



Hindustan Petroleum Corporation Limited

(A Fortune Global 500 Company)

US\$465 Million Syndicated Term Loan Facility

Bank Presentation - February 2016





Our History



1952

- Incorporation of Standard – Vacuum Refining Company (**StanVac**)

1955

- Incorporation of **Caltex Oil Refining**

1962

- StanVac operations taken over by **ESSO**

1974

- Takeover and merger of ESSO and Lube India into **HPCL**

1978

- Merger of Caltex with **HPCL**

1979

- Merger of Kosan Gas with **HPCL**





Global Rankings



Rank : **327**



Rank : **133**



Our Vision



“To be a **World Class Energy Company** known for caring and delighting customers with **high quality** products and **innovative** services across domestic & international markets with aggressive growth and delivering **superior financial performance**.

The Company will be a model of Excellence in meeting Social commitment, **Environment, Health & Safety** and in employee welfare & relations”

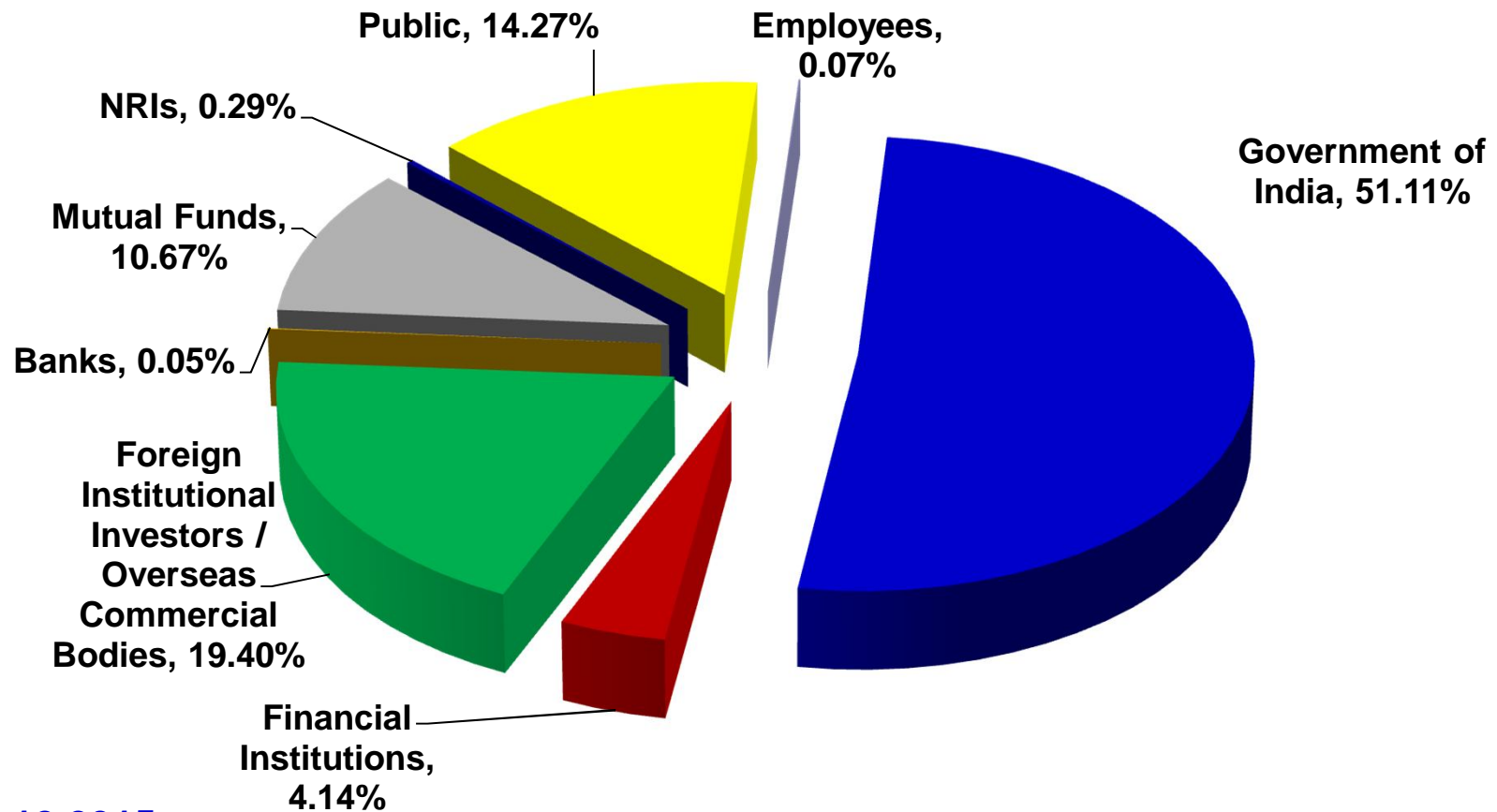
Vision **Co-created by all employees**



Shareholders' Profile



- Shareholders : **99,280**
- No. of shares : **338.6 Million**
- Share Capital : **US\$51.18 Million**
- Market Capitalization : **US\$4,279 Million**



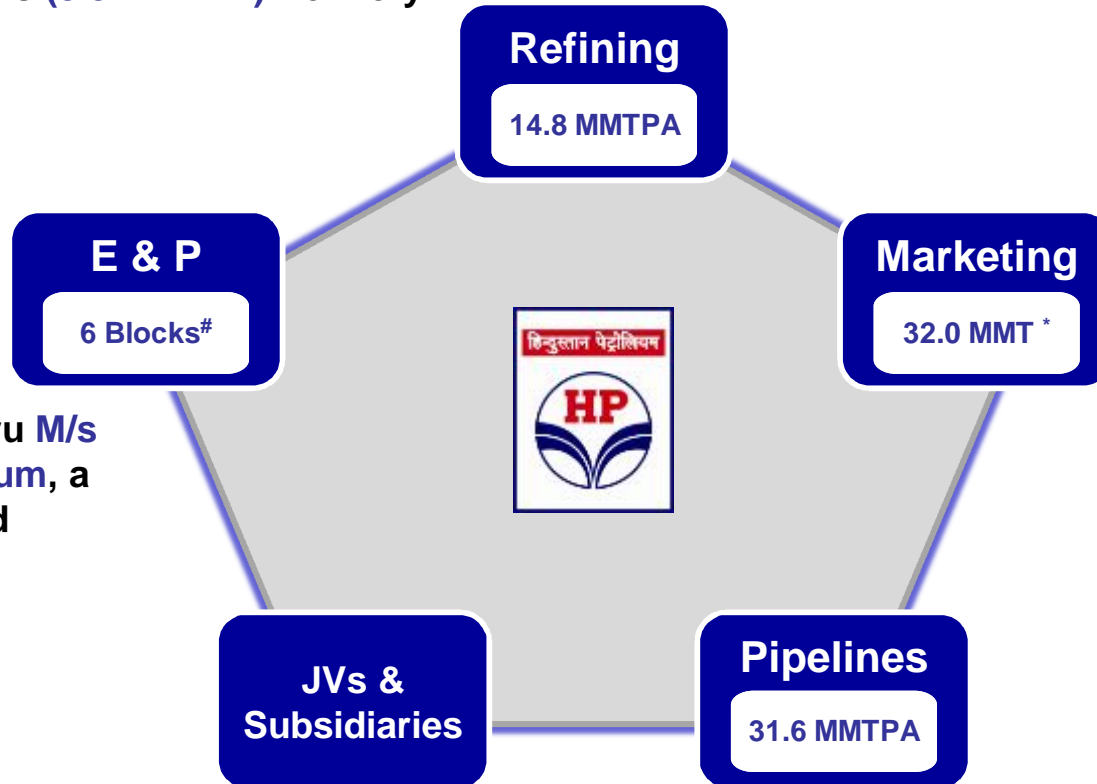
As of 31.12.2015



Business Portfolio



- **Mumbai:** Fuels (6.5 MMTPA) & Lubes (428 TMT/PA) Refinery
- **Visakh:** Fuels (8.3 MMTPA) Refinery



