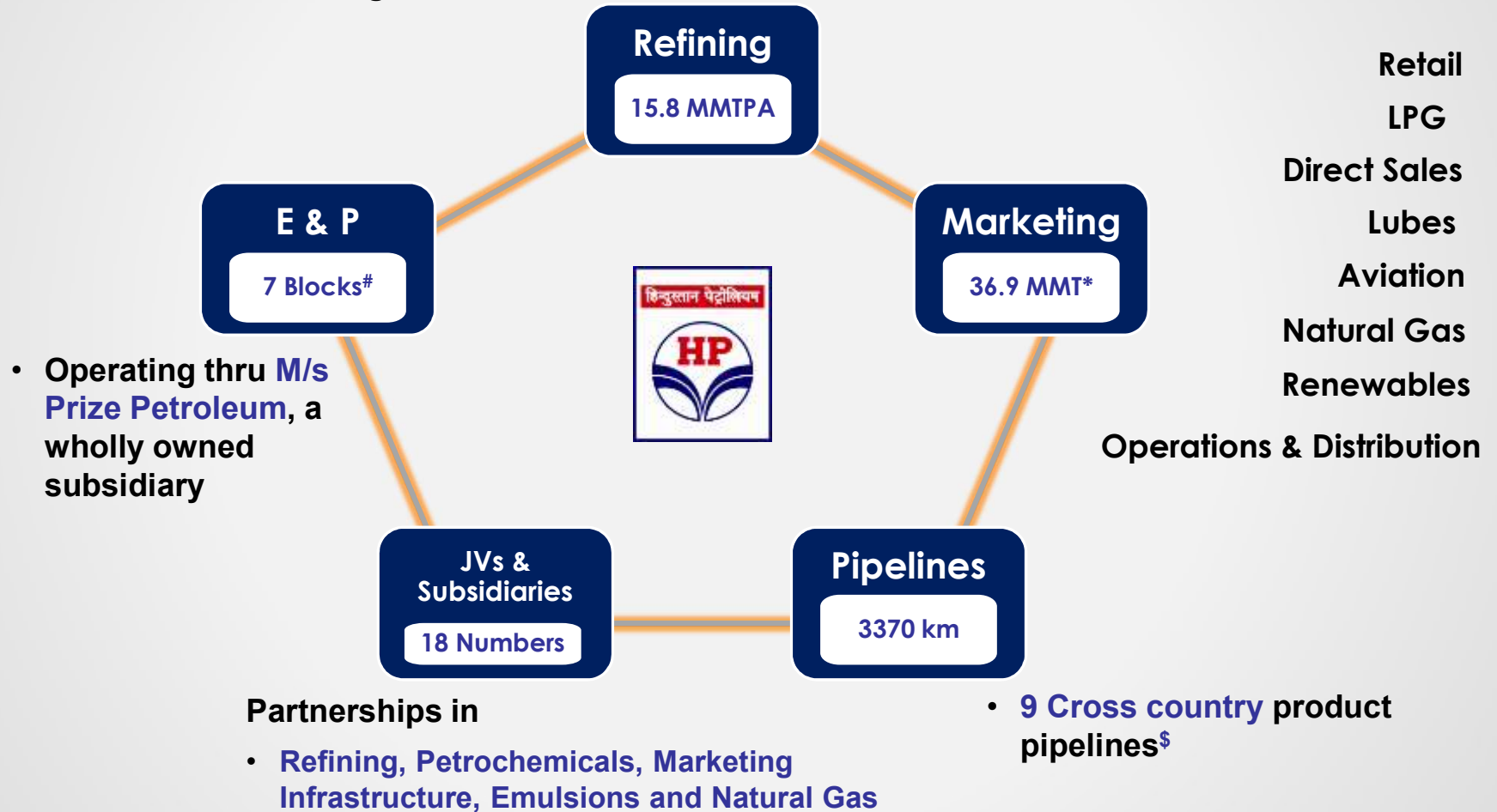


Baa2 (Stable)

Upgraded from Baa3 during 2017-18

Portfolio

- **Mumbai: Fuels (7.5 MMTPA) & Lubes (428 TMTPA) Refinery**
- **Visakh: Fuels (8.3 MMTPA) Refinery**
- **Green R&D Centre, Bengaluru**



* in 2017-18 including export

Active blocks as of Mar'18

\$ (Liquid & LPG)

Infrastructure

Terminals / TOPs



42

Depots



68

LPG Plants



48

ASFs



42

Description	As of 30.09.2018
POL Tankage	3.9 MMT
LPG bottling capacity	4.7 MMTPA
Lube blending capacity	305 TMTPA
QC Labs	45 Nos.

