



# **ASEAN & INDIAN Investors/Analysts Conference 2016**

**Indian Oil Corporation Ltd.**

**29<sup>th</sup> June 2016**

# Indian Oil Corporation: The Future of India Energy



**Strong Support from the Government of India**

- Maharatna Company; GoI Control: 58.57%
- Government nominated Directors on IOC Board
- Contribution to exchequer of US\$20 bn (INR 132064 crore ) in FY16



**Largest Refiner in the Country**

- 11 refineries with 80.7 MMTPA Capacity
- 35% of Domestic Refining Capacity



**Pan-India Pipeline Infrastructure**

- 11,700+ km pipelines for crude oil, products and natural gas with a total capacity of 80.6 MMTPA (35% capacity share)



**Leading Market Share Across Portfolio**

- 45.9% petroleum market share with over 45,200 touch points



**Integrated Operations Across the entire Energy Value Chain**

- 2nd largest domestic player in Petrochemicals
- E&P: 13 domestic and 10 overseas blocks



**Strong Focus on Innovation Through R&D and Alternate Energy Sources**

- Overall 454 patents as on 31.03.2016
- New focus on Alternate and Renewable Energy (Wind, Solar, Biofuels, Nuclear)



**Driven by a Management Team That has Delivered Results**

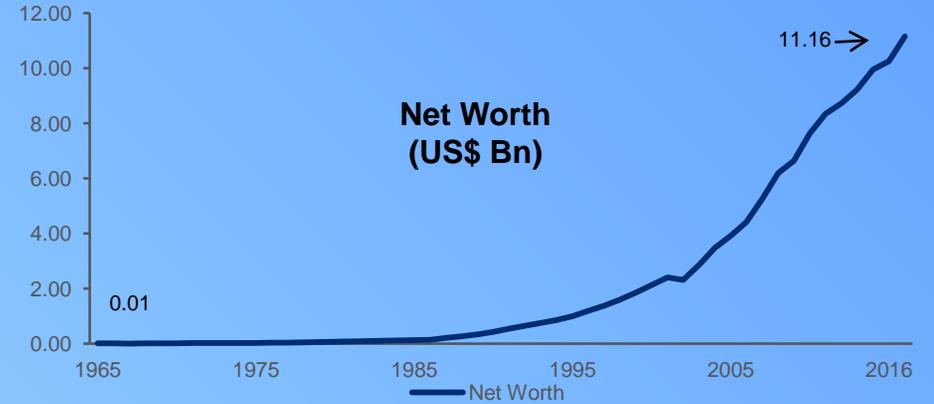
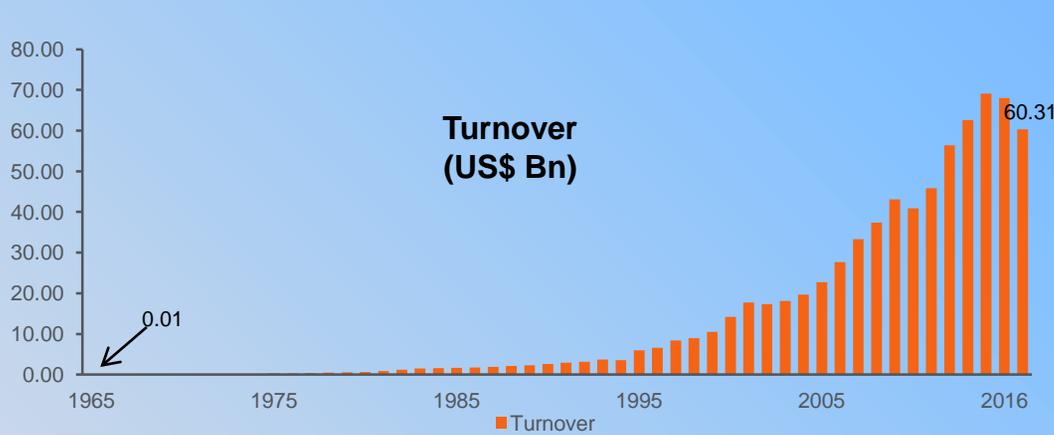
- Consistent growth and profitability
  - FY11-FY16 Revenue CAGR: 5.64%
  - Debt / Equity of 0.71x (as on March 31, 2016)