- Retail
- LPG
- Direct Sales
- Aviation
- Operations & Distribution
- Natural Gas

- Operating thru **M/s Prize Petroleum**, a wholly owned subsidiary

Partnerships in

- Refining, Marketing Infrastructure, Biofuels and Emulsions

- 8 Cross country pipelines of total length of 3,015 km^{\$}

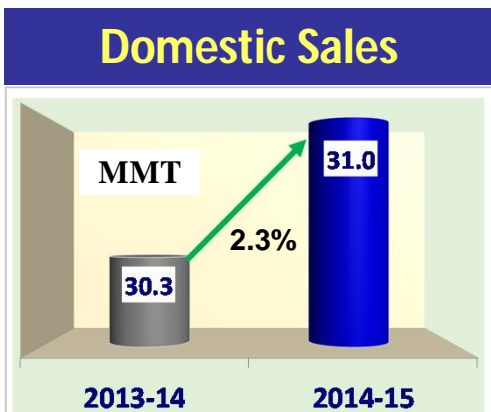
* in 2014-15

Currently Active blocks

^{\$}Note: New 443 km long Rewari-Kanpur Pipeline commissioned in Oct'2015



Corporate Highlights: 2014-15



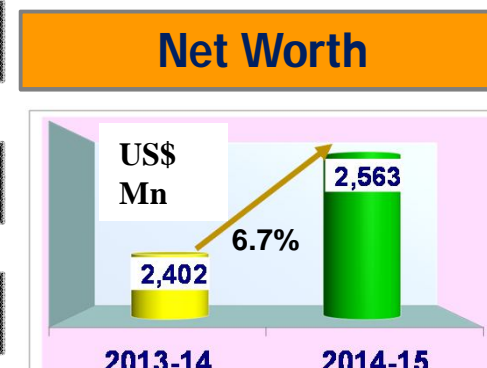
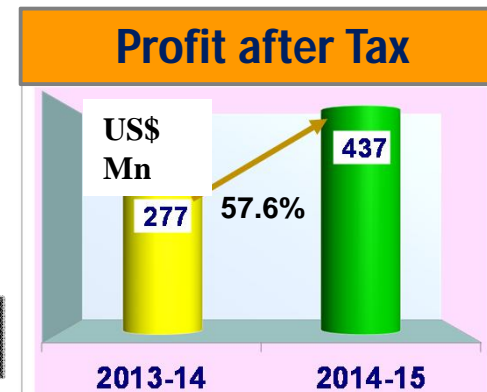
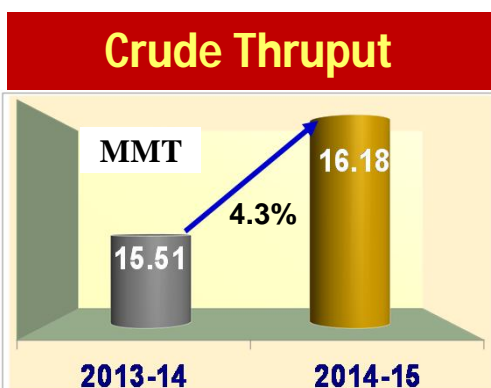
Market Sales : 31.95 MMT

Mkt. Growth : 2.3% Vs Ind.(PSU) 2.2%

Pipeline Thruput : 14.91 MMT

India's No.1 Lube Marketer : 478 TMT

Highest PAT : US\$437 Million





Financial Performance



Description	Unit	Apr – Dec 15	2014-15	2013-14
Gross Sales	US\$ Mn	22,585	34,727	37,161
Profit After Tax	US\$ Mn	349	437	277
EPS	US\$	1.03	1.29	0.82
Book Value Per Share	US\$	8.09	7.57	7.09
Dividend Per Share	US\$	0.17	0.39	0.25
Total Debt Equity Ratio		1.1:1	1.27:1	2.14:1



