



---

# Presentation to Investors

---

**20<sup>th</sup> June 2019**  
**Mumbai**

**Delivering Happiness**

# Disclaimer



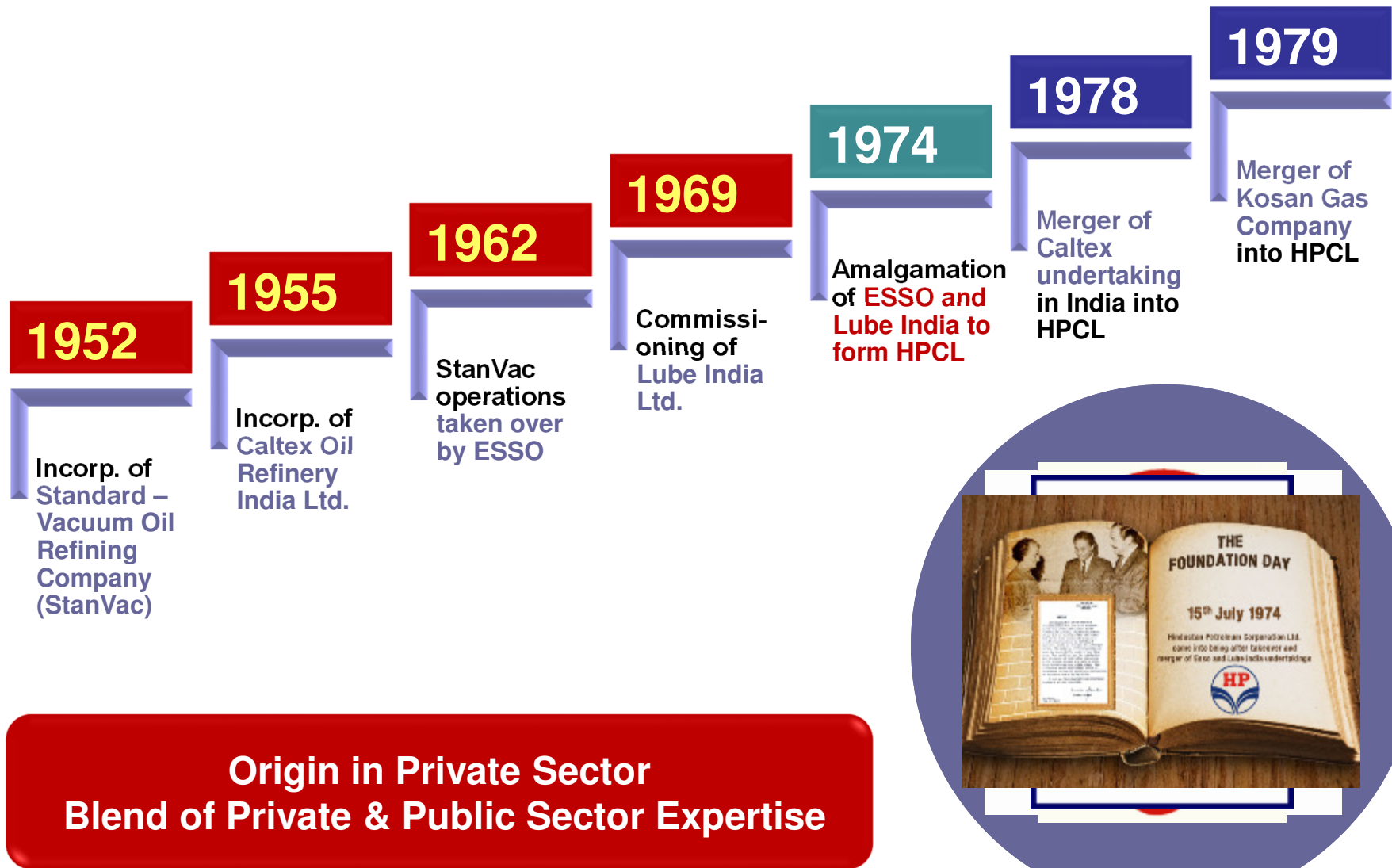
The information contained in this material have been obtained from sources believed to be reliable, but no representation or warranty express or implied, is made that such information is accurate or complete and it should not be relied upon as such. The information contained in this material may not 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.