Note: Company Filings and Petroleum Planning and Analysis Cell (<http://ppac.org.in/>). USD-INR:66.26 (as on March 31, 2016)

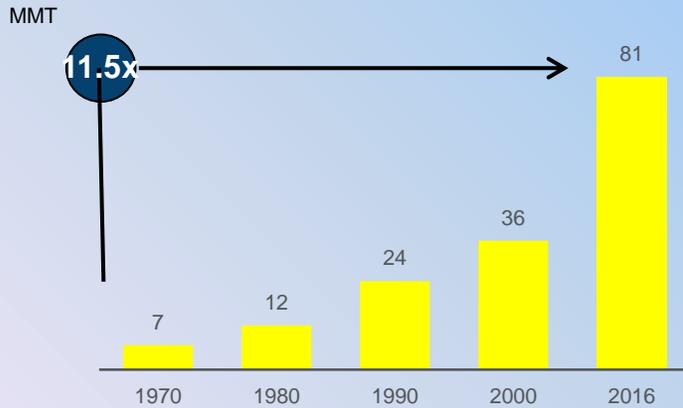
# Our Journey at a Glance

## From a humble beginning to an Oil Giant

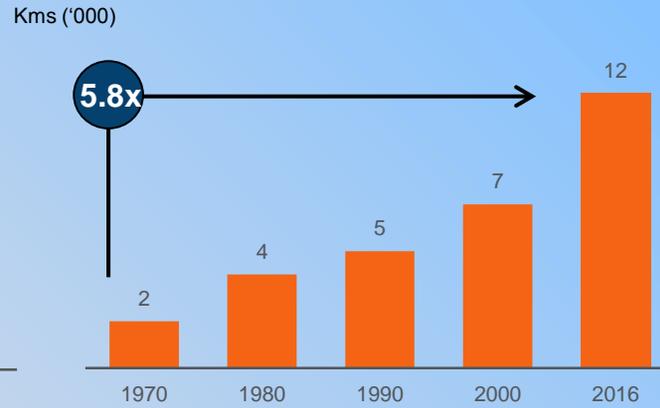


Source: Company Filings

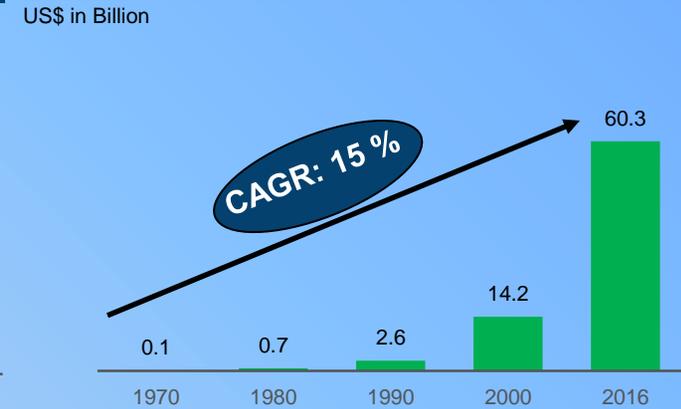
### Refining Capacity



### Pipeline Network



### Turnover



Note: IOC is ranked 66<sup>th</sup> as per Platt Rankings 2015.  
IOC is ranked 119 amongst Fortune Global 500 Companies in 2015.  
US\$-INR:66.26 (as on March 31,2016)