Refining

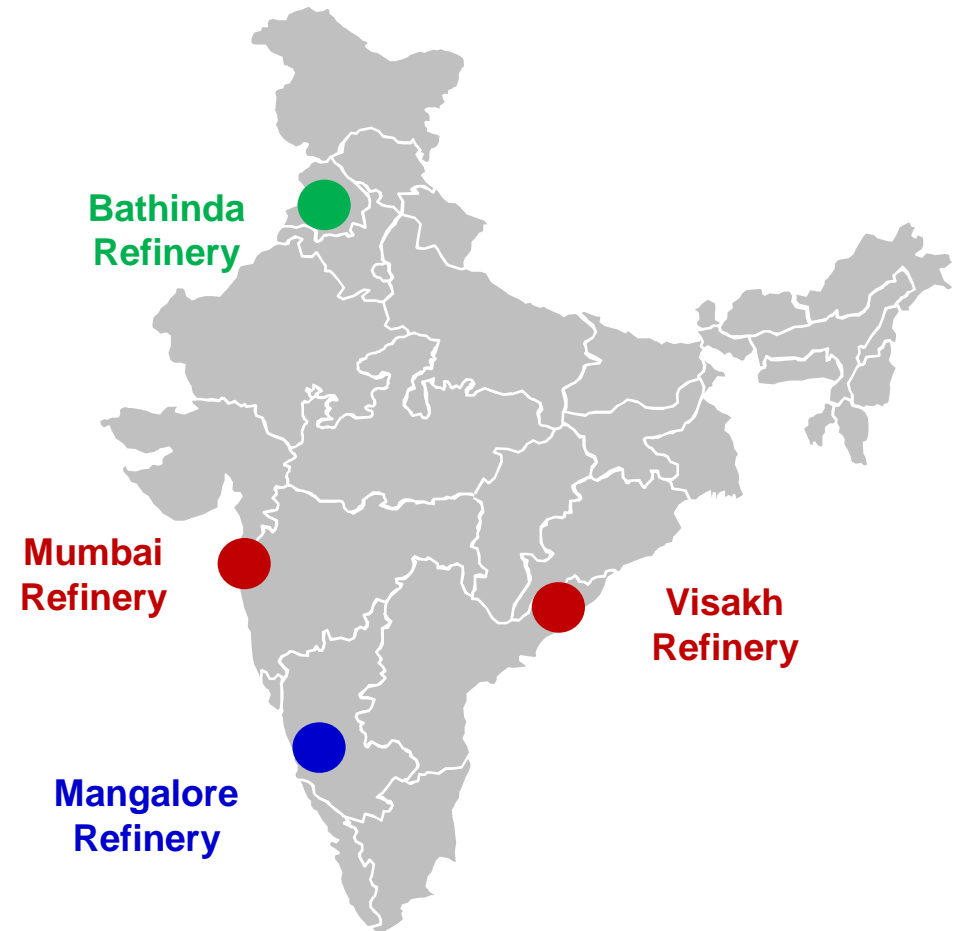


Refining Network



Refinery	Capacity (MMTPA)
Mumbai	6.5
Visakh	8.3
Total	14.8

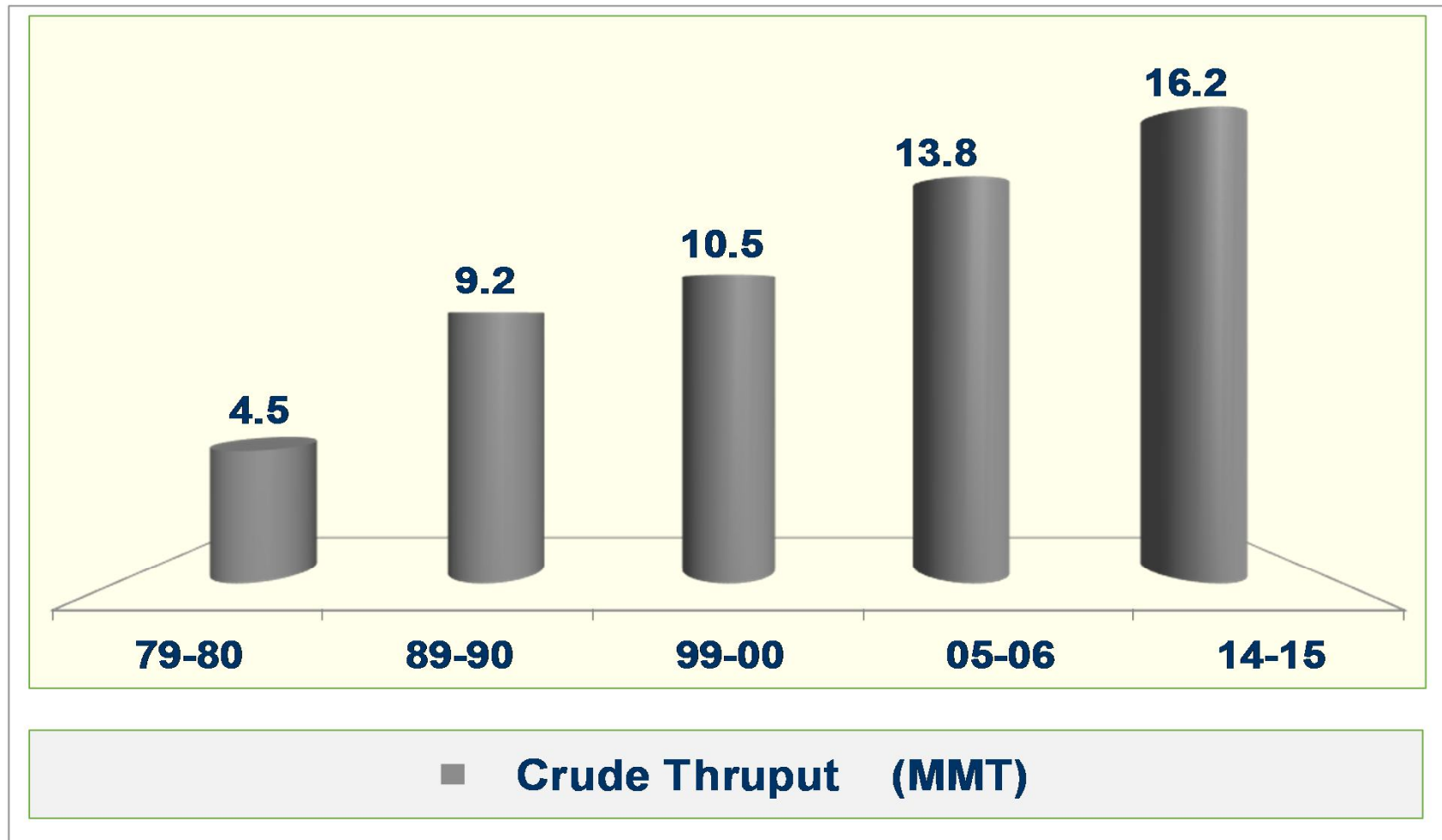
Lube Refinery (Mumbai) 428 TMTPA



- ✦ **49% Stake in 9 MMTPA HMEL Refinery at Bathinda**
- ✦ **16.95% Stake in 15 MMTPA MRPL Refinery**



Refining Performance





Refining Highlights 2014-15



Highest ever

- Combined Distillate yield 77.5%
- Production of transportation fuels

MS : 2.7 MMT

HSD : 6.1 MMT





Refinery Expansion

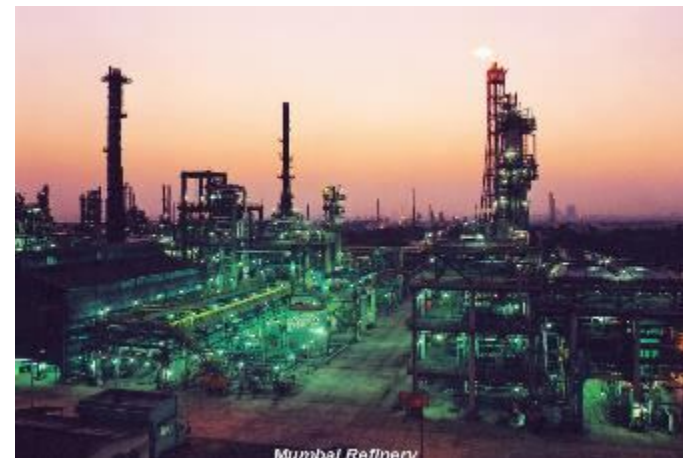


Visakh Refinery

- From 8.3 MMT to 15 MMT
- Project Cost : US\$2,720 Million

Mumbai Refinery

- From 6.5 MMT to 10 MMT
- Project Cost : US\$672 Million
(Phase-I)