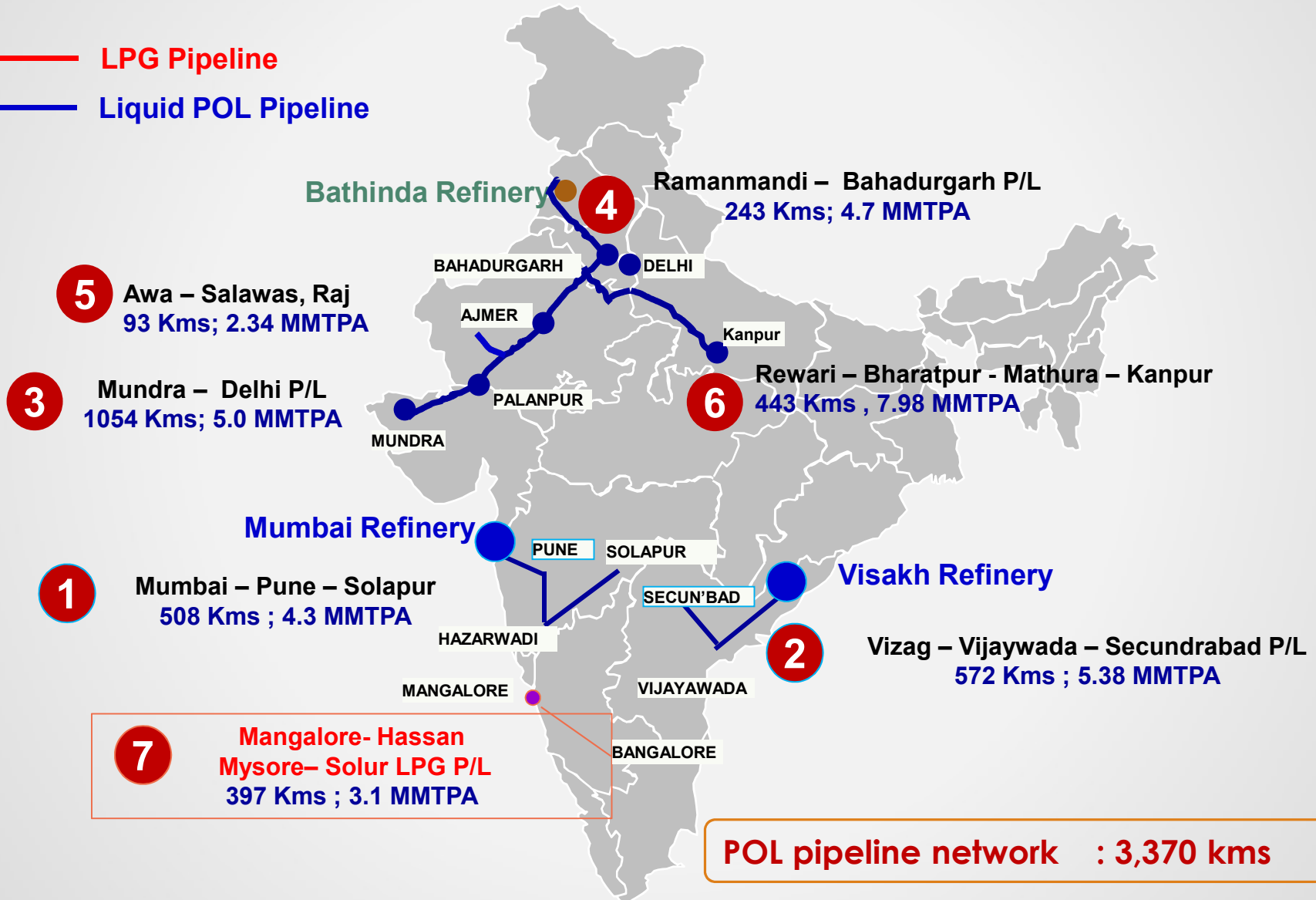
Lube Blending Plants



6

Pipelines

- LPG Pipeline
- Liquid POL Pipeline



Performance 2017-18

Highest ever Market Sales : 36.9 MMT

Sales Growth : 4.7%

Highest ever Refining Thruput : 18.3 MMT

Highest ever Pipeline Thruput : 20.4 MMT

India's No.1 Lube Marketer : 603 TMT

Highest Ever Profit after Tax of US\$ 977 million

Performance H1 2018-19

Market Sales : 18.86 MMT

Sales Growth : 4.8%

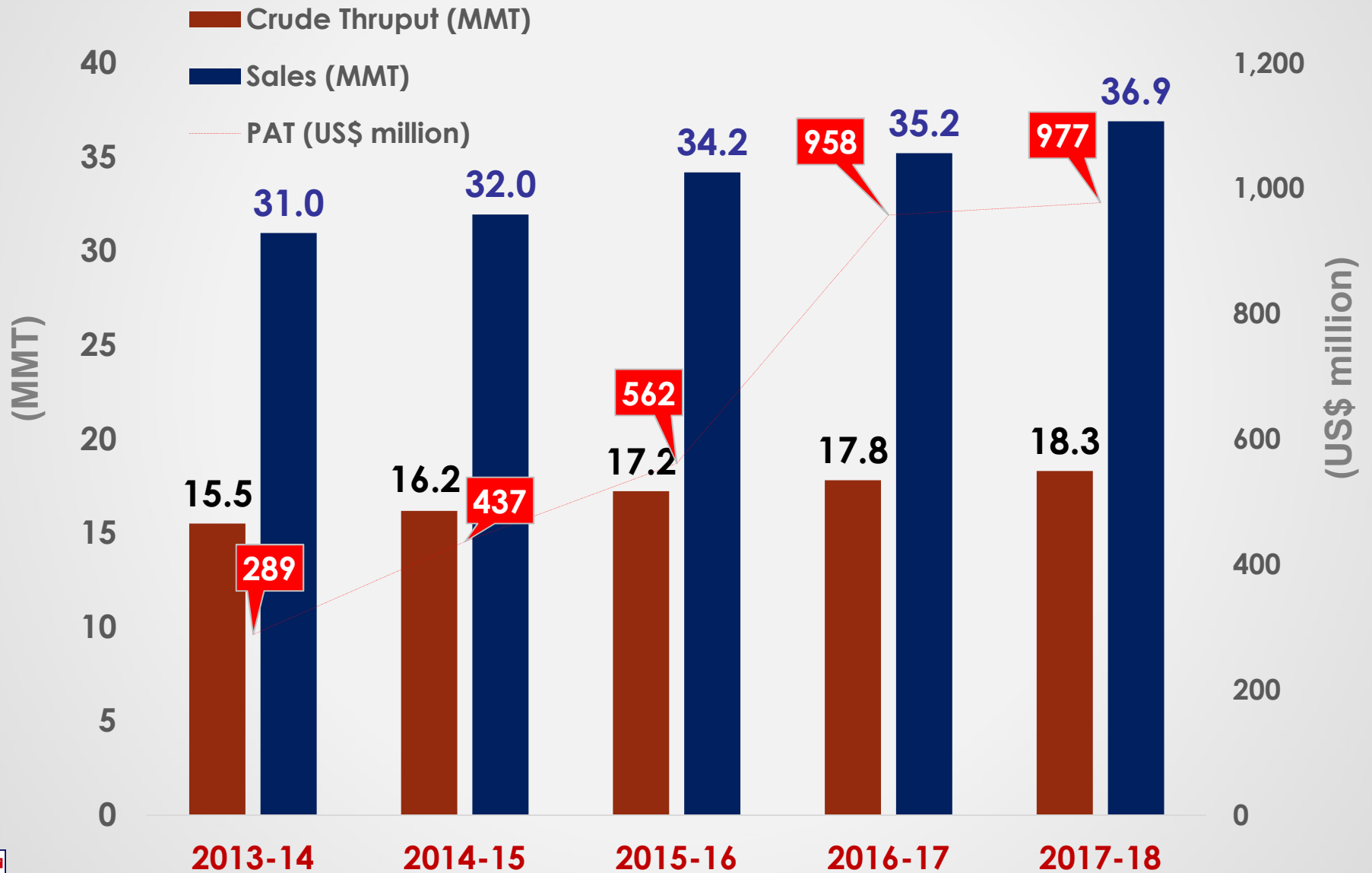
Refining Thruput : 9.28 MMT

Pipeline Thruput : 10.70 MMT

Average GRM : 5.93 US\$/barrel

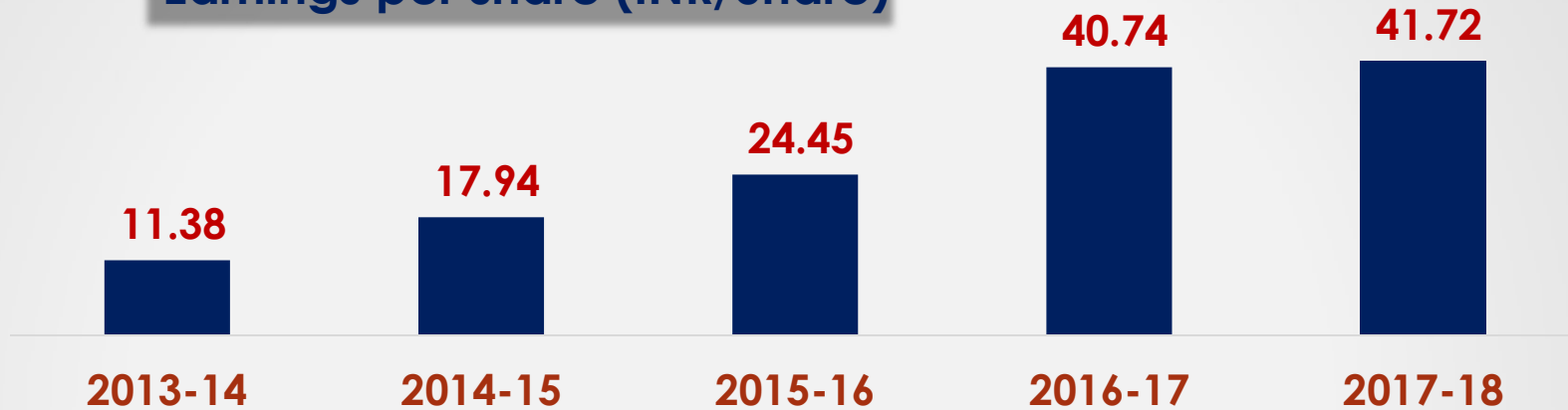
Profit after Tax of US\$ 387 million