# Origin of HPCL



# Global Rankings & Ratings



## Rankings



# 58

## Ratings

FitchRatings

**BBB- (Stable)**

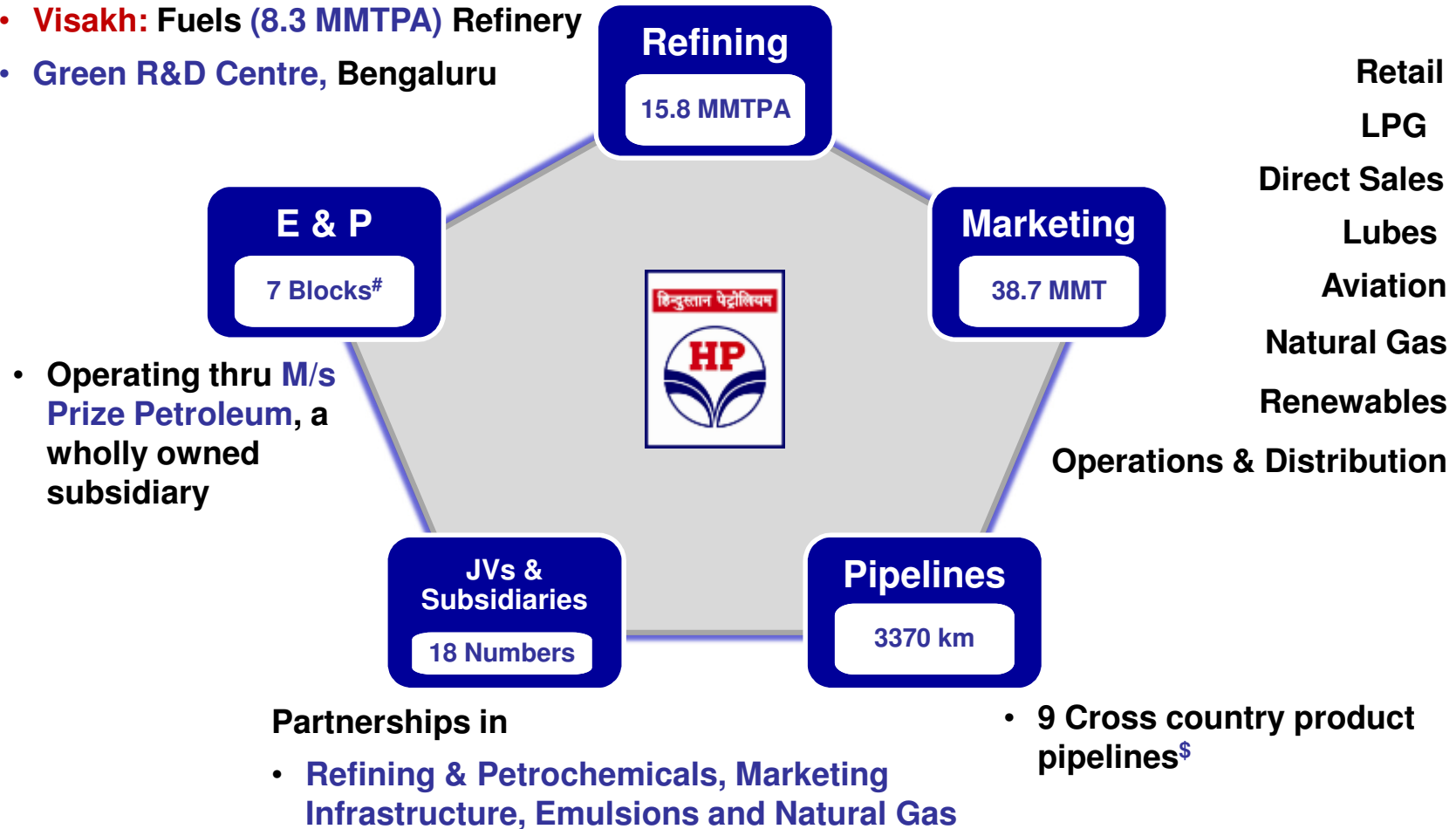
MOODY'S  
INVESTORS SERVICE

**Baa2 (Stable)**

# Business Portfolio



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



\* in 2018-19 including export

<sup>#</sup> Active blocks as of Mar'19

<sup>\$</sup> (Liquid & LPG)

# HPCL supply infrastructure



## Terminals / TOPs



**42**

## Depots\*



**75**

## LPG Plants



**49**

## ASFs



**43**

## Lube Blending Plants



**6**

Description	As of 31.03.2019
POL Tankage	4.1 MMT
LPG bottling capacity	5.1 MMTPA
Lube blending capacity	305 TMTPA
QC Labs	45 Nos.

**Strategically located State-of-Art Infrastructure with robust technology-enabled processes**

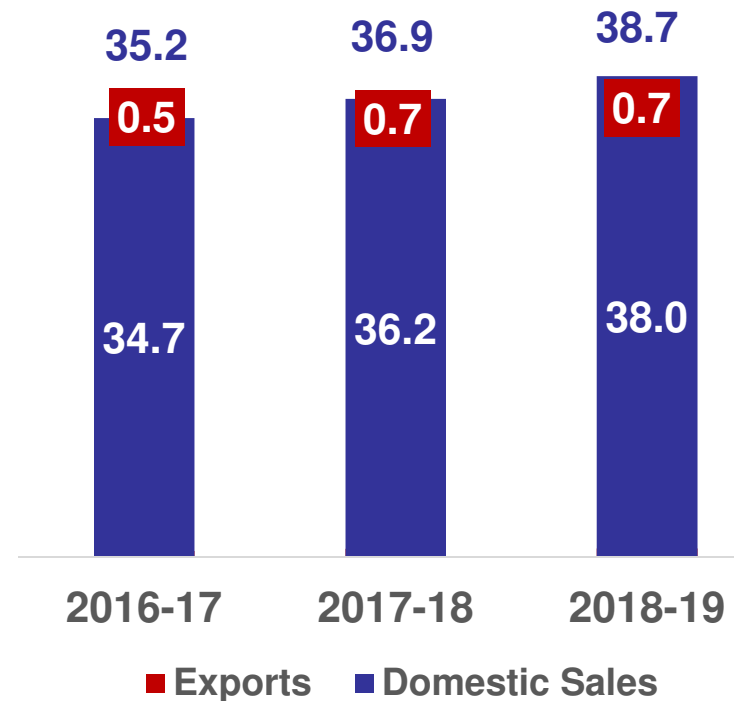
# Marketing : Touching lives Everyday



## Customer touch points

- Retail outlets = 15,440
- LPG Distributors = 5,866
- SKO / LDO Dealerships = 1,638
- CNG facilities at Retail outlets = 305
- Lube Distributors = 274
- CFAs = 109
- LPG Customer base = 8.1 crore

## Market Sales



Market Share : 21.03% (PSU);  
18.53 % (PSU + Pvt)