# Well Poised to Leverage Strong Industry Dynamics

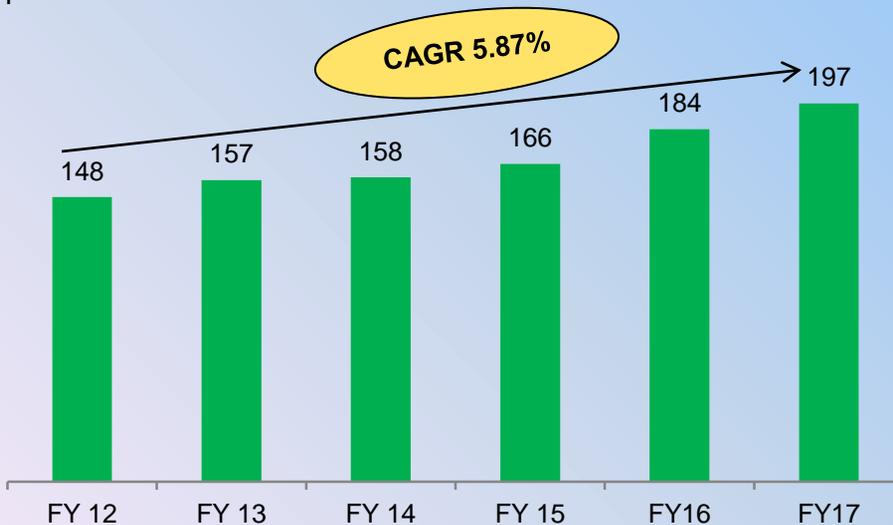
## India is Among the World's Fastest Growing Economies

GDP Growth	2014	2015	2016	2017 P
India	7.2%	7.3%	7.5%	7.5%
China	7.3%	6.9%	6.5%	6.2%
ASEAN-5	4.6%	4.8%	4.6%	5.1%
Brazil	0.1%	(3.8%)	(3.8%)	0.0%
Russia	0.7%	(3.7%)	(1.8%)	(0.8%)

Source: IMF World Economic Outlook, April 2016 (GDP at constant Prices)  
ASEAN-5: Indonesia, Malaysia, Philippines, Thailand & Vietnam

## Oil Consumption Trends Have Been Rising ...

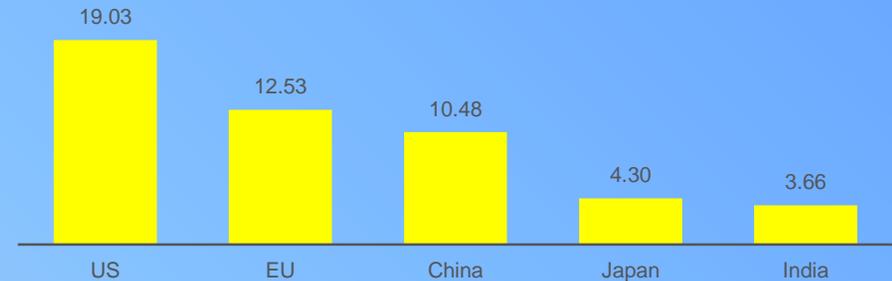
MMT



Source: Petroleum Planning and Analysis Cell, Ministry of Petroleum and Natural Gas, Govt. of India.  
Website viewed on 19 February 2016