Performance last 5 years

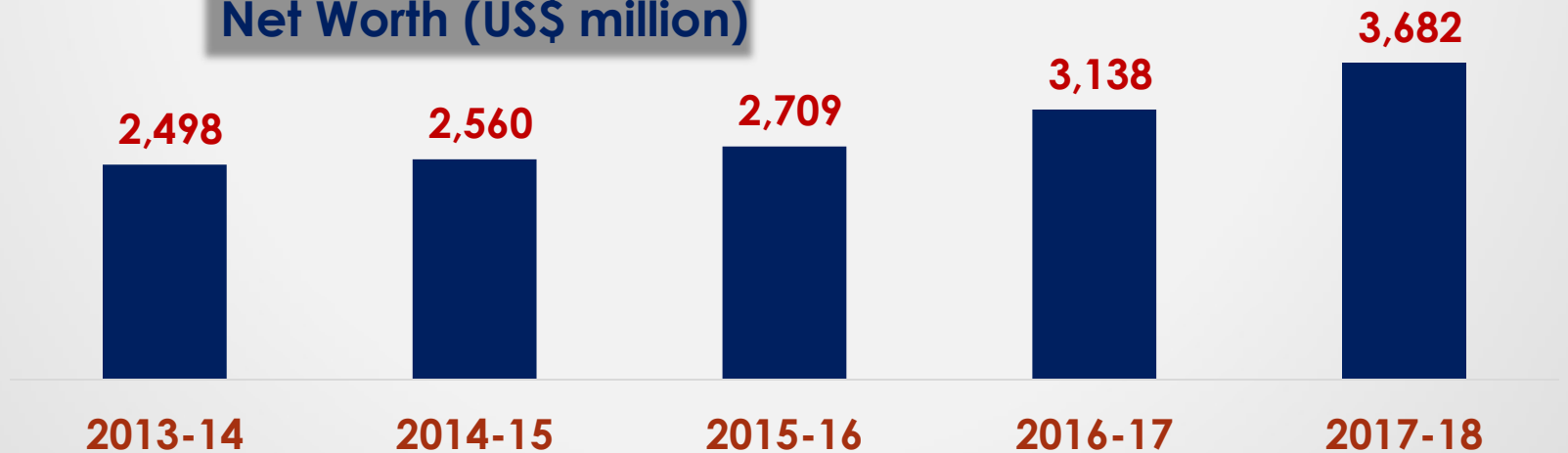


Performance last 5 years

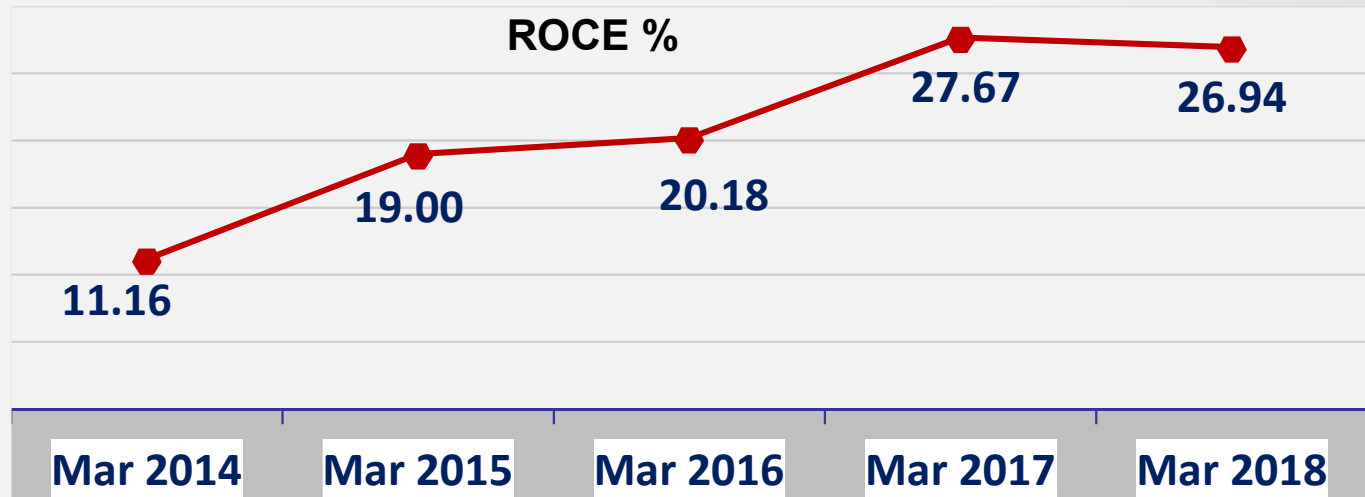
Earnings per share (INR/Share)



Net Worth (US\$ million)

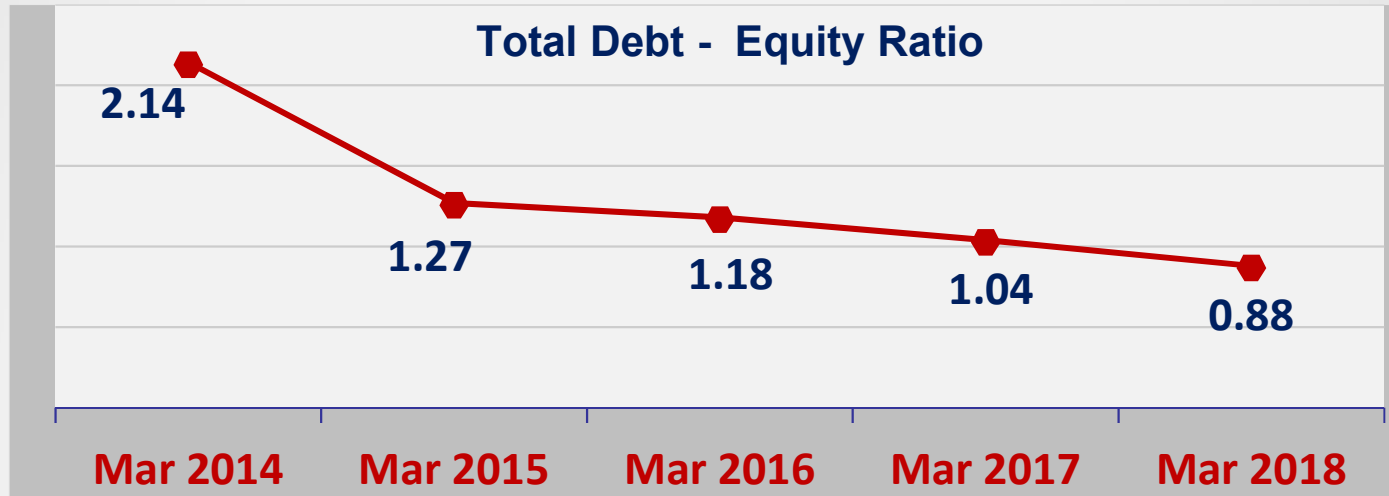


Return on capital employed



	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018
ROCE %	11.16	19.00	20.18	27.67	26.94
ROE %	11.55	17.06	20.74	30.51	26.55
EBDITA to Turnover %	2.64	3.15	4.59	5.66	5.15

Total Debt: Equity Ratio

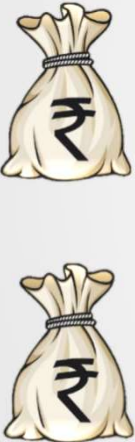


(US\$ million)

	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018
Long term	2627	2897	2605	1597	1573
Total Borrowings	5352	3249	3191	3277	3227