# POL Pipelines network of HPCL

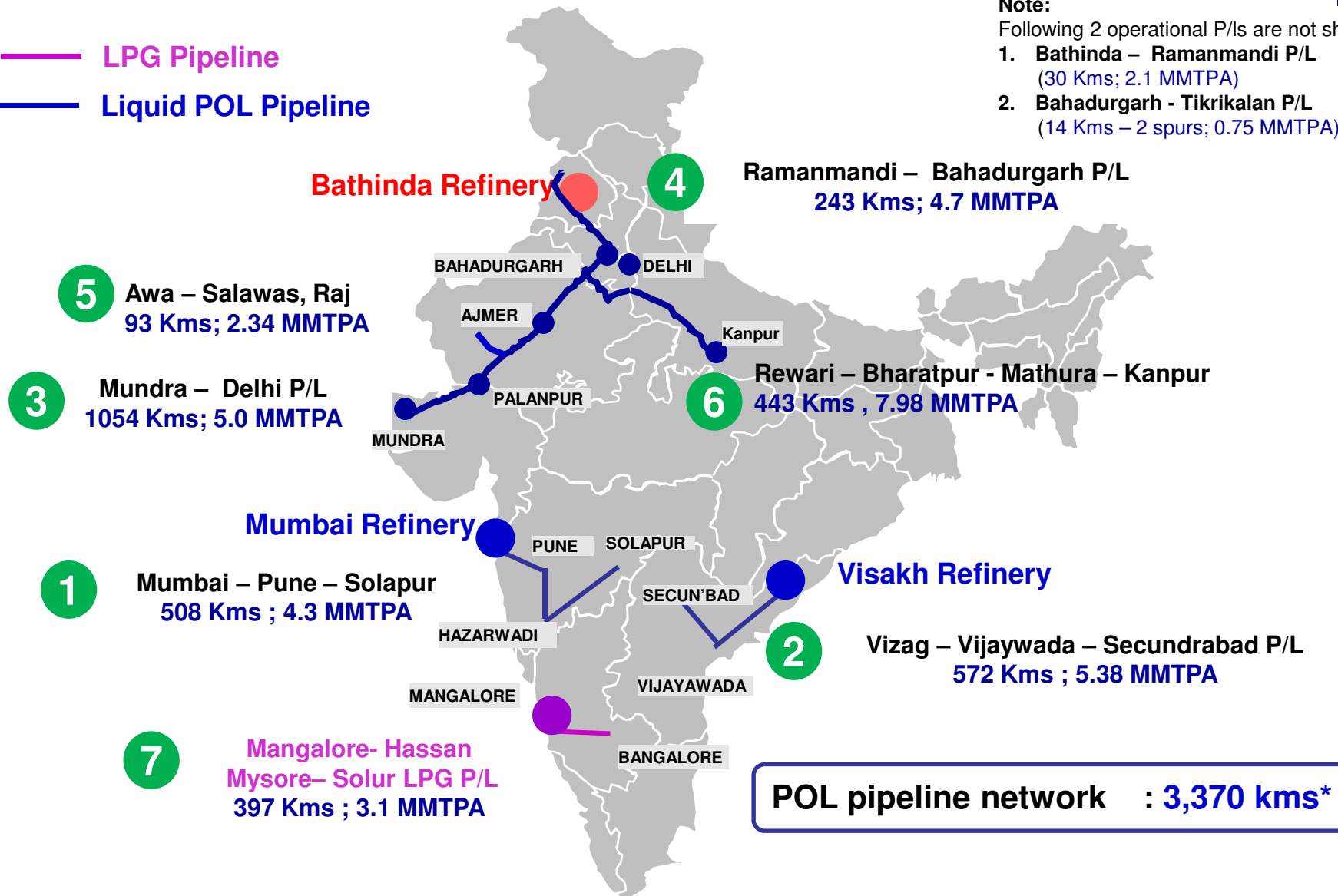


- LPG Pipeline
- Liquid POL Pipeline

## Note:

Following 2 operational P/ls are not shown in map

1. Bathinda – Ramanmandi P/L  
(30 Kms; 2.1 MMTPA)
2. Bahadurgarh - Tikrikalan P/L  
(14 Kms – 2 spurs; 0.75 MMTPA)



**POL pipeline network : 3,370 kms\***



## 2018-19 Performance



**Highest ever Market Sales : 38.71 MMT**

**Sales Growth : 5%**

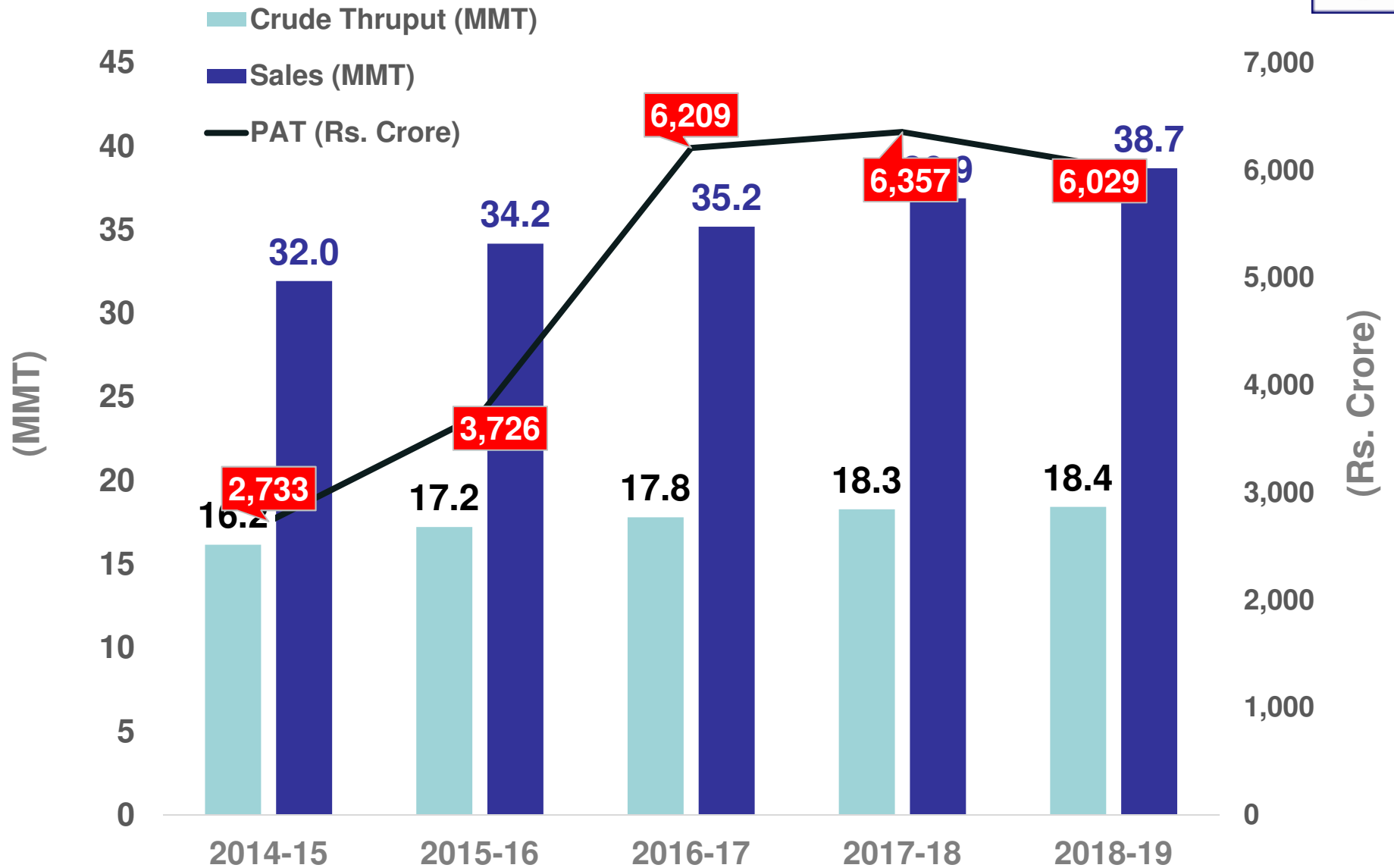
**Highest ever Refining Thruput : 18.44 MMT**

**Highest ever Pipeline Thruput : 21.53 MMT**

**India's No.1 Lube Marketer : 650 TMT**

**Profit after Tax of Rs. 6,029 crore**

# Performance over the years

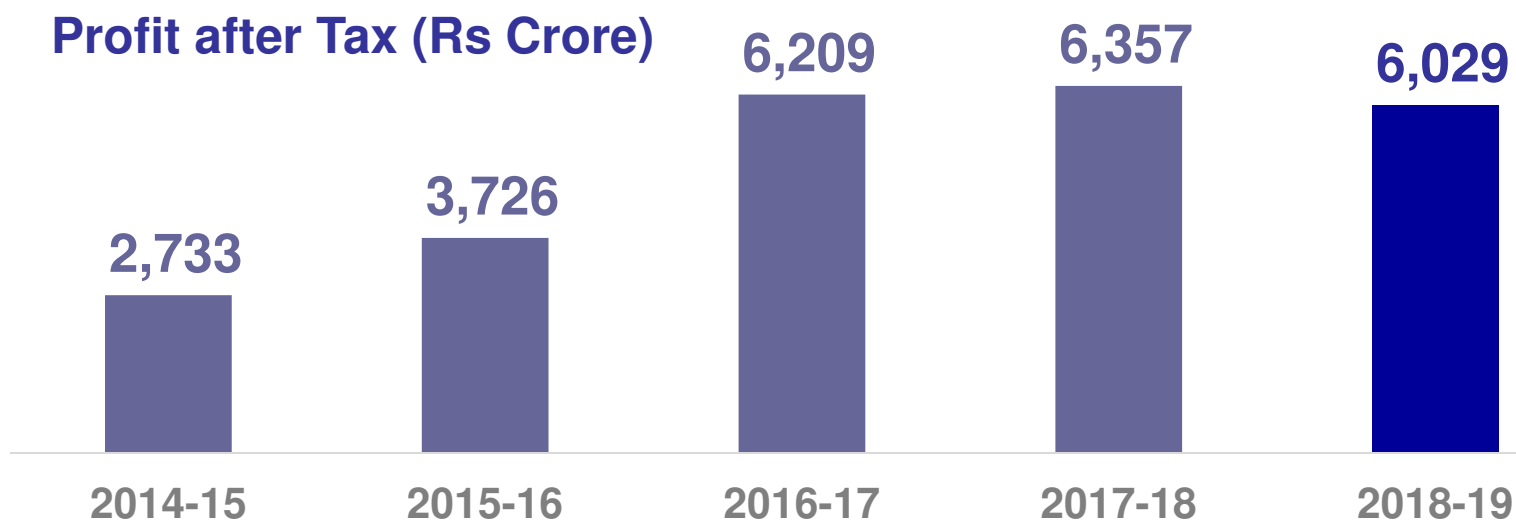


(Note: PAT from 2015-16 as per IND AS)