## Low per Capita Oil Consumption Represents an Underpenetrated Opportunity...

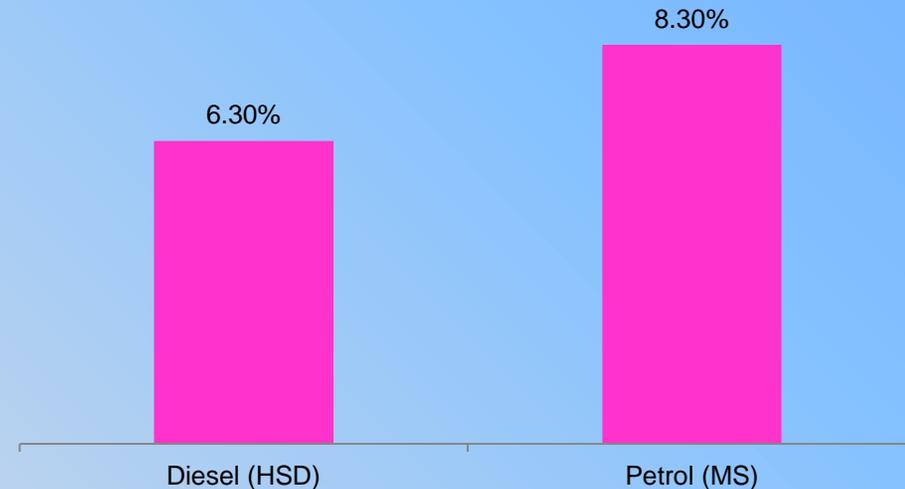
Consumption in million barrel per day



Source: CIA World Fact book (2014 Est.).-Website viewed on 25 June 2016

## ...With Strong Growth in Consumption Across Key Products

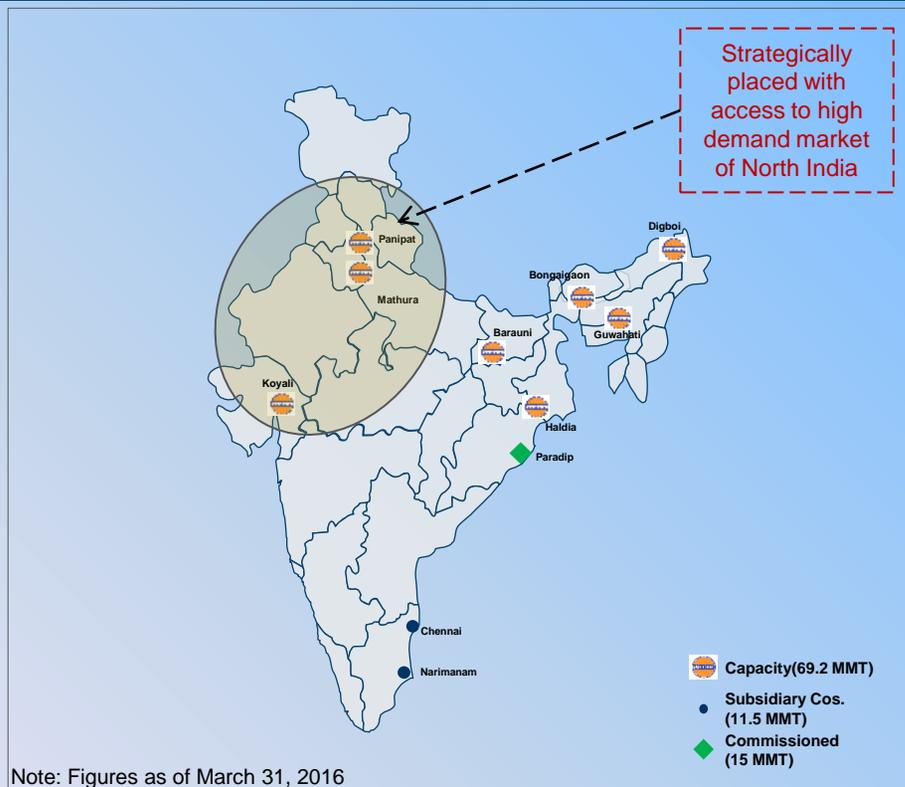
FY18 – FY22 E CAGR



Note: HSD: High Speed Diesel and MS: Motor Spirit  
Source: Petroleum Planning and Analysis Cell (<http://ppac.org.in/>).Website

# IOC - The Largest Refiner in India

## Strategic Presence With Access to High Demand Markets



## Importing Crude from Across the Globe



Total crude oil import: 52.44 MMT (including 8.5 MMT for CPCL)