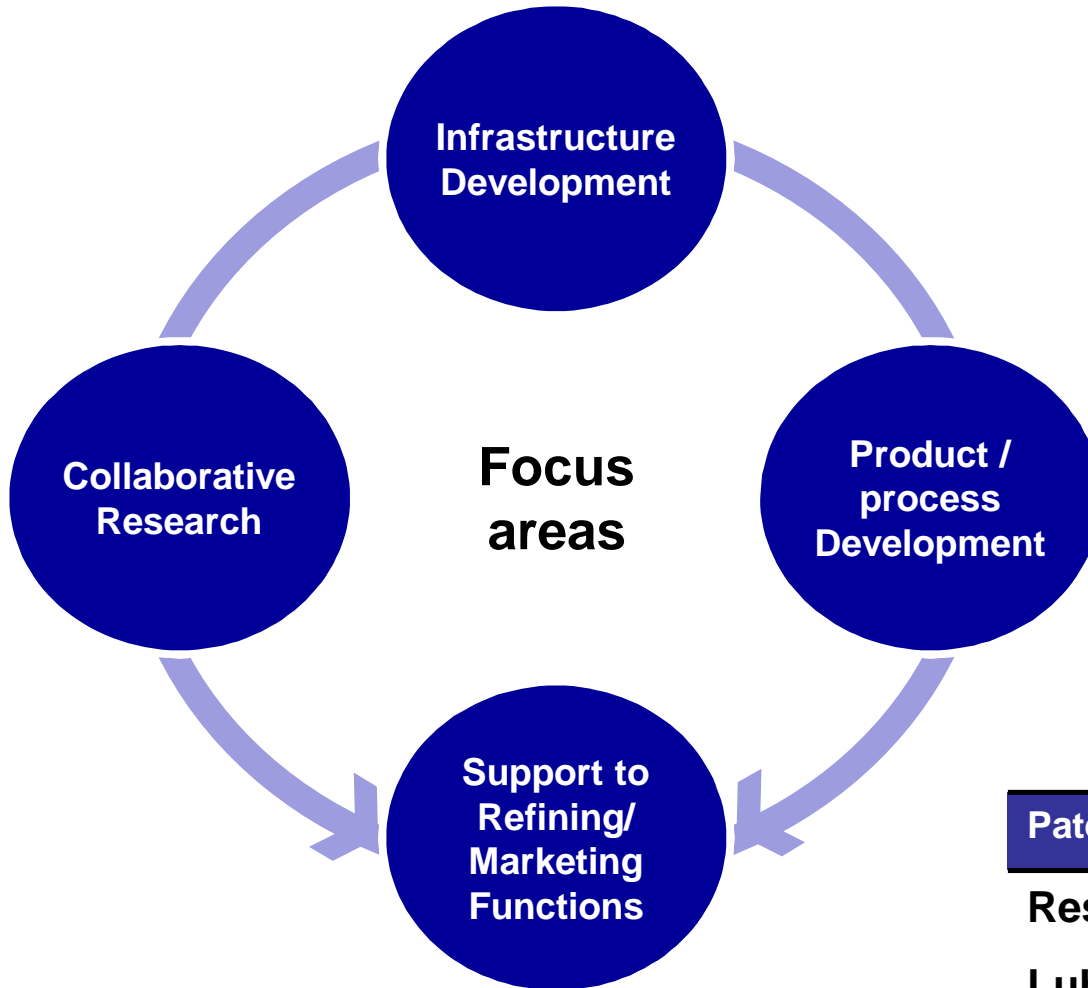




Research and Development



Green R&D Centre being setup in Bengaluru with 9 labs



R&D Thrust Areas

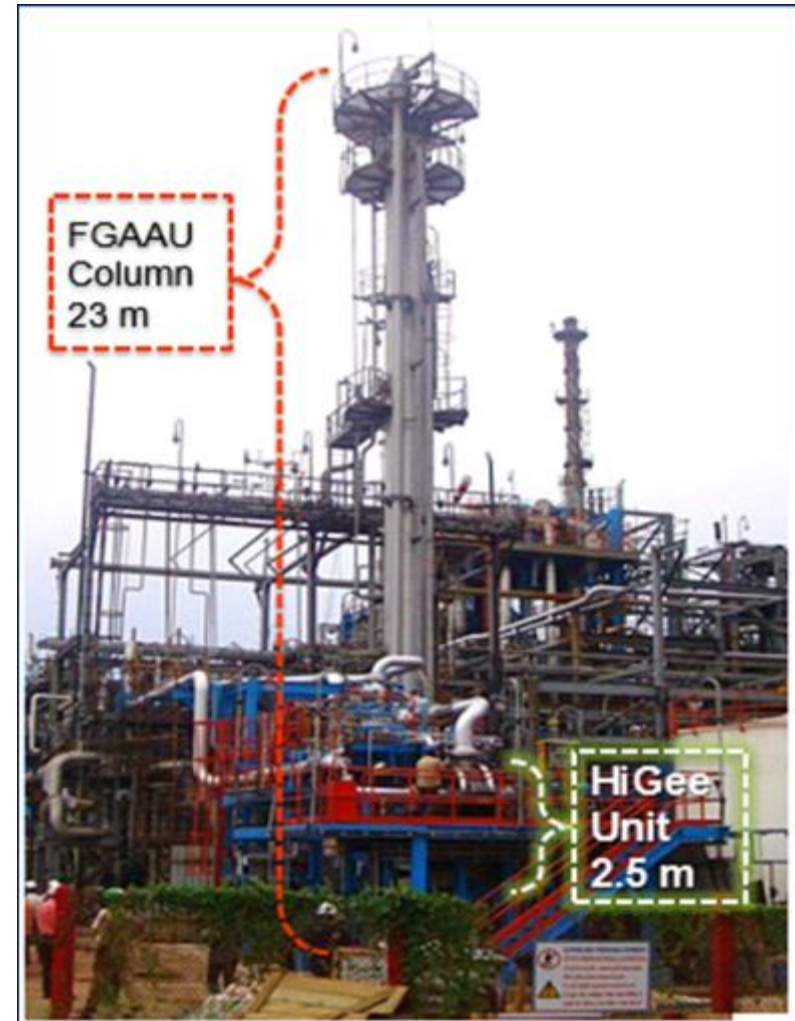
- Opportunity Crudes
- Residue Up-gradation
- New Process Developments
- Catalyst Development
- Alternative Energies

Patents	Applied	Obtained
Research Areas	36	-
Lubricants	6	2

HP-HiGAS Technology

- **Commissioned HP-HiGAS Technology based commercial unit at Visakh Refinery**
- **Processed feed gas with 4 to 5 wt% of H₂S and achieved less than 100 ppm**
- **Benefits:**
 - **Reduction in footprint / smaller equipment - Size reduction by 10 times**
 - **Lower capital costs.**

Reduction in Process Plant Footprint



Hydrogen Pressure Swing Adsorption Technology

- **Commissioned Hydrogen Pressure Swing Adsorption Technology for purification of CCR Off Gas at VR**
- **Hydrogen purity > 99.5%**
- **Benefits:**
 - **Production of high value Hydrogen from low value Refinery off Gases**
 - **Technology Indigenization**





Marketing



Marketing Performance





Marketing supply infrastructure



Terminals / TOPs



36

POL/Lube Depots



91

LPG Plants



46

ASFs



36

Lube Blending Plants



7

Description	As of 31.12.2015
POL Tankage	3.1 MMT
LPG bottling capacity	4.1 MMTPA
QC Labs	45 Nos.