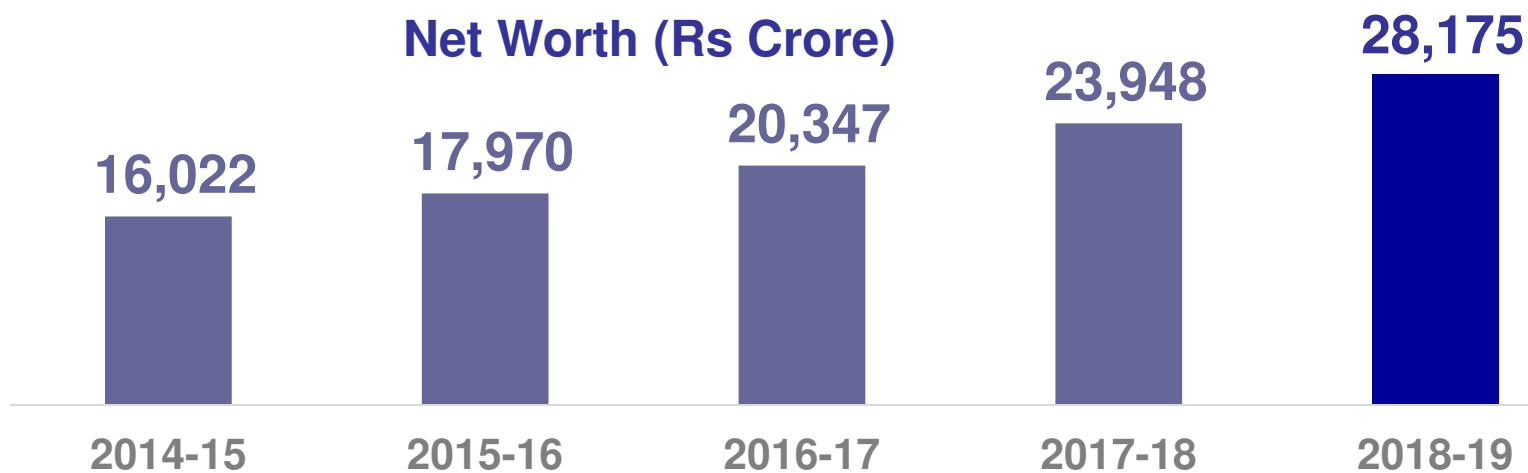
## Financial Performance trend



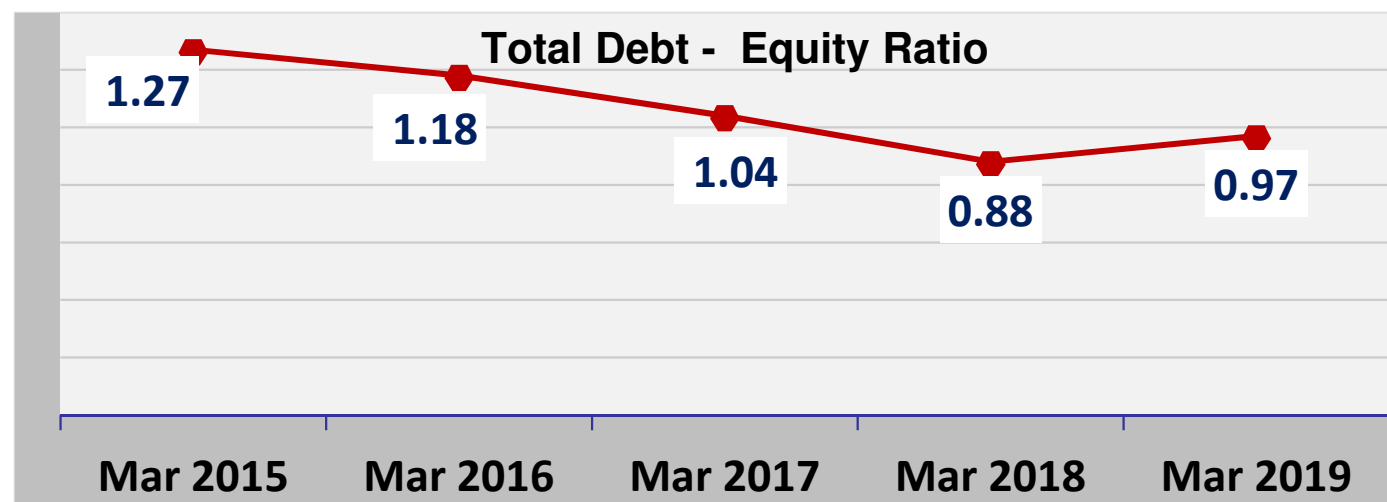
### Profit after Tax (Rs Crore)