Figures for FYE 2015

Source: Company Filing

## Leader in Refining Market Share<sup>(1)</sup>



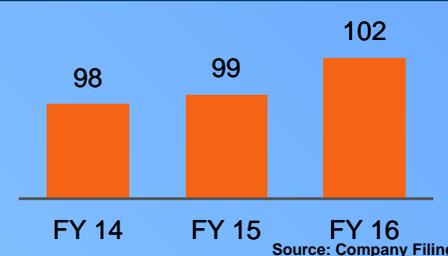
Note: Figures as of March 31, 2016

Source: PPAC website

## Refinery Throughput (MMT)

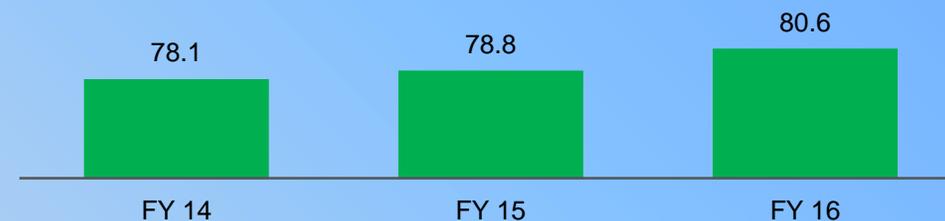


## Capacity Utilization (%)



Source: Company Filing

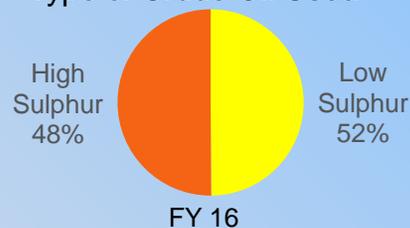
## Rising Distillate Yields (%)