TOP = Tap off Point ; POL = Petroleum Oil & Lubes

*As of 31.12.2015



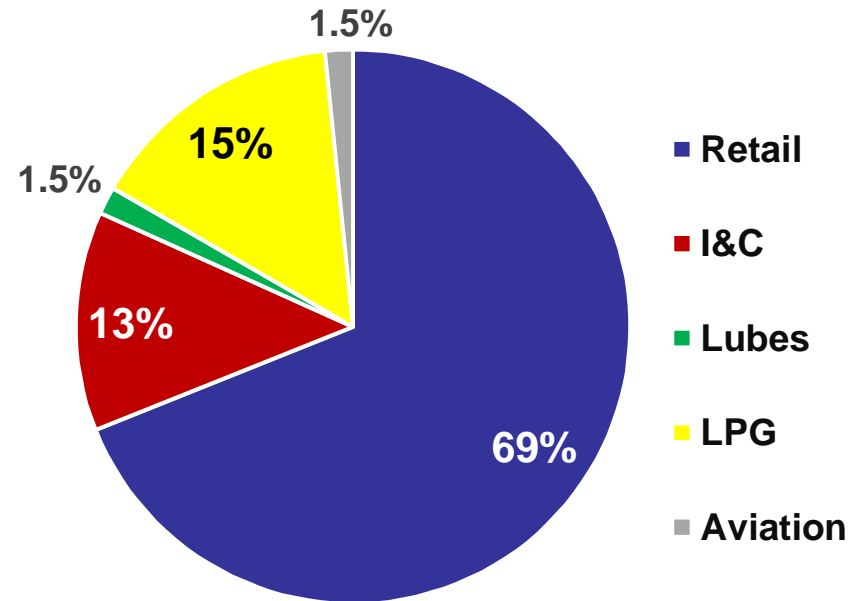
Marketing Sales : 2014-15



Volumes Split by Business Line (2014-15)

HPCL Marketing business lines

Retail	21.4 MMT
Industrial and Consumer (I&C)	4.0 MMT
Lubes	0.5 MMT
Aviation	0.5 MMT
LPG	4.7 MMT



Total marketing sales = 31.95 MMT (including exports*)

Retail constitutes 69% of HPCL product sales

*Exports = 850 TMT



Retail



Network
13233
Outlets

Market
Share*
(PSU)
25.4%

Sales
21.4 MMT



- ☀ Market share gain in TMF for **11th** consecutive Year.
- ☀ Commissioned **380** Retail Outlets during 2014-15
- ☀ Commissioned **100+** ATMs during 2014-15, taking the total to **1,600+**
- ☀ Network of Automated retail outlets **2,300+**

Segmentation

Formats

e-fuel stations

Non-fuel &
Conveniences

Strong Customer Loyalty

* Market Share indicated for Retail SBU
Overall Market share for HPCL = 21.0% (PSU Category)



Customer Centric Formats



Segmentation based on
'Stated' and Latent Needs'
of customers.

Urban



Highway



"Retail Outlet Formats"
designed to address needs of
"Prominent Customer Segments"
in *'Standardized'* manner.

Rural





Lubricants



- India's No.1 Lube Marketer
- 250+ Grades of Lubricants
- Largest Base Oil Refinery (450 TMTPA) in India, Group II/III 230 TMTPA
- 478 TMT – Total Lube Sales
- Strong product brands



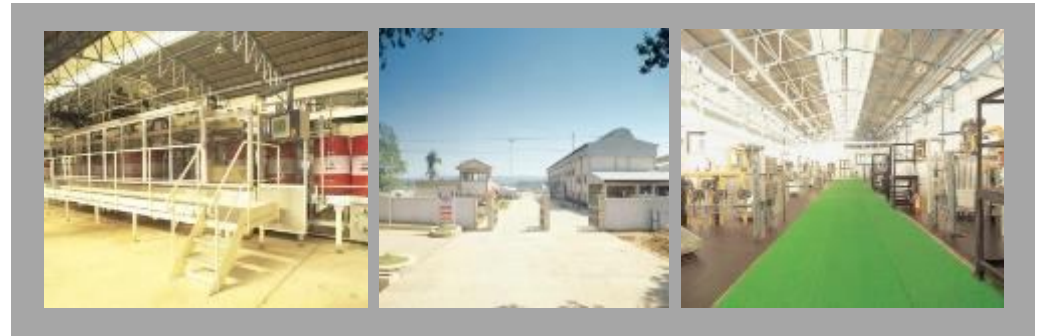
Lubricants



Lube Blending

- Seven ISO 9001 certified blending plants: 325 TMTPA
- State-of-the-Art 65 TMTPA blending plant at Silvassa
 - ISO 9001, 14001
- Expansion plans
 - Vashi, Mumbai

Silvassa



Pan India Logistics Coverage

- 2 Mother Warehouses
- 189 Stock Points
- Last Mile Connectivity



Daruhera



LPG



LPG Sales : 4.7 MMT

Market share : 26.8%



- ✦ **Market Leader in Non-Domestic Bulk LPG Segment with 51% market share**
- ✦ **No. of LPG Distributorships – 3,952**
- ✦ **World's Largest Carousel - 72 Head Flex Speed commissioned at Yediyur Bangalore**



Direct business lines



HP Aviation

- Sales volume of 506 TMT
- Growth in Volume 13.5% against Ind.(PSU) growth of 0.2%
- Only Jet Fuel Supplier to all domestic airlines



Industrial & Consumer Segment

- Sales Volume 3.98 MMT, Growth 2.8%
- Market share gain in major products – HSD, FO, LSHS & Bitumen
- Marine Bunker Sales growth of 17%





2nd largest POL Pipelines network in India



JV Pipeline

Note:

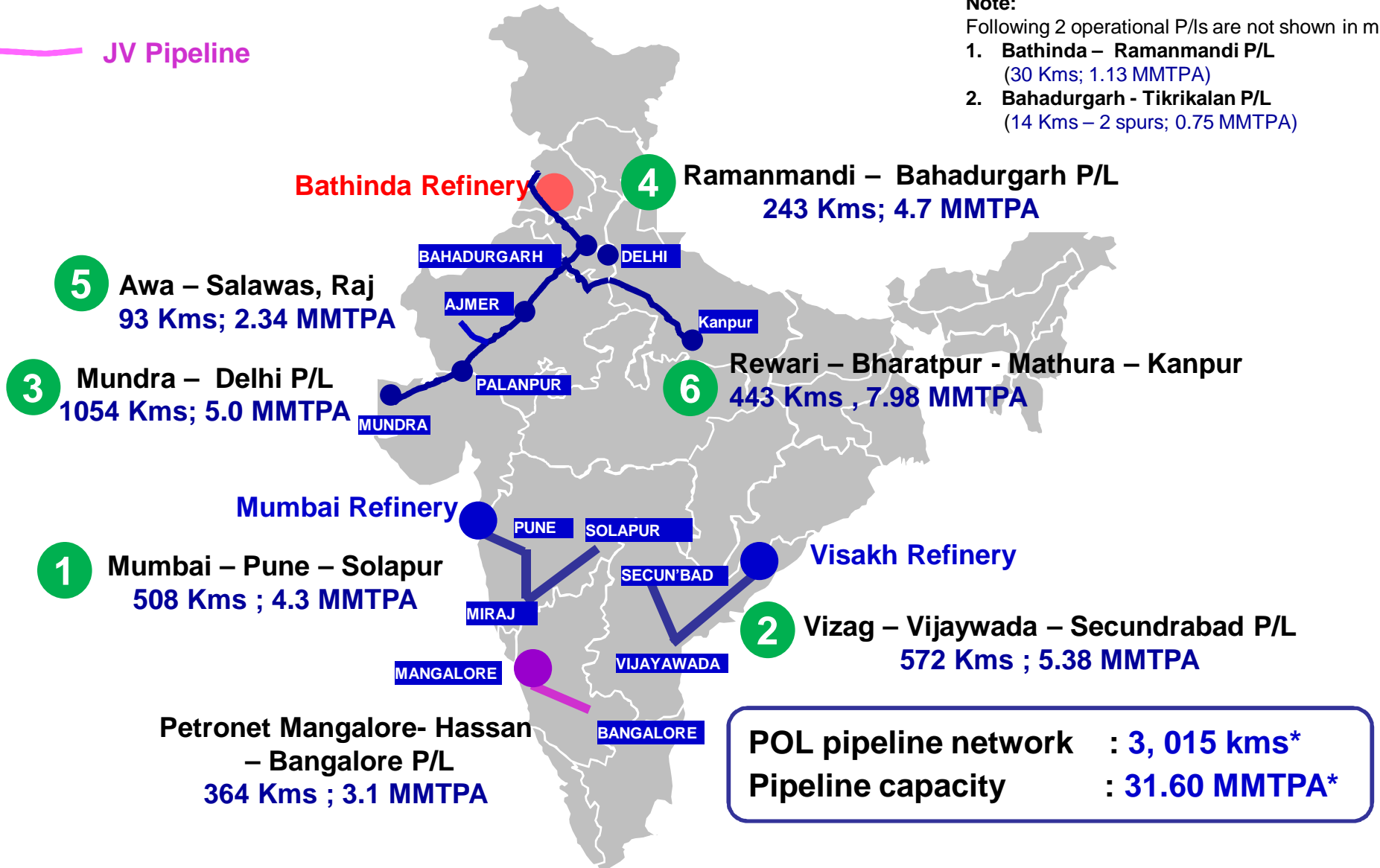
Following 2 operational P/Is are not shown in map

1. Bathinda – Ramanmandi P/L

(30 Kms; 1.13 MMTPA)

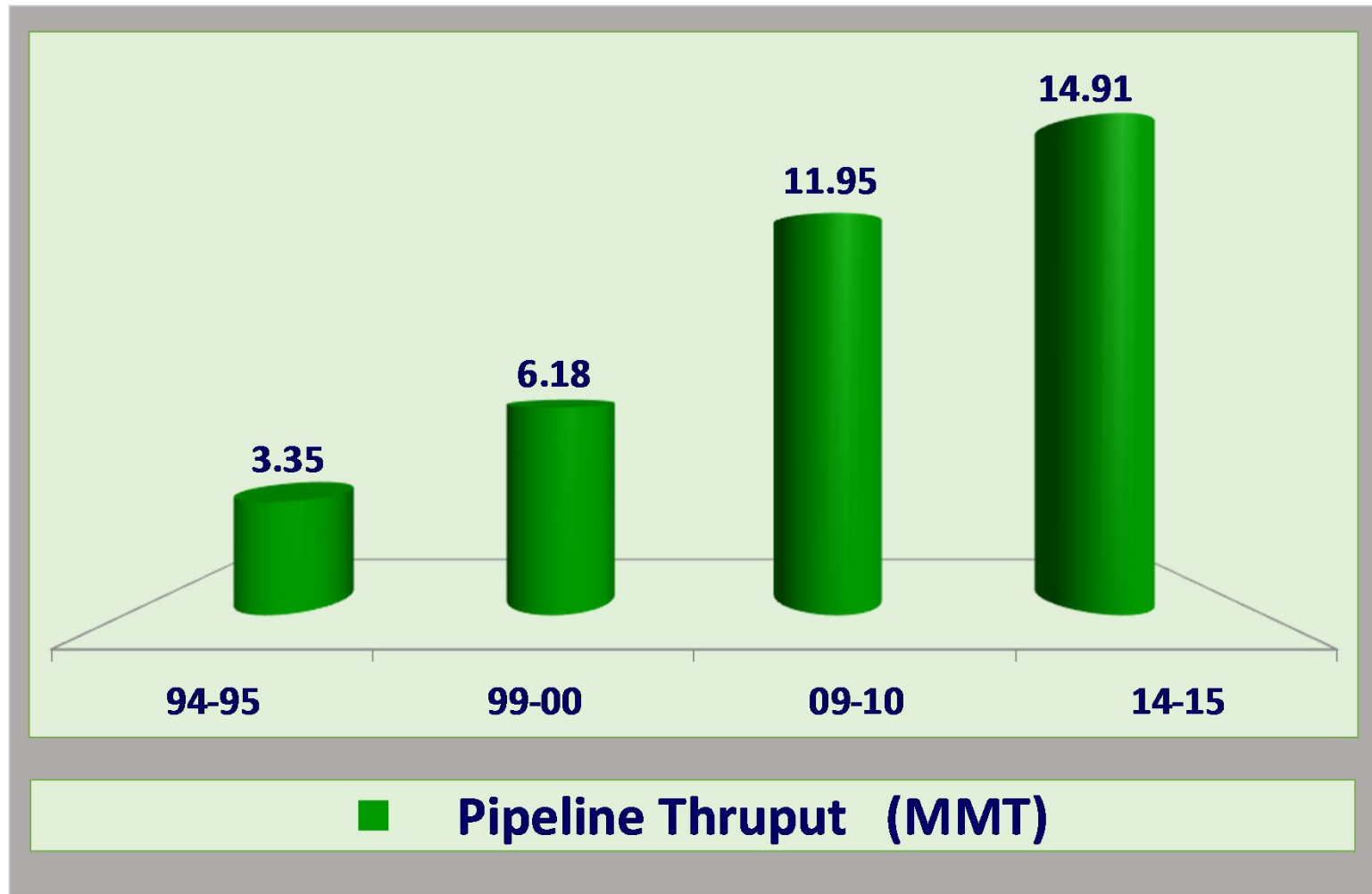
2. Bahadurgarh - Tikrikalan P/L

(14 Kms – 2 spurs; 0.75 MMTPA)