Bonus Shares

Sept'16



2 SHARES

Jul'17



Dividend INR 30 per share

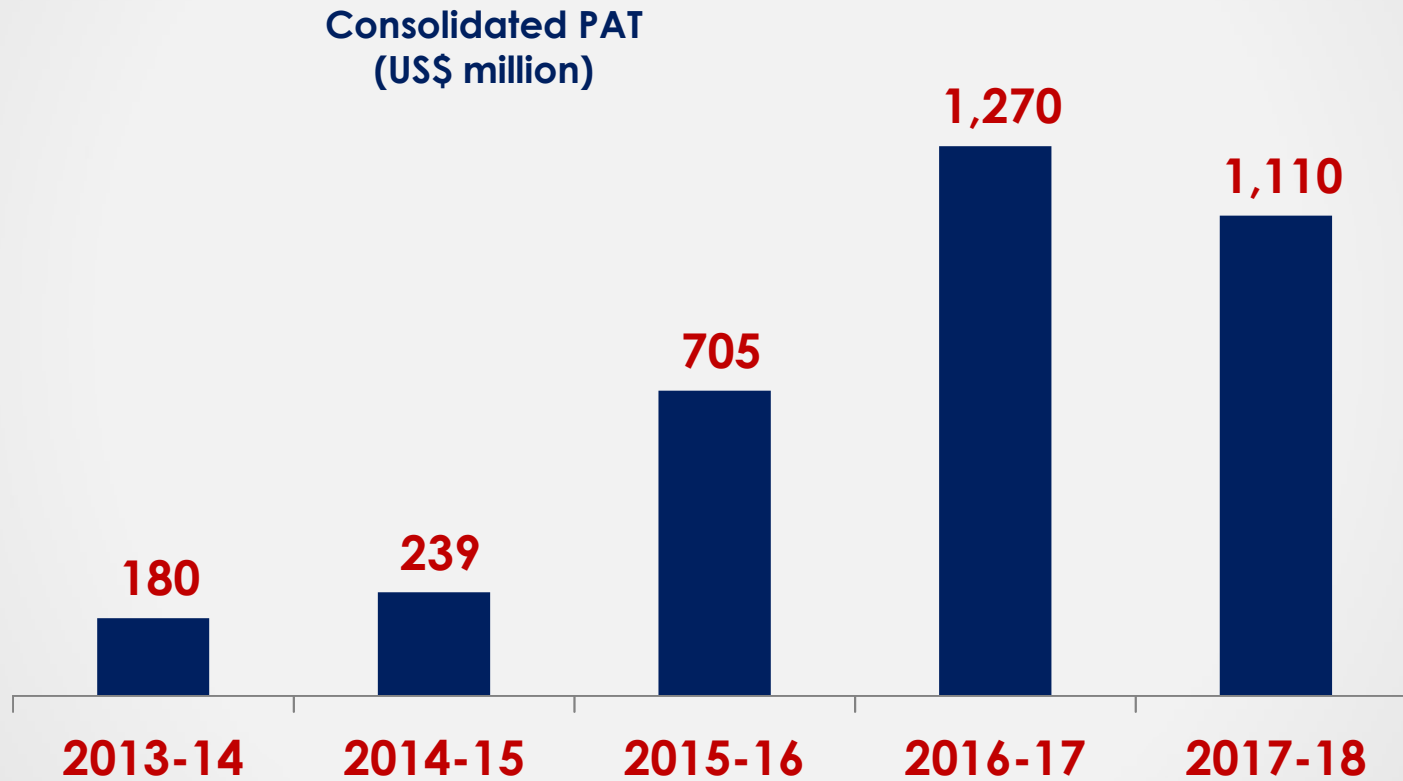


Dividend INR 17 per share

9 SHARES



Consolidated PAT



What drives the performance....

Leveraged position of HPCL

- **Highest Market Sales Growth among Industry in the last decade**

- **No.1 Company in total lubricant sales and owning India's Largest lube oil refinery**

- **2nd Largest Product cross country Pipeline Network ~ 3370 km**

- **Wide spread Primary & Secondary distribution Network**

- **Strong financials and proven track record of increasing value & net worth**

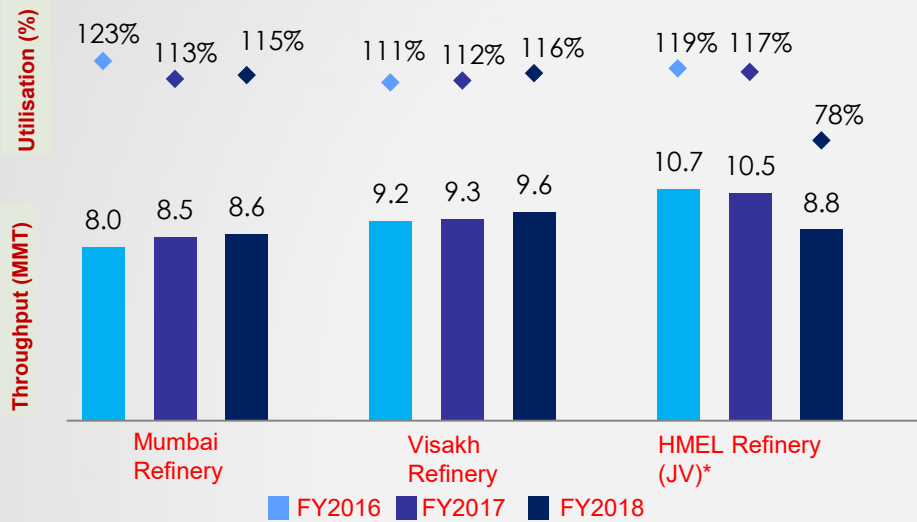
- **Major brown and green field expansion plans for refineries**