Source: Company Filing

## With Strong Focus on Quality

### Type of Crude Oil Used



✓ All refineries Euro III / IV Compliant

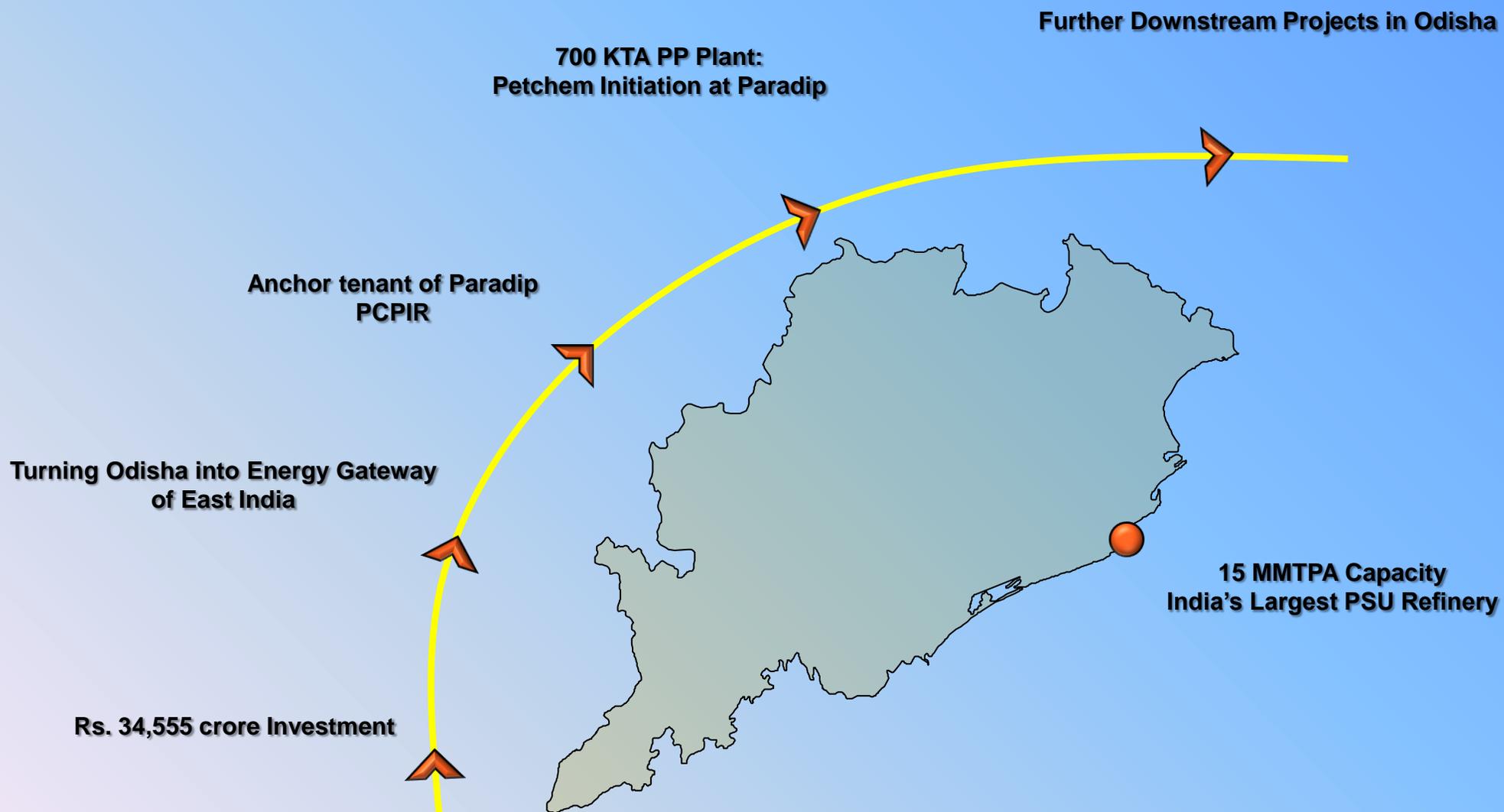
✓ Crude basket consists of around

182 grades

Note: All figures for the year ended March 31 of the respective years.

Source: Company Filing

# Paradip Refinery – Modern Marvel



Dedicated to the Nation by Hon'ble PM of India on 7<sup>th</sup> Feb 2016

# Paradip Refinery Project – Salient Features

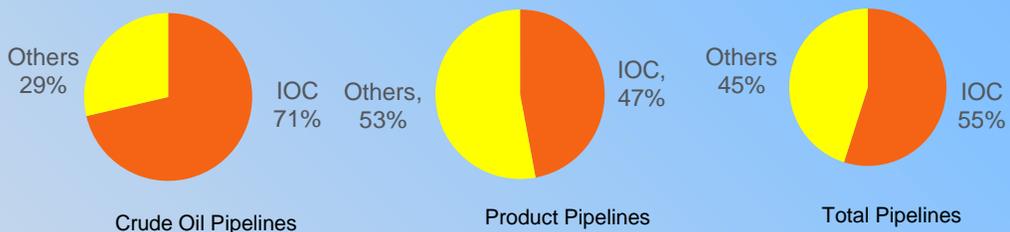
## Paradip Refinery: Augmenting IOC's Capacity

- 15 MMPTA Capacity: Increases IOC's total capacity by 28%
- One of the most modern refineries:
  - Largest refinery on the eastern coast
  - 100% HS including 40% Heavy
    - Ability to process toughest crude
  - Nelson Complexity Factor – 12.2
    - Superior secondary processing
- Product Slate : MS 26%, HSD 46%, LPG 5%, Petcoke 8%, ATF 3.5%
- Distillate Yield – 81%
  - Even with high percentage of heavy crudes
- Energy Index – 50 MBN
  - Among the best in the industry
- Dedicated to the nation by Honorable Prime Minister on 7<sup>th</sup> Feb'16. Capacity Utilization in 2015-16 : 40%



# Unparalleled Network of Cross Country Pipelines

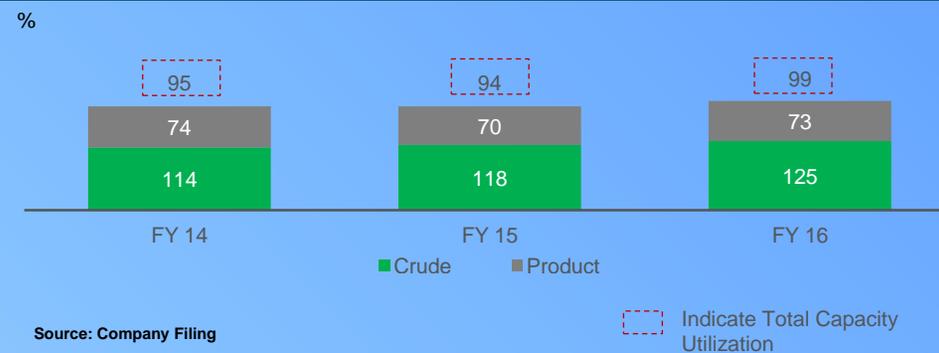
## Largest Pipeline Market Share - Downstream



Source: PPAC Website

Note: Figures as of March 31, 2016.