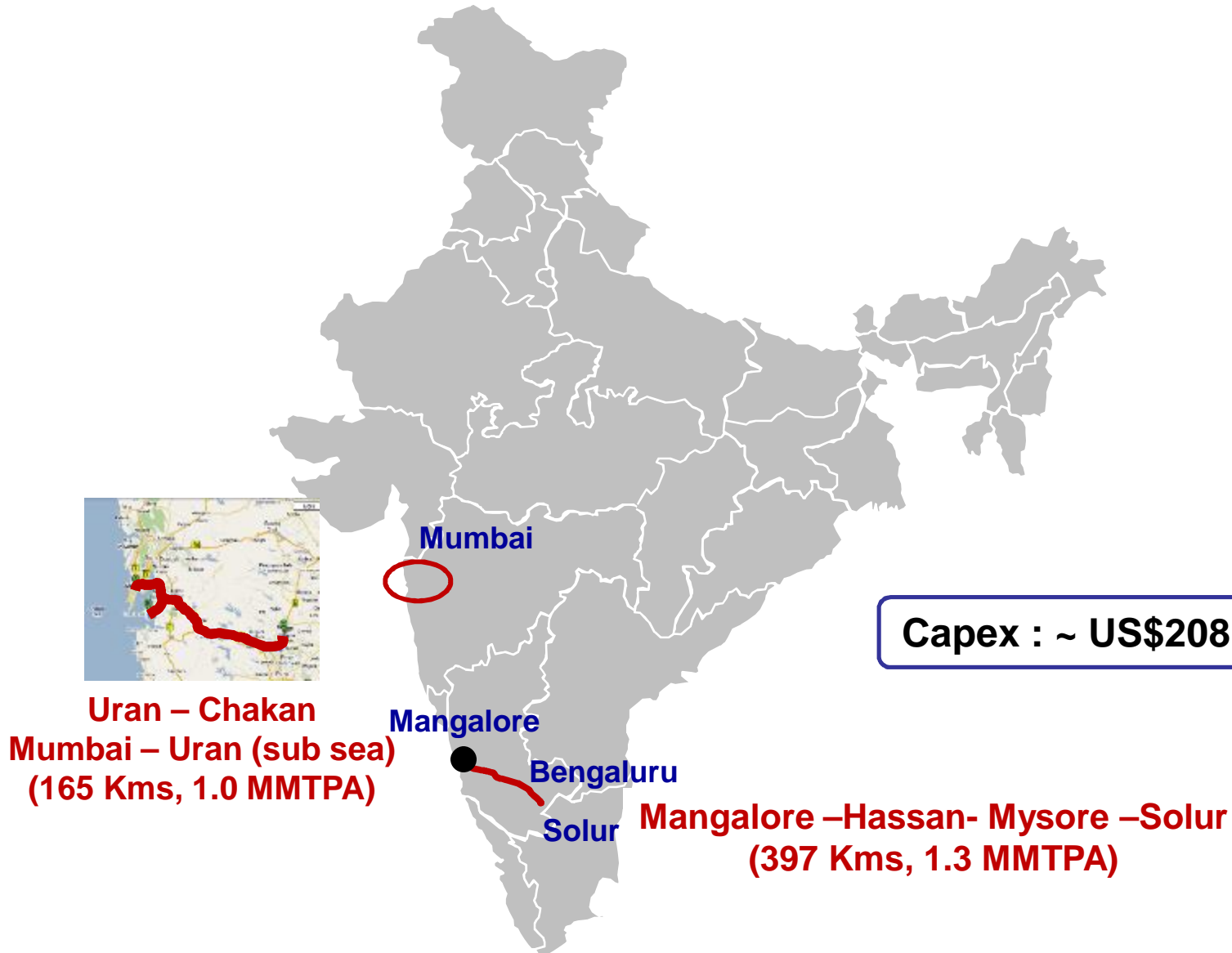


Pipeline Performance





LPG Pipeline Projects under construction





Wind Power



Existing Capacity

- **Capacity : 50.5 MW.**
- **Renewable Energy of 546 lakh Kwh was generated through Wind Power Plants (at Jaisalmer, Rajasthan and Dhule, Maharashtra) for the year 2014-15.**
- **Total Revenue during 2014-15 US\$3.55 Million**

Planned Addition

- **Additional 50 MW capacity WEGs Planned in next Phase.**





Subsidiaries and JVs



Subsidiaries

Upstream

100%

Alternate Fuels

100%

74%

CREDA HPCL Biofuels Ltd

Refining

Infrastructure

Marketing

Natural Gas

Strategic Storage

City Gas Distribution

Introduction of new technology and value growth through Partnerships



Exploration & production



Prize Petroleum, a wholly owned subsidiary



Overseas Operations (Australia)

- 1 - Producing Field**
- 1 - Discovered Field**

Domestic Operations

- 1- Producing Field (Sanganpur)**
- 1- Discovered Field (Cambay)**
- 1- Service contract (Hirapur)**
- 1- Exploration Blocks (NELP IX)**