### Net Worth (Rs Crore)



# Total Debt - Equity Ratio

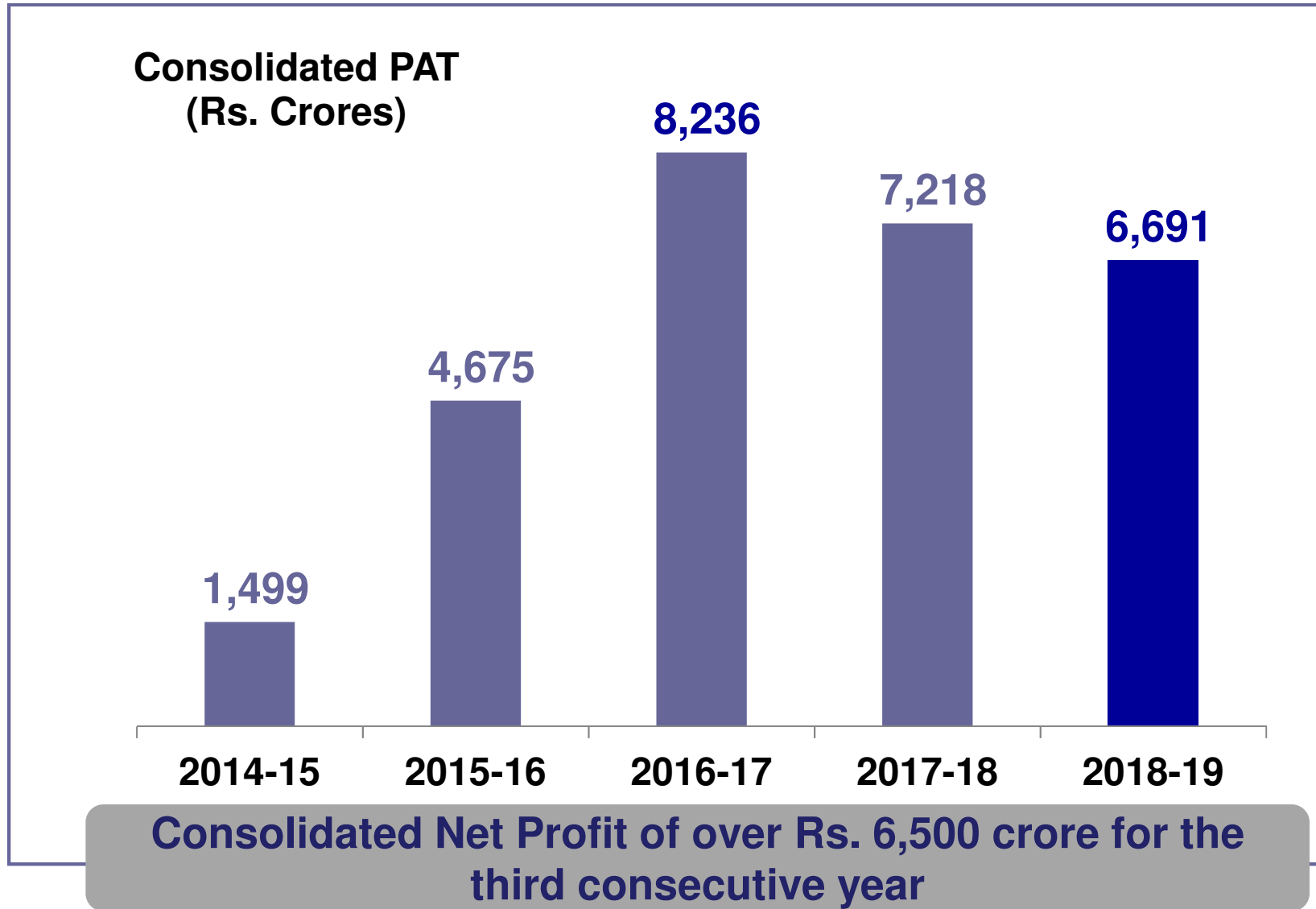


(Rs. crore)

Short term	2,200	3,887	10,891	10,762	13,793
Long term	18,135	17,280	10,357	10,229	13,447
<b>Total Borrowings</b>	<b>20,335</b>	<b>21,167</b>	<b>21,250</b>	<b>20,991</b>	<b>27,240</b>
<b>Net Worth</b>	<b>16,022</b>	<b>17,970</b>	<b>20,347</b>	<b>23,948</b>	<b>28,175</b>

(Note: Figures from 2015-16 as per IND AS)

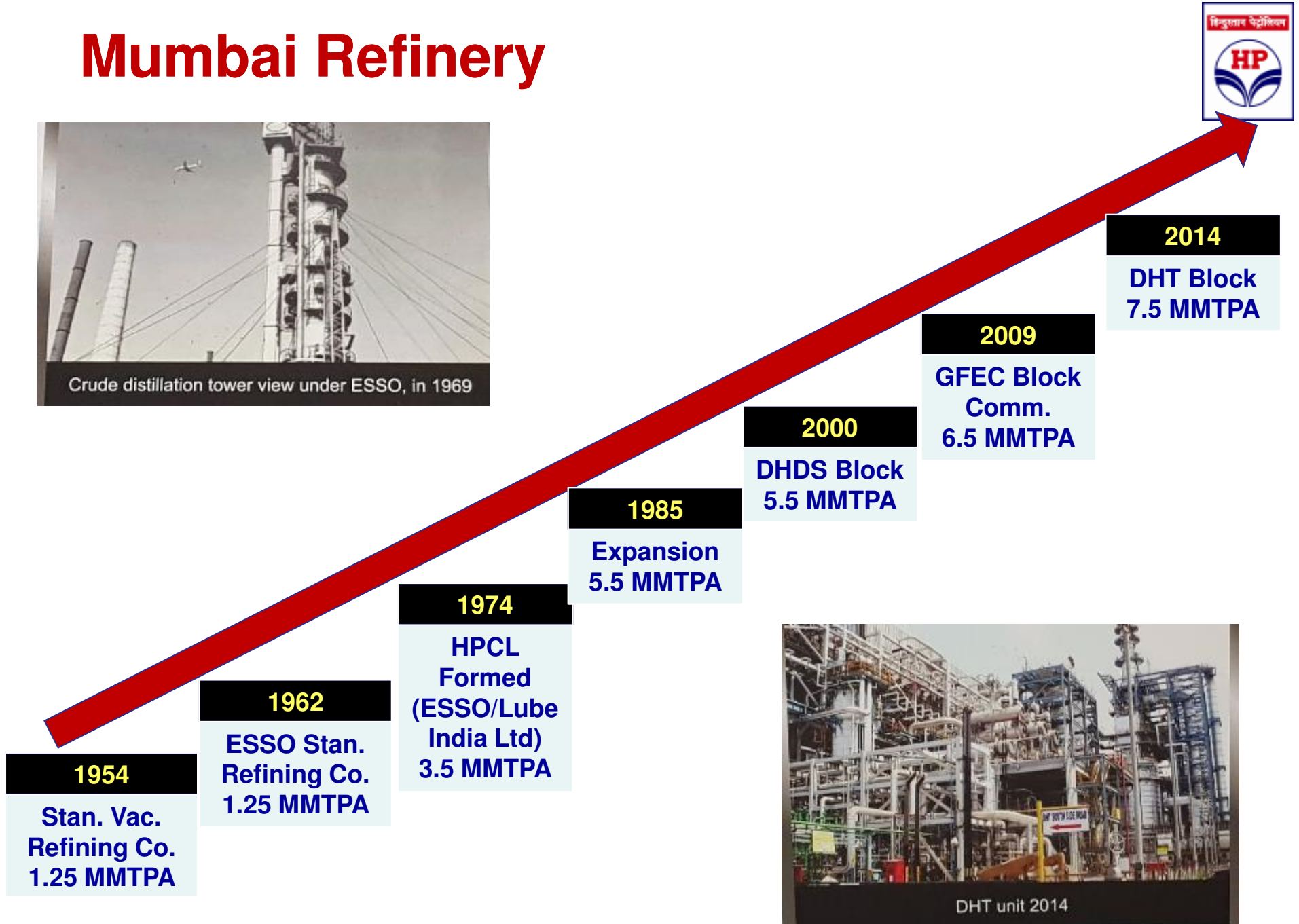
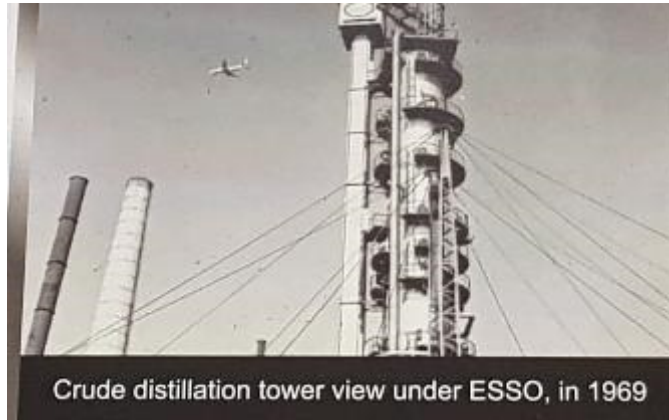
## Consolidated Net Profit