- **Major Planned investments in POL distribution and Natural Gas projects**

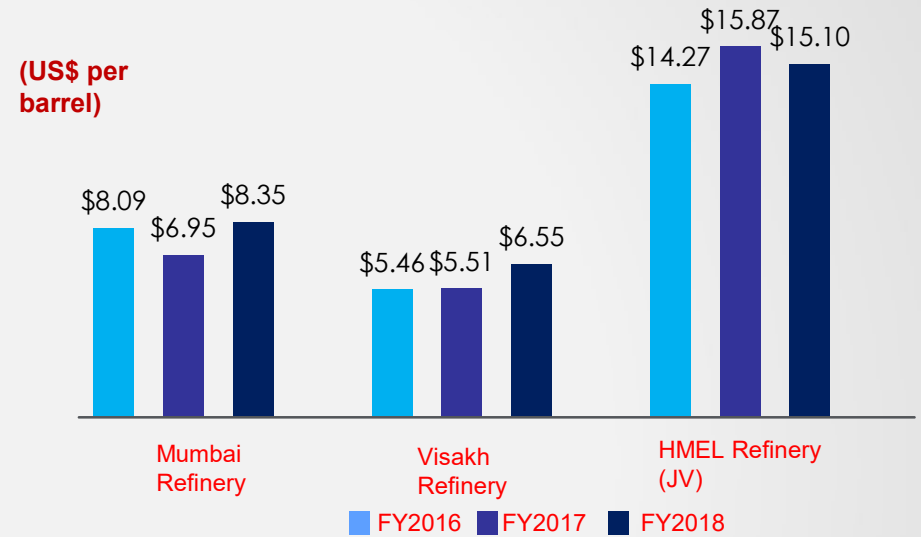
- **Foray into Petrochemicals**

Strong Refining & Marketing Performance

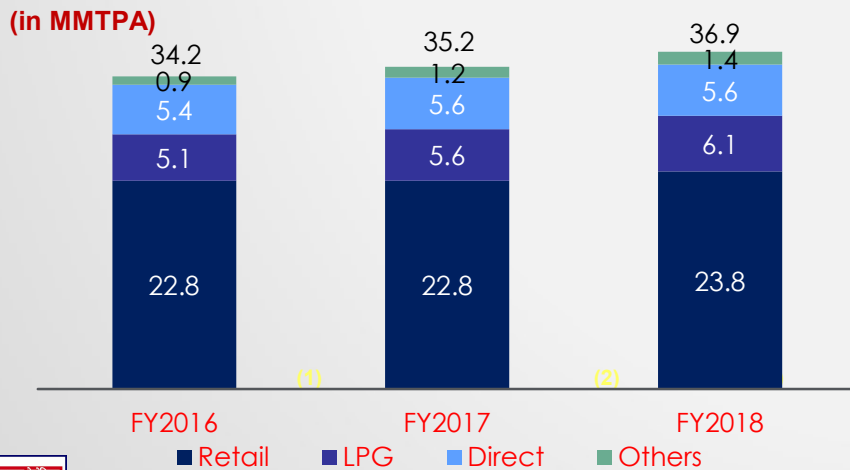
Refinery Throughput and Utilisation



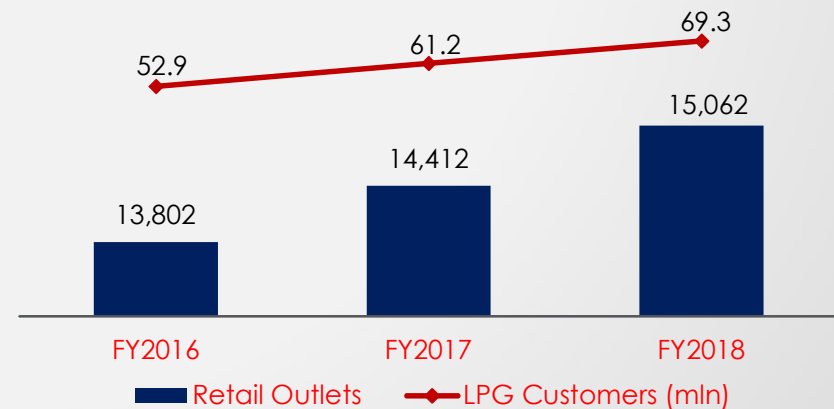
Gross Refining Margins



Market Sales



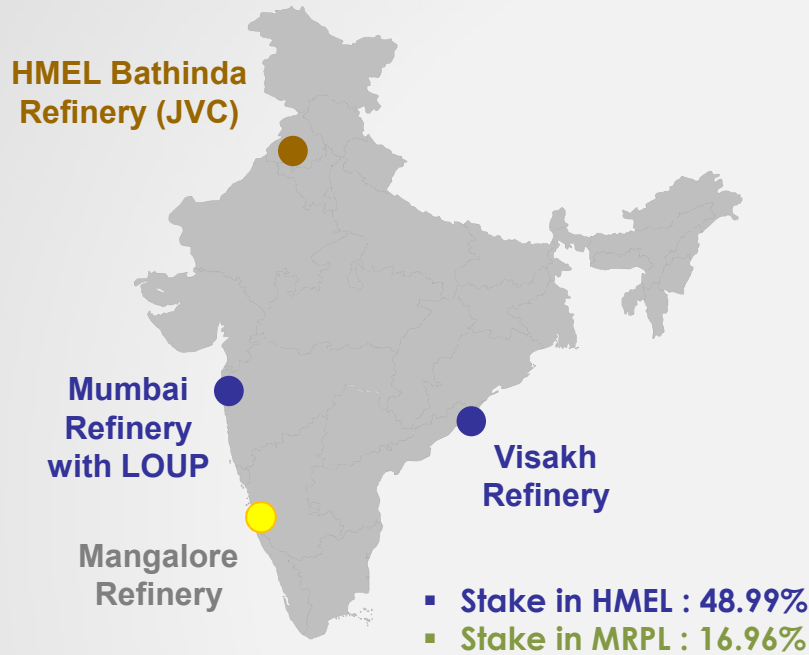
Retail Outlets and LPG Customers



* HMEL Refinery under planned shutdown – Capacity expansion 9MMTPA to 11.25MMTPA

Refining

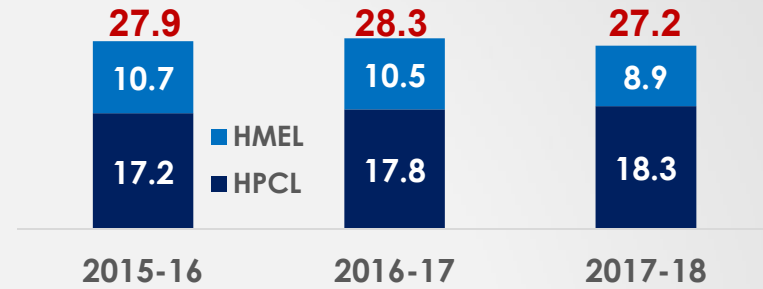
Refineries in West Coast, East Coast & North



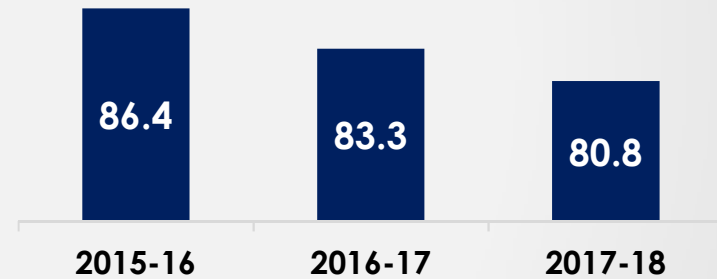
Crude Oil

- 75% of processing is from imported crudes
- Crude oil basket of 109 grades from 15 countries
- Import of ~14 MMT of Crude oil during 2017-18

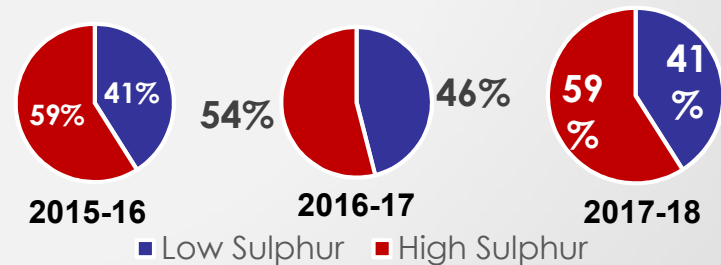
Refinery Throughput (MMT)



Specific Energy Consumption (MBN)



Type of Crude oil



Refineries – Key Features

- Coastal Refineries – on East & West coasts
- BS IV Production facilities for MS & HSD
- Largest Lube Refinery accounting for ~ 40% of India's total Lube production
- 2nd highest Bitumen Production in the country
- SPM at Visakh Refinery for discharging VLCCs
- Crude Cavern Storage at Visakh increasing Flexibility in Crude oil Procurement
- Product evacuation thru cross country pipelines (83%)



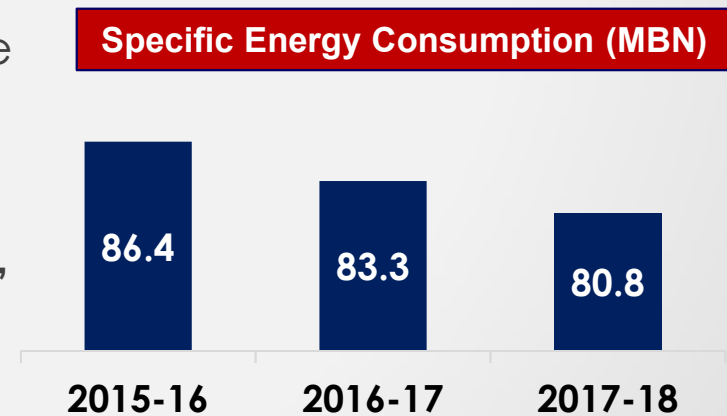
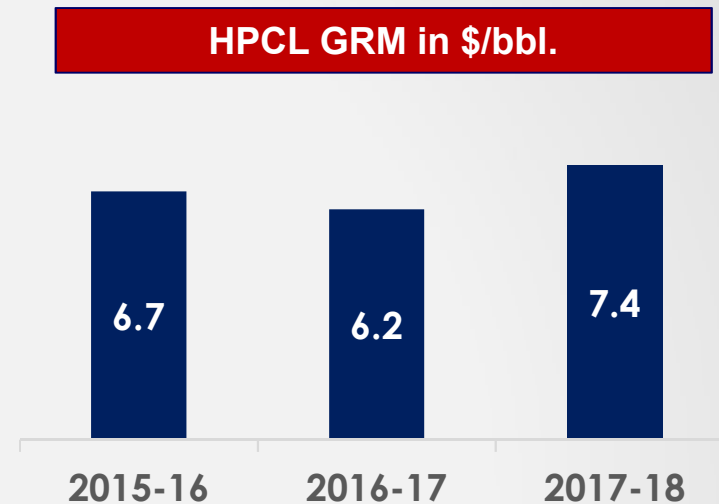
Mumbai Refinery