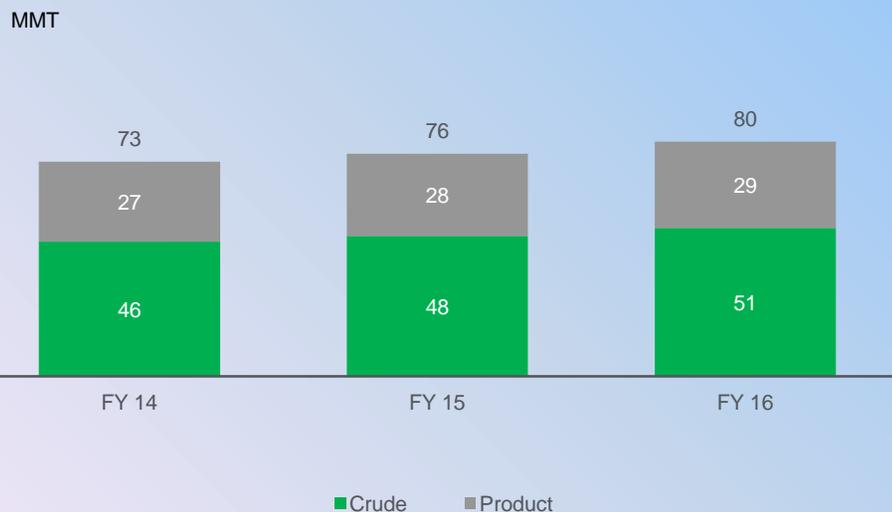
## Complete Capacity Utilization



Source: Company Filing

Indicate Total Capacity Utilization

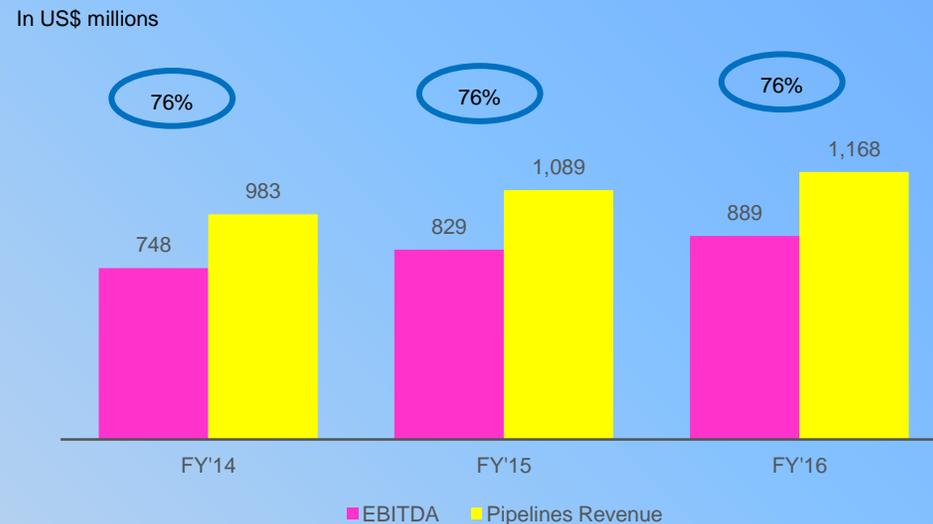