# REFINERIES

# Mumbai Refinery



# Lube Refinery at Mumbai



**1969**

**Lube India  
Ltd.  
165 TMTA**

**1974**

**HPCL  
Formed  
(ESSO/Lube  
India Ltd)  
3.5 MMTA**

**1983**

**Lube  
Refinery  
Revamp to  
225 TMTA**

**1995**

**Lube  
Refinery  
Expansion to  
335 TMTA**

**2011**

**LOUP  
Comm.  
428 TMTA**

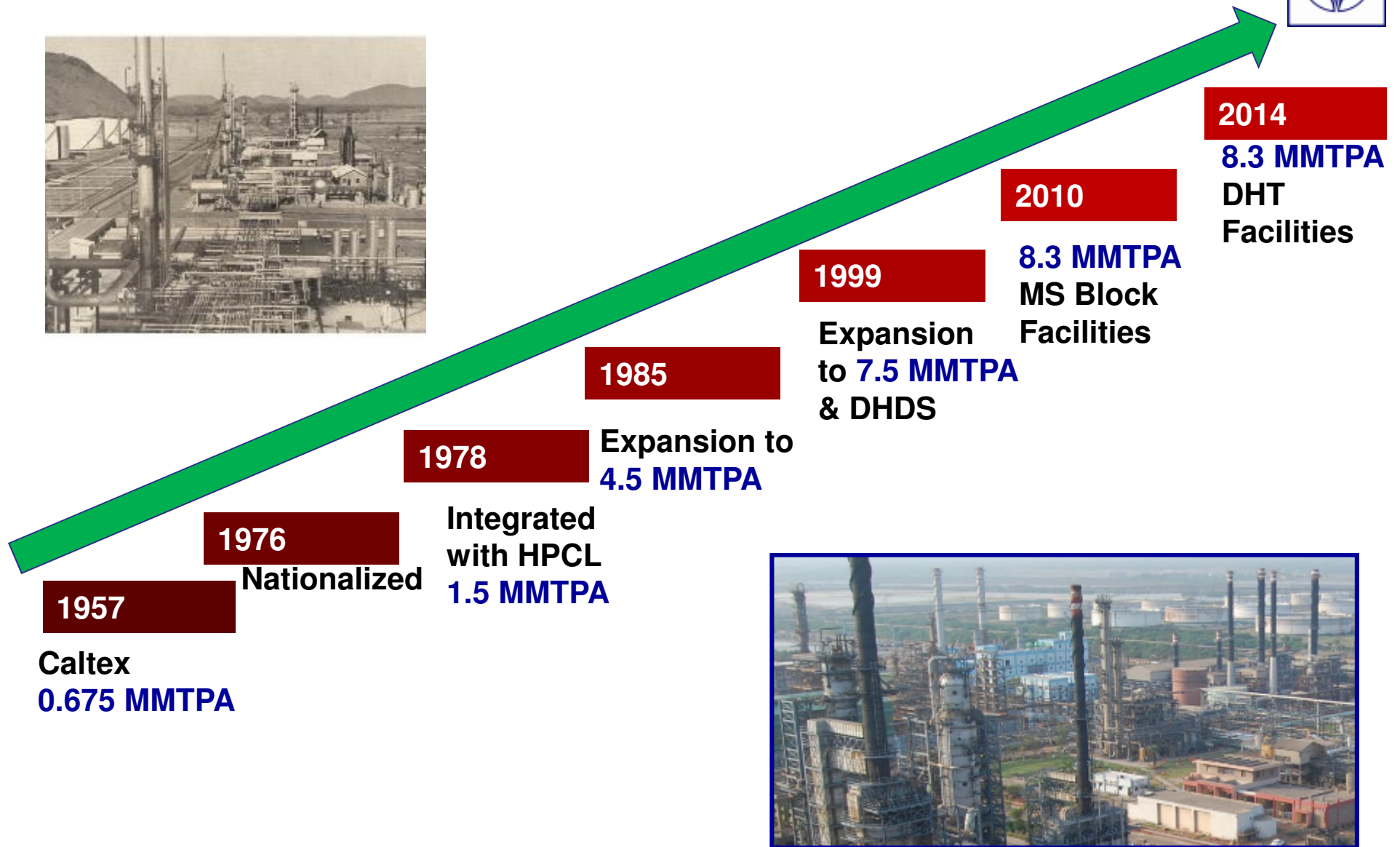
**2013**

**PDA Revamp  
(428 TMTA)**





# VISAKH REFINERY



# Crude Oil Receipts



Single Point Mooring - Visakh



Very Large Crude Carrier– 2 million barrels

Jetty 4 - Mumbai



Suez Max (partly loaded) - 0.75 million barrels

# Visakh Crude receiving facilities



**ISPRL Storage Capacity (Cavern-A):  
1.03 Million Tons**



**HPCL Storage capacity (Cavern-B):  
0.3 Million Tons**

**Visakh Refinery**



36 inch pipeline

42 inch pipeline

48 inch pipeline



**Single Point Mooring (SPM)**



# Process Units



## Crude Distillation Units



**Mumbai Refinery**



**Visakh**

# Process Units



## Fluidized Catalytic Cracking Units



**Mumbai**



**Visakh**



# Process Units



## Diesel Hydro Desulfurization Units



**Mumbai**



**Visakh**

# Process Units



## Diesel Hydro Treater



**Mumbai**



**Visakh**

# Unique Features of HPC Refineries



- First Refinery in India to implement Hydrogen based Residue Upgradation Project – LC MAX unit.
- Largest & first Lube Refinery at Mumbai in India
- Most diverse product portfolio
- One of the first to implement OM&S Automation and Blending facilities
- Indigenously developed NMP extraction technology for Hexane
- First refinery to import grid power through Open Access
- In-house technologies for HP-PSA and HP-Higee