Visakh Refinery

Profit improvement initiatives

- Bottom of the barrel **Upgradation**
- **Maximising value added products** like Bitumen & Lubes
- **Energy Efficiency** Improvement
- **Reliability** Improvement
- Switch over to **Natural gas / Open access power purchase** to reduce operating expenditure
- **Crude Mix optimization** based on price differential
- Online **Chemical cleaning** of furnaces
- **Maximising 'Net Corporate Realization'**
- **Continuous Benchmarking** to improve performance

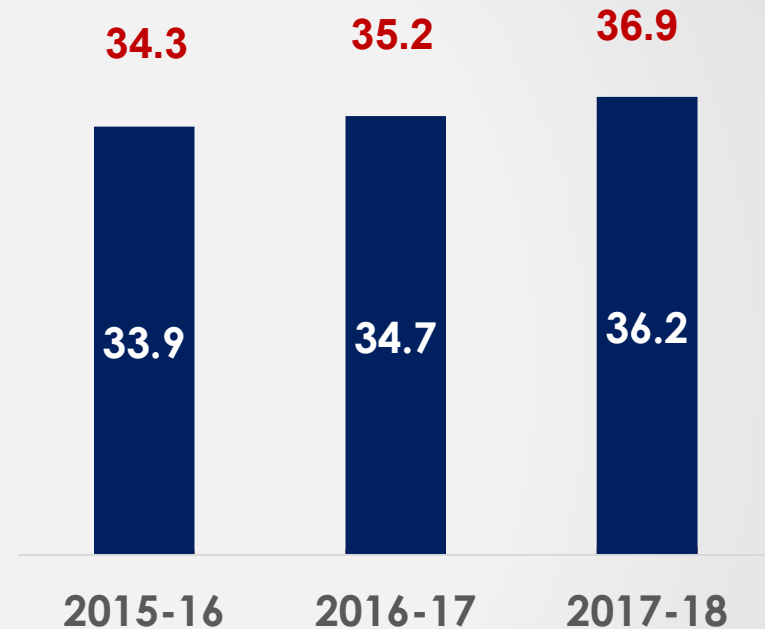


Marketing – Key Features

Customer touch points

- Retail outlets = 15,062
- LPG Distributors = 4,849
- SKO / LDO Dealerships = 1,638
- CNG facilities at Retail outlets = 239
- Lube Distributors = 266
- CFAs = 116
- LPG Customer base = 69 million

Market Sales



Market Share : 20.92% (PSU);
18.52 % (PSU + Pvt)

Marketing

Retail (Transport Fuel)

Urban segment

Upwardly mobile

Humlog

Gen Next

Dependants

Walk-ins

Driver Saheb

Highway segment

Humrahi

Fleet owners

Highway Raja

Rural segment

Khush-haal Kisaan

Aviation Fuel

Air India

Jet Airways

Indigo

Spice jet

Vistara

British Airways

Turkish

Thai

Fedex

Air China

LPG

Domestic

Commercial
Industrial

Lubricants



Industrial & Consumer



Marketing – Key Initiatives

Fuel Retailing

- Modernization of ~1000 Retail outlets
- Customer awareness program - HP Hai Jahan Bharosa Hai Wahan
- Launch of Power 99 in 7 cities
- EV charging station in Nagpur
- Launch of home delivery of Petrol/Diesel

LPG

- First owned rail wagon rake for transportation of LPG
- Agreement with Haldia LPG Import Terminal for next 20 years
- Commencement of Sales of Composite cylinders - आJAS
- Aadhar enabled e-KYC for customers

Lubricant Sales

- Market campaign BANDHAN launched for retailers and mechanics
- Commenced online sales of lubricants at Amazon
- Launched sales of Lubes in Myanmar
- Wholly owned subsidiary HPCL Middle East FZCO formed in UAE

B2B Sales

- Four (4) Aggregators commissioned for sales of FO/MTO to MSME
- Institutionalization of Customer Relationship Management System
- Pilot of E-ADR facility to Airlines at Visakh and Kolkata
- Online blending facility for Biodiesel set up at Vatva RCD in Gujarat

Leveraging Technology for empowering Customers

Retail

- **Cashless payment enablement** (with at least 3 digital modes) > **96%**
- **DT Plus Terminals** across the entire network



LPG



Leveraging Technology for Supply Chain Management

Pipelines

- Pipeline **Intrusion Detection** System (PIDS)

- Pipeline **Integrity Management** Software (PIMS)



- **Batch Scheduling** by Software

Creating **Value**,
Enhancing **Transparency** ,
Ensuring **Safety & Quality**



Operations & Distribution

Vehicle Tracking System

Online Inventory Monitoring

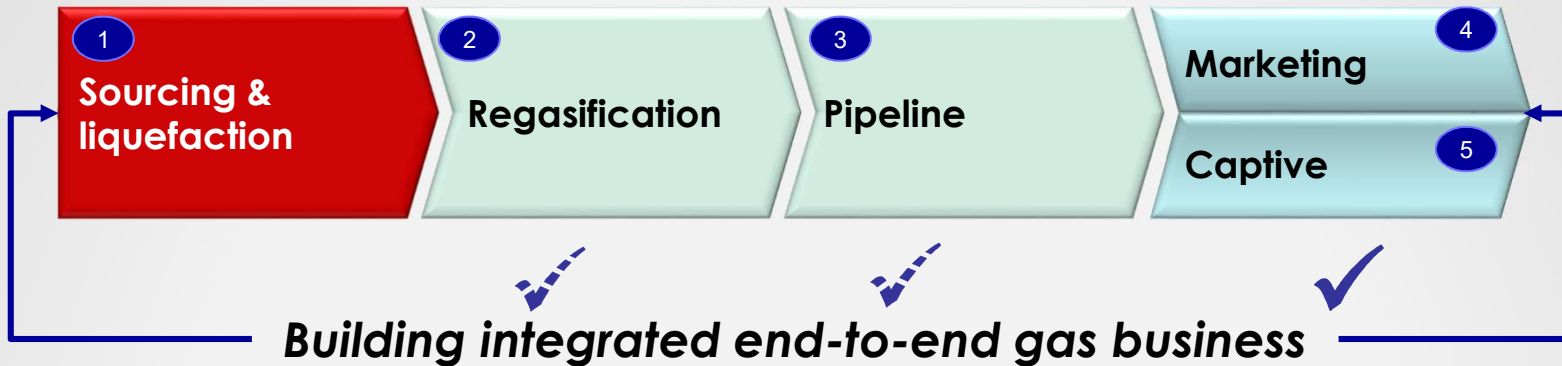
O&D Dashboard



E-reverse auction for transportation tenders

Online work permit system

Natural Gas : End to End participation



Regasification

- 5 MMTPA LNG Regasification Terminal at Chhara port, Gujarat

Pipeline Infrastructure

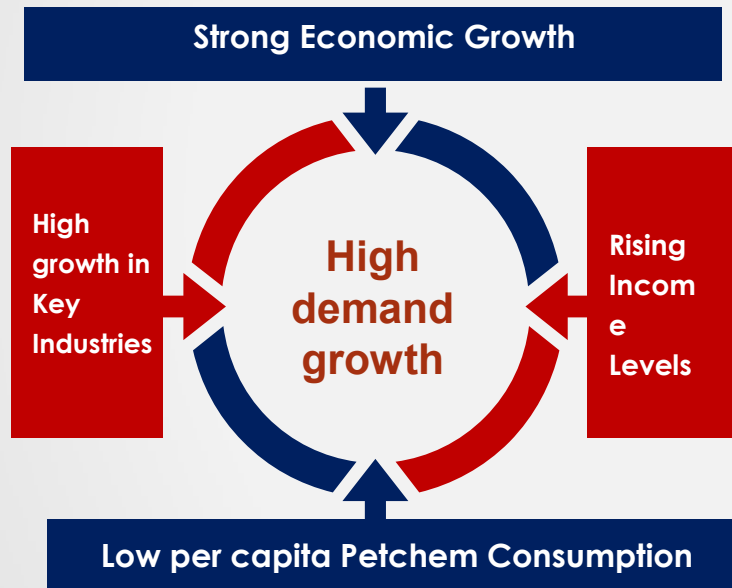
- GSPL India Transco Ltd (GITL)
 - Mallavaram – Bhopal - Vijaipur - Bhilwara (~ 1,881 kms)
- GSPL India Gasnet Ltd (GIGL)
 - Mehsana – Bhatinda - Jammu – Srinagar (~ 2361 kms)