## Pipelines Throughput



Note: 1. MMSCMD – Million Metric Standard Cubic Meter per Day

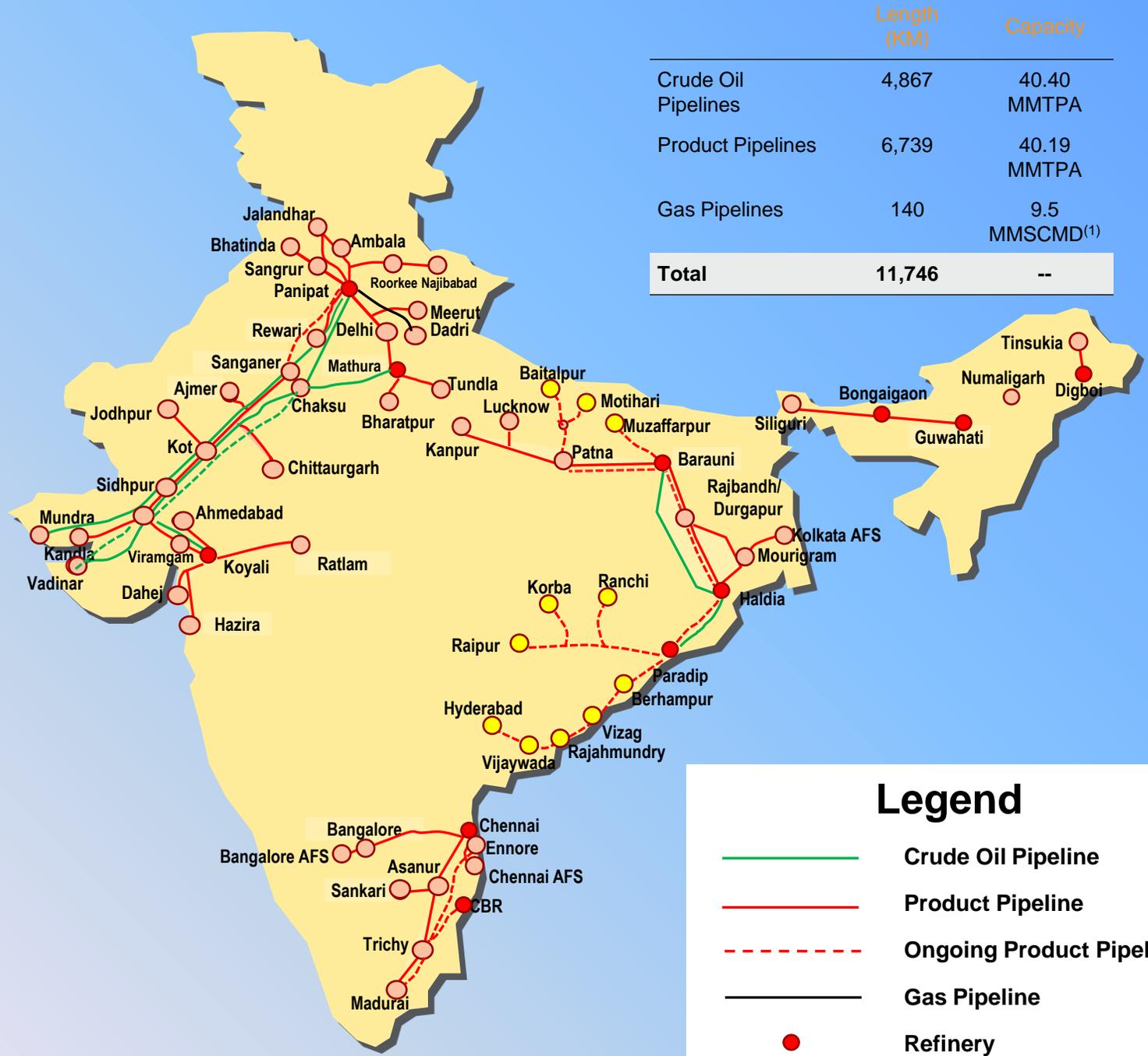
Source: Company Filing

## Steady Revenue Stream and Healthy EBITDA Margins