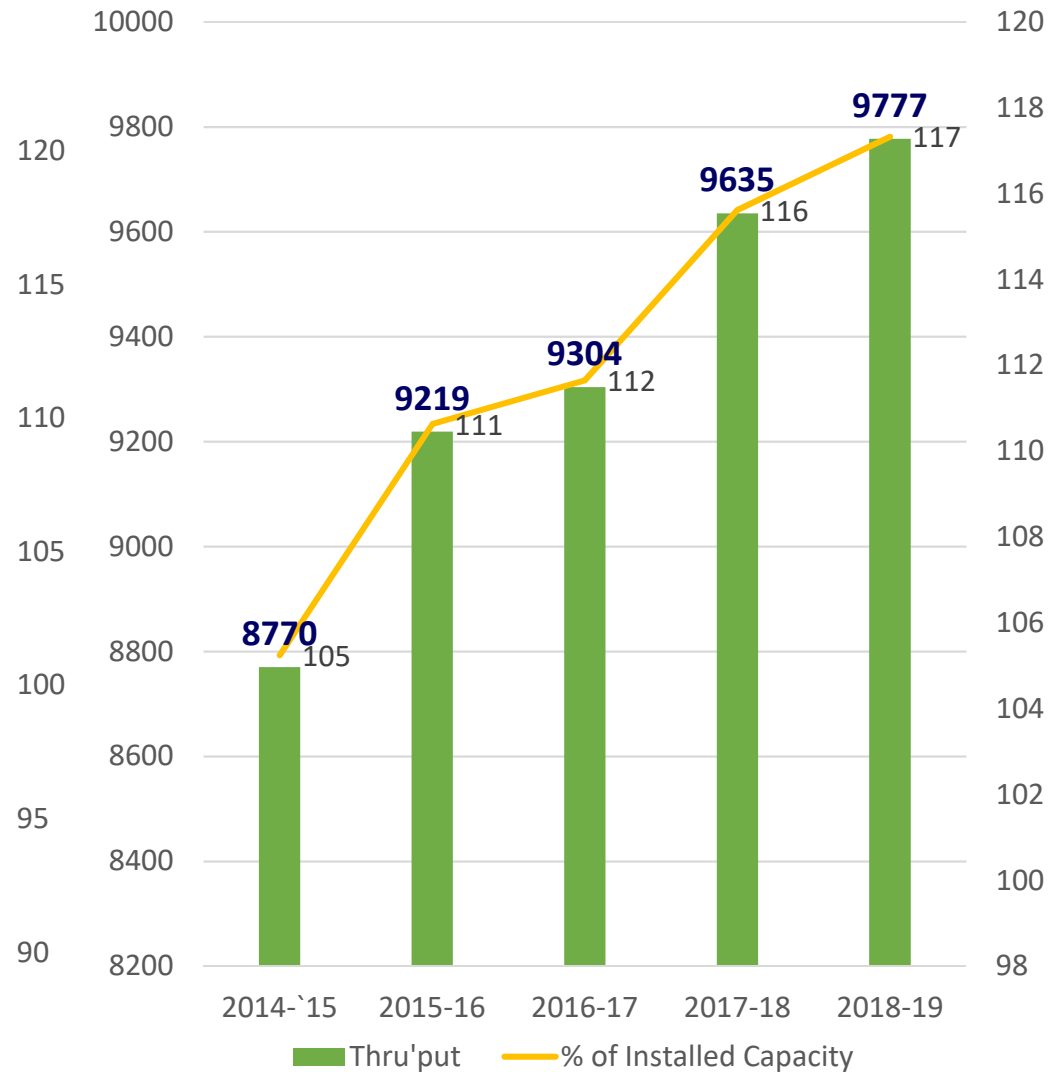
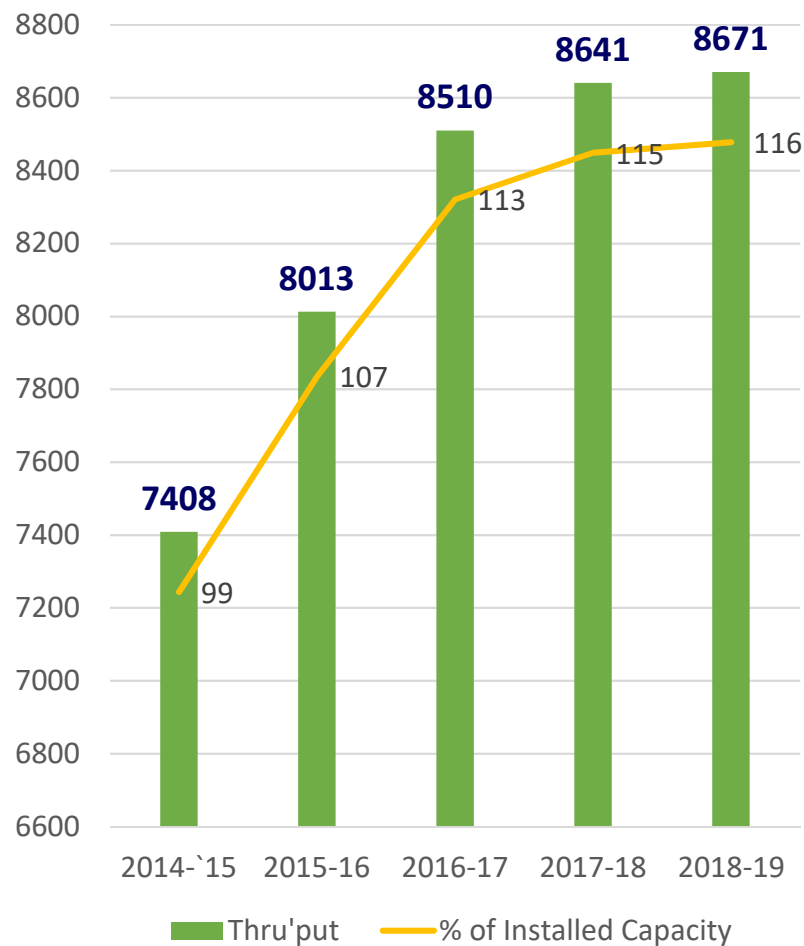


# Capacity Utilization – MR & VR



## Mumbai Refinery

## Visakh Refinery



# Quality Control



- State -of -the -Art quality control laboratory facilities
- Equipped to conduct all tests for all refinery products
- Accomplishments
  - ISO 17025 complied
  - NABL accredited
  - DGCA & CEMILAC authorized

**NABL:** National Accreditation Board for Testing and Calibration Laboratories

**DGCA:** Directorate General of Civil Aviation

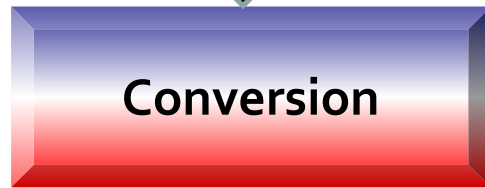
**CEMILAC:** Centre for Military Airworthiness and Certification

# Petroleum Refining Process



## PRIMARY PROCESSING UNITS

- Crude Distillation Unit (CDU)
- Vacuum Distillation Unit (VDU)



## SECONDARY PROCESSING UNITS

- Reforming / Isomerization (CCR / NIU)
- Catalytic Cracker / Hydrocracker (FCCU/HCU)
- Solvent extraction / Solvent dewaxing (SEU/PDU)
- Delayed Coker/Visbreaker / Deasphalting (DCU/VBU/SDA)



## FINISHING UNITS

- Hydro treating (DHDS, NHT)
- ATF Merox



- LPG
- MS
- HSD
- ATF
- LUBES
- BITUMEN
- SULFUR

# HPCL Product Profile



Mumbai Refinery	Product
Light Distillates	LPG
	Naphtha
	Motor Spirit
	Hexane
	Solvent
Middle Distillates	ATF
	Kerosene
	Diesel / HFHSD
	LDO/MTO
	Group-I/II LOBS
Heavy Distillates	RPO
	Fuel Oil
	Bitumen