Consortium of HPCL and Oil India Ltd authorized by PNGRB for setting up CGD Networks in Ambala & Kurukshetra and Kolahpur GAs

Leveraging opportunity in Petrochemicals

Petrochemicals

- **Increasing Import dependence** by India due to Lack of investments



HPCL Plans in Petrochemicals

- **Build Petrochemical complexes**
 - 9 MMTPA Refining-cum-Petrochemical complex at Rajasthan
 - 1 MMTPA Petrochemical complex at Kakinada, Andhra Pradesh
 - 1.25 MMTPA Petrochemical complex at HMEL
- **Petrochemicals Marketing group formed** at corporate level
- **Developing 'Go to Market' strategy & roadmap** for downstream Petrochemicals
- **Leverage strength and reach of B2B marketing**

Research & Development

- Green R&D Centre at Bengaluru
- R&D Centre at Vashi



R&D Thrust Areas

- Opportunity Crudes
- Residue Up-gradation
- New Process Developments
- Catalyst Development
- Alternative Energies

	Applied	Obtained
Patents	85	6

JVC & Associates

Refining



LPG Storage



Upstream



Marketing



HINDUSTAN COLAS LTD.

Infrastructure



Mumbai Aviation Fuel Farm Facility Pvt Ltd

Alternate Fuels



HPCL BIOFUELS LTD

City Gas Distribution



Bhagyanagar Gas Ltd.



Avantika Gas Ltd.



GODAVARI GAS PRIVATE LIMITED

Natural Gas



HPCL SHAPCORUM ENERGY PVT LTD



Talent Management

1 Structured Induction process to Learn, Grow and Lead

SAMAVESH



2 Performance Appreciation and Capability Enhancement

PACE



3 Behavioural / Functional and Technical training

Capability Building



4

Building Strong Leadership Pipeline

Akshay

5 Rewarding Values for driving Performance

Icon & Gaurav



CSR – Touching lives every way



Projects & Capex Plan

Projects completed 2017-18

Marketing

- **250 TMTPA LPG plant** at Panagarh (WB)
- **New depot at Nalagarh** in Himachal Pradesh
- Oil storage facilities with **storage capacity of 8600 KL at Leh** for Indian Army
- **Six (6) new Aviation Service Facilities (ASF)** at Srinagar, Tirupati, Patna, Vidyanagar, Jalgaon & Mundra
- **Capacity augmentation** of Unnao (UP) and Purnea (Bihar) LPG Plants (60 TMTPA each)
- Grid connected **Solar PV plant of 750 kWp** capacity at Bahadurgarh terminal (Haryana)
- **Ramanmandi Bathinda pipeline capacity expansion** from 1.13 MMTPA to 2.1 MMTPA
- **Augmentation of facilities** at Jabalpur , Loni, Akola, Manmad, Viskah, Chennai, Sagar, Gwalior & Bahadurgarh POL locations

Refining

- **Tail Gas Treating Unit (TGTU)** at MR
- **Revamp of Solvent Extraction Unit (SEU)-II Furnace** at MR
- **Slop Processing** at Fluid Catalytic Cracking Unit (FCCU)-II at VR
- **High Pressure Recovery Turbine (HPRT)** commissioned in DHT at VR

JVC

- **Expansion of HMEL Refinery (Bathinda)** from 9 MMTPA to 11.25 MMTPA
- **CGD projects in East Godavari and West Godavari Districts** in Andhra Pradesh through JV company Godavari Gas Pvt Ltd

Infrastructure & Capacity Expansion Plans

Major Projects

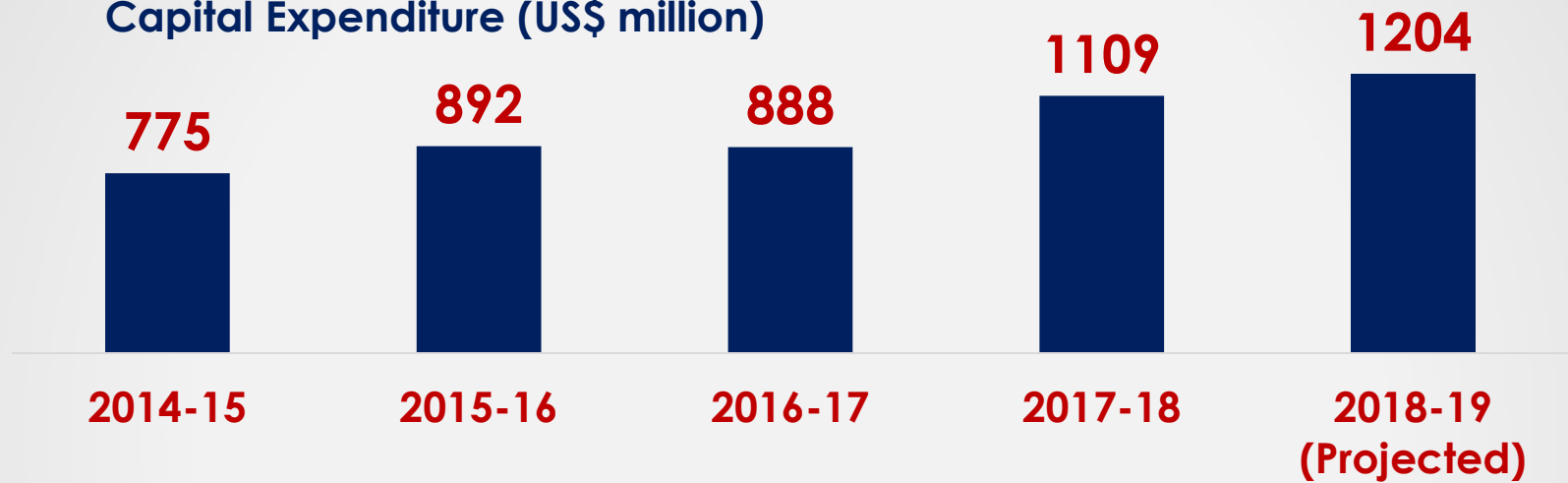
- **Visakh Refinery Modernization** project
- **Mumbai Refinery Expansion** Project
- **Mundra Delhi Pipeline Phase II**
Expansion to 7.8 MMTPA
- **Visakh Vijayawada Secunderabad Pipeline Phase (VVSPL) II** Expansion to 8 MMTPA
- **Ramanmandi-Bahadurgarh Pipeline Phase II** expansion to 7.1 MMTPA
- **Uran Chakan LPG** Pipeline (164 Km)
- **Palanpur-Vadodara** Pipeline (234 km)
- **Vijayawada Dharmapuri** Pipeline (697 Km)
- **7 New LPG Plants** and LPG infrastructure augmentation
- **POL infrastructure** Augmentation

JVC Projects

- **9 MMTPA HPCL Rajasthan Refinery Limited** at Barmer in Rajasthan
- **Petrochemical Complex** at Kakinada in Andhra Pradesh
- **60 MMTPA Ratnagiri Refinery and Petrochemicals Ltd** at Rajapur in Maharashtra
- **5 MMTPA LNG Regasification Terminal** at Chhara port in Gujarat
- **3 Natural Gas Pipelines** through GIGL and GITL
- **Fuel Farm Facilities** at Mumbai Airport
- **CGD Projects** in Ambala-Kurukshetra districts and Kolhapur (Maharashtra)
- **1.25 MMTPA Petrochemical Complex** at HMEL, Bathinda

CAPEX – Actual & Planned

Capital Expenditure (US\$ million)



Capex Projection	(US\$ million)	
	2018–2023 (Estimated)	2018-19 (Proj.)
Refining	4758	556
Marketing	4222	578
Renewables and R&D	113	13
Joint Venture	1725	57
Total	10818	1204

Awards and Accolades during 2017-18



SCOPE Meritorious Awards



FIPI Awards



In the list of 'Top 100 Global Energy Leaders' by Thomson Reuters



ABP Brand excellence award

Profit & Loss Summary

	Standalone			Consolidated		
	\$ Million			\$ Million		
	FY2016	FY2017	FY2018	FY2016	FY2017	FY2018
Revenue from Operations	29,812	32,984	37,528	29,845	33,039	37,553
<i>Revenue Growth (%)</i>	<i>(9.7%)</i>	<i>10.60%</i>	<i>13.78%</i>	<i>(13.8%)</i>	<i>10.7%</i>	<i>13.7%</i>
Operating Expenditure	28,615	31,343	35,888	28,597	31,371	35,906
Other Income	172	223	284	163	224	235
EBITDA	1,369	1,865	1,925	1,411	1,892	1,882
<i>EBITDA Margin (%)</i>	<i>4.6%</i>	<i>5.70%</i>	<i>5.13%</i>	<i>4.7%</i>	<i>5.7%</i>	<i>5.0%</i>
Depreciation & Amortisation	400	391	423	429	428	436
EBIT	969	1,474	1,502	982	1,464	1,446
Finance Costs	98	82	87	109	94	95
Add: Share from Associates & Minority Interest	-	-	-	142	357	203
Profit Before Tax	871	1,392	1,415	1,015	1,727	1,554
Tax Expense	309	434	437	310	457	445
Profit After Tax	562	958	977	705	1,270	1,110
<i>PAT Margin (%)</i>	<i>1.9%</i>	<i>2.90%</i>	<i>2.60%</i>	<i>2.4%</i>	<i>3.8%</i>	<i>3.0%</i>

Balance Sheet Summary

	Standalone			Consolidated		
	\$ Million			\$ Million		
	FY16	FY17	FY18	FY16	FY17	FY18
Net Fixed Assets	5,272	5,852	6,452	5,425	5,973	6,563
Goodwill on Consolidation	-	-	-	3	3	3
Cash and Cash Equivalents	1	1	2	21	17	19
Other Assets	5,217	6,248	6,893	5,037	6,394	7,202
Total Assets	10,490	12,101	13,347	10,486	12,387	13,786
Shareholders Equity	2,709	3,138	3,682	2,512	3,250	3,925
Total Debt	3,191	3,277	3,227	3,341	3,413	3,375
Other Liabilities	4,590	5,686	6,437	4,633	5,724	6,486
Total Equity and Liabilities	10,490	12,101	13,347	10,486	12,387	13,786

Profit & Loss Summary

Standalone	\$ Million	
	6M FY2018	6M FY2019
Revenue from Operations	17,495	20,207
<i>Revenue Growth (%)</i>	12.63%	15.50%
Operating Expenditure	16,797	19,475
Other Income	162	99
EBITDA	860	831
<i>EBITDA Margin (%)</i>	4.92%	4.11%
Depreciation & Amortisation	206	199
EBIT	654	632
Finance Costs	46	54
Profit Before Tax	608	578
Tax Expense	202	191
Profit After Tax	407	387
<i>PAT Margin (%)</i>	2.33%	1.92%

Functional Directors



Shri M K Surana, Chairman & Managing Director

- He is a Mechanical Engineer with a Masters degree in Financial Management and has wide exposure in the Petroleum Industry spanning over 3 decades. He handled a wide range of responsibilities including leadership positions in Refineries, Corporate, Information Systems, and Upstream business of HPCL. He was CEO of Prize Petroleum, upstream arm of HPCL before assuming responsibilities as C&MD of HPCL.
- He also holds the directorship on the boards of HPCL Mittal Energy Ltd, SA LPG Co. Pvt. Ltd., HPCL Rajasthan Refinery Limited and Prize Petroleum corporation Ltd.



Shri Pushp Kumar Joshi, Director - Human Resources

- He is a Bachelor of law from Andhra University and Post Graduate in Personnel Management & Industrial Relations from XLRI, Jamshedpur with over 3 decades of industry experience. He has held various key positions in HR and Industrial Relations functions in Marketing and Refineries divisions of HPCL. He was responsible for spearheading HR practices with strong business focus and contemporary approaches at HPCL for leadership development, productivity enhancement, leveraging IT platform etc
- He also holds the directorship on the boards of Prize Petroleum corporation Ltd, HPCL Biofuels Ltd, Hindustan Colas Pvt Ltd (HINCOL), HPCL Shapoorji Energy Pvt Ltd and HPCL Rajasthan Refinery Limited



Shri J Ramaswamy, Director - Finance

- He is a member of the Institute of Chartered Accountants of India (ICAI), and brings with him rich experience of over 3 decades in the field of Corporate Finance, Marketing Finance, SBU Commercial, Internal Audit, Vigilance, System & Procedures, and Refinery Finance. He is credited with effective treasury management.
- He also holds the directorship on the Boards of Prize Petroleum corporation Ltd, HPCL Rajasthan Refinery Limited, SA LPG Co. Pvt. Ltd, HPCL Mittal Energy Ltd, HPCL Shapoorji Energy Pvt Ltd, HPCL Mittal Pipelines Ltd, HPCL Biofuels Ltd and HINCOL.



Shri S Jeyakrishnan, Director - Marketing

- He is an alumni of Madras University with over 36 years of experience. Prior to Director-Marketing, he was the Executive Director-Retail. His tenure across various Marketing SBUs saw HPCL become India's largest Lubricant marketer, augment infrastructure and pioneer several customer centric initiatives which established HPCL as the preferred brand.
- He also holds the directorship on the Board of Hindustan Colas Pvt Ltd.



Shri Vinod Shenoy, Director - Refineries

- He is a Bachelor in Chemical Engineering from IIT Bombay and brings with him rich experience of over 3 decades in the Refinery and Corporate Departments of HPCL with wide exposure to the Petroleum Industry.
- He also holds the directorship on the Boards of HPCL Mittal Energy Ltd, HPCL Rajasthan Refinery Limited, Mangalore Refinery and Petrochemicals Limited, Ratnagiri Refinery and Petrochemicals Ltd and Prize Petroleum corporation Ltd.

Disclaimer

- ▶ The information contained in this material have been obtained from sources believed to be reliable, but no representation or warranty express or implied, is made that such information is accurate or complete and it should not be relied upon as such. The information contained in this material may not be perfect and some part of the information may be left out.
- ▶ While the Company will use reasonable efforts to provide reliable information through this presentation, no representation or warranty (express or implied) of any nature is made nor is any responsibility or liability of any kind accepted by the Company or its directors or employees, with respect to the truthfulness, completeness, accuracy or reliability or otherwise whatsoever of any information, projection, representation or warranty (expressed or implied) or omissions in this presentation. Neither the Company nor anyone else accepts any liability whatsoever for any loss, howsoever, arising from use or reliance on this presentation or its contents or otherwise arising in connection therewith.
- ▶ This presentation may not be used, reproduced, copied, published, distributed, shared, transmitted or disseminated in any manner. This presentation is for information purposes only and does not constitute an offer, invitation, solicitation or advertisement in any jurisdiction with respect to the purchase or sale of any security of HPCL and no part or all of it shall form the basis of or be relied upon in connection with any contract, investment decision or commitment whatsoever.
- ▶ All estimates and opinions included in this material constitute our judgment as of the date of this material and is subject to change without notice and its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Company. We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date of this presentation or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

Notes

- For the purpose of conversion of INR values into US\$, Reference Rate declared by the RBI/FBIL prevalent on the last working day of the respective financial year has been considered.

Financial Year	Reference Rate
2013-14	60.10
2014-15	62.59
2015-16	66.33
2016-17	64.84
2017-18	65.04
2018-19 H1	72.55
2018-19 & beyond	70.00



Thank You



Delivering Happiness