2014-15 Crude / Gas condensate Production : 48 TMT

Note : Apr-Dec'15 Production : 48 TMT



Equity in Natural Gas Pipelines



NOT TO SCALE

— — — Pipeline Bid won in consortium

Proposed Equity
US\$72 Million

3. Bathinda – Jammu -Srinagar

Main line : 300 kms

Capacity: 25.7 mmscmd

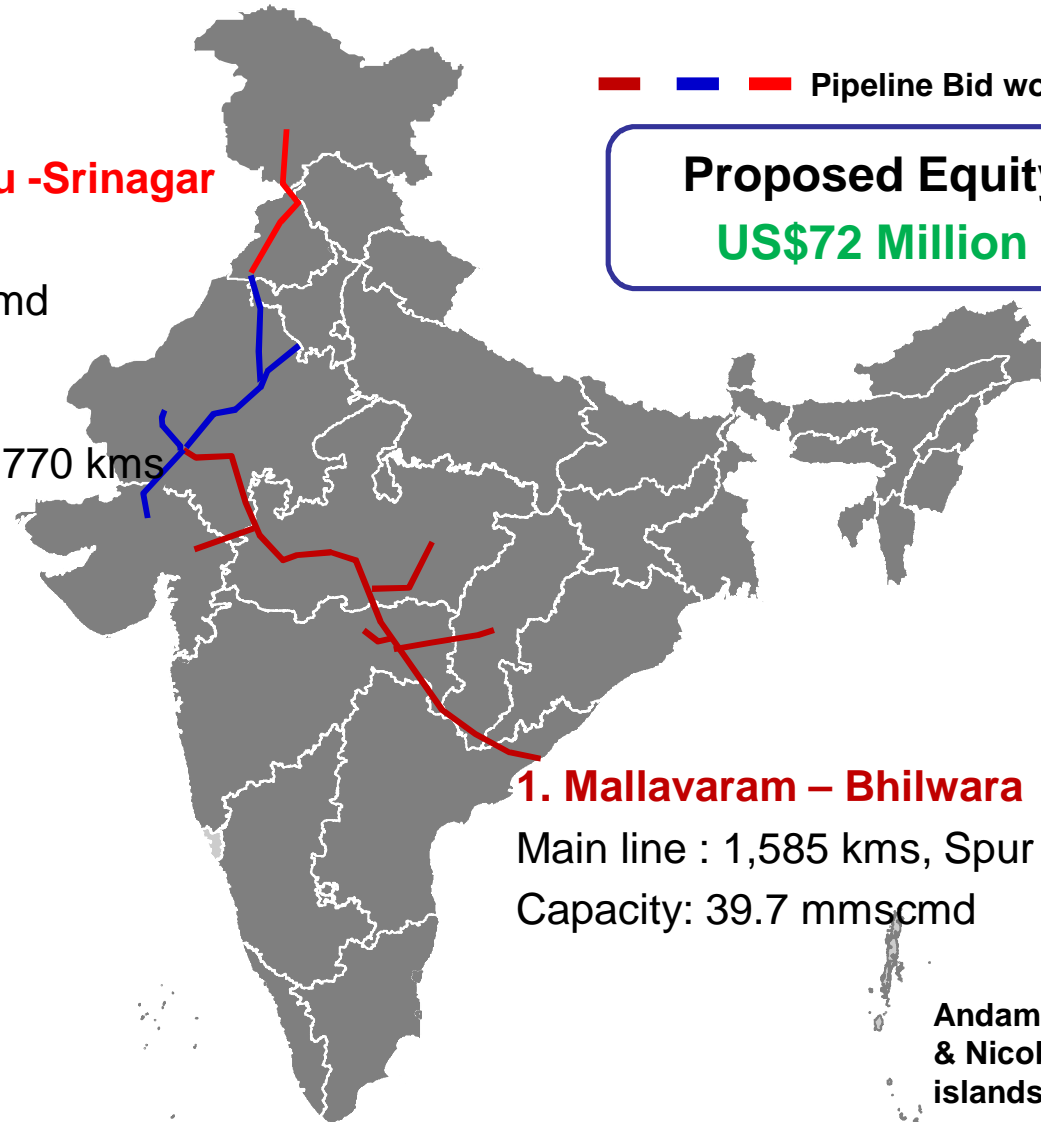
2. Mehsana – Bhatinda

Main line : 990 kms, Spur line 770 kms

Capacity: 39.5 mmscmd

Being implemented through JVCs : GIGL* and GITL*.

GIGL : GSPL India Gas Net Limited
GITL : GSPL India Transco Limited



1. Mallavaram – Bhilwara

Main line : 1,585 kms, Spur line 103 kms

Capacity: 39.7 mmscmd

Andaman & Nicobar islands

HPCL share ~11.6 mmscmd i.e. ~3.0 MTPA)



LNG Terminal at Charra, Gujarat



- Being implemented thru JVC – HSEL. HPCL Equity : 50%
- 5 MMTPA LNG Regasification terminal at Chhara Port
- Capacity : 5 MMTPA
- Estimated Cost: US\$864 Million
 - HPCL Share in the Equity is US\$130 Million



Financial Closure for the project has been completed



Strategic Initiatives



Integrated Margin Management

Central Procurement

Vision 2030

Levers for value creation across supply chain



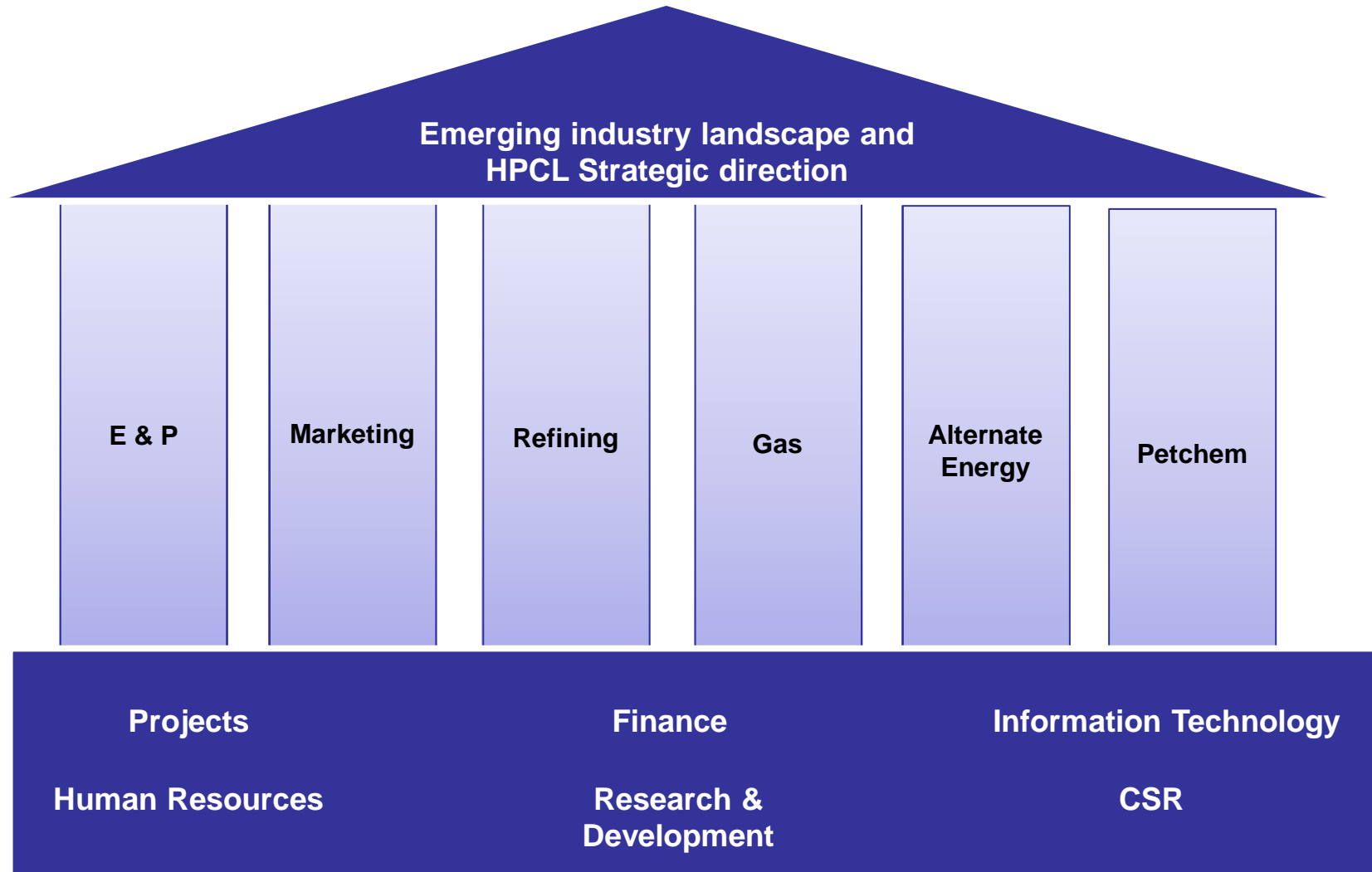
Central Procurement cell:



- Economy of Scale
- Standardization of Processes
- Effective Vendor Management



Vision 2030





Our strategy for the future



- 1 Strengthen the core of Refining & Marketing**
- 2 Aggressively pursue growth opportunities in the gas business**
- 3 Acquire upstream assets in domestic and international markets**
- 4 Expand to build Petrochemicals business**
- 5 Participate in the next wave of growth – solar / wind / others**



Thank you