Visakh Refinery	Product
Light Distillates	LPG
	Propylene
	Naphtha
	Motor Spirit
Middle Distillates	ATF
	Kerosene
	Diesel / HFHSD
	LDO/MTO
Heavy Distillates	Fuel Oil
	Bitumen



## BS VI Compliant Fuel Production

### BS VI compliant fuel production projects

- Visakh Refinery Modernization Project (VRMP)
- Mumbai Refinery Expansion Project (MREP-I)

#### MUMBAI REFINERY

Product	Target
MS-VI	March 2020
HSD-VI	March 2020

#### VISAKH REFINERY

MS-VI	Dec 2019
HSD-VI	Dec 2019



# Mumbai Refinery Expansion Project

## Objective :

- Capacity Enhancement from 7.5 to 9.5 MMTPA
- Production of BS VI Motor Fuels

## Salient Features

- Capex – Rs. 5060 crores
- Schedule - January 2020

## Facilities

- Crude Processing Capacity enhancement to 9.5 MMTPA
- Replacement of old VDUs with single new VDU
- MS & HSD unit revamps to meet BS-VI Specifications
- New Hydrogen generation Unit
- Shifting of 28 tankages to create space for expansion

**Product Sufficiency / Margin Improvement**

# Mumbai Refinery Expansion Project



## Vaccum Column Erection





# Mumbai Refinery Expansion Project



## Additional Tankages





# Visakh Refinery Modernization Project



## Objective

- Capacity expansion from 8.33 to 15 MMTPA
- Production of BS VI Motor Fuels
- Bottom Upgradation to enhance profitability

## Salient Features

- Capex: Rs. 20928 crores
- Schedule – Progressively from July 2020

## Facilities

- New 9 MMTPA CDU/VDU
- New Residue Hydrocracker for eliminating fuel oil
- New Full conversion Hydrocracker and Naphtha Isomerisation Units
- New Hydrogen Generation and Sulfur Recovery Units
- MS & HSD units revamp

**Product Sufficiency / Margin Improvement**

# Visakh Refinery Modernisation Project



## Atmospheric and Vacuum Columns Erection





# Visakh Refinery Modernisation Project



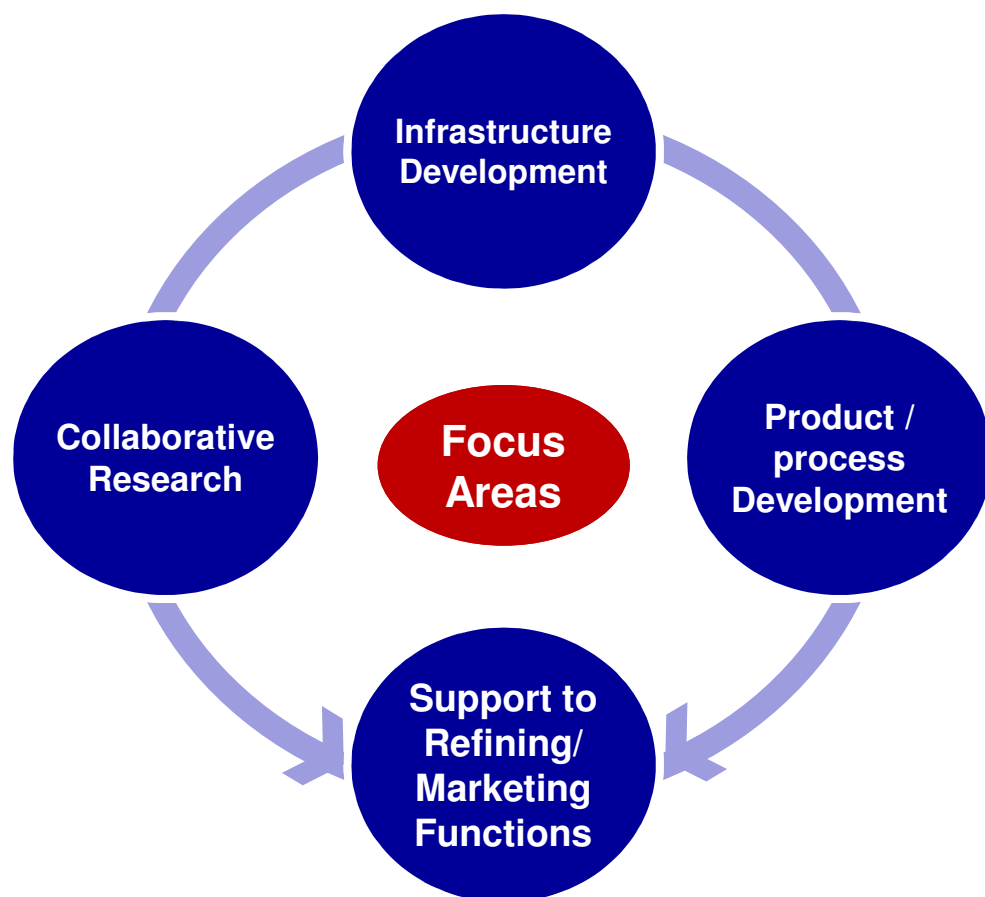
## Full Conversion Hydrocracker Reactor Erection



# Research and 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	89	16

**9 Projects Demonstrated and are ready for Licensing**





# HP Green R&D Centre







# Phase I – Completed & Functional



# Joint Ventures and Subsidiaries



## Refining



## LPG Storage



## Upstream



## Marketing



## Infrastructure



## Alternate Fuels



## City Gas Distribution



HPOIL  
Gas Pvt.  
Ltd

## Natural Gas



**Growth through Partnerships**

# 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
- **Uran Chakan LPG** Pipeline (165 Km)
- **Palanpur-Vadodara** Pipeline (235 km)
- **Vijayawada Dharmapuri** Pipeline (697 Km)
- **6 New LPG Plants** and construction of 80 TMT LPG Cavern at Mangalore
- **LPG infrastructure Augmentation**
- **POL infrastructure Augmentation**

## JVC Projects

- **9 MMTPA HPCL Rajasthan Refinery Limited** at Pachpadra
- 1.25 MMTPA Petrochemical Complex at HMEL, Bathinda
- **60 MMTPA Ratnagiri Refinery and Petrochemicals Ltd** at West Coast 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 (Haryana) and Kolhapur (Maharashtra).
- **Petrochemical Complex** at Kakinada in Andhra Pradesh



## HPCL is uniquely positioned



- **Highest Market Sales Growth** among Industry in the last decade
- **Major refinery expansion** being implemented at the **2 coastal refineries**
- **No.1 Company** in total lubricant sales and owning **India's Largest lube oil refinery**
- **2<sup>nd</sup> 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 Planned investments** in Refinery, POL distribution and Natural Gas projects
- **Foray into Petrochemicals**
- **Dedicated, competent and young workforce**

# 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 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.



**Thank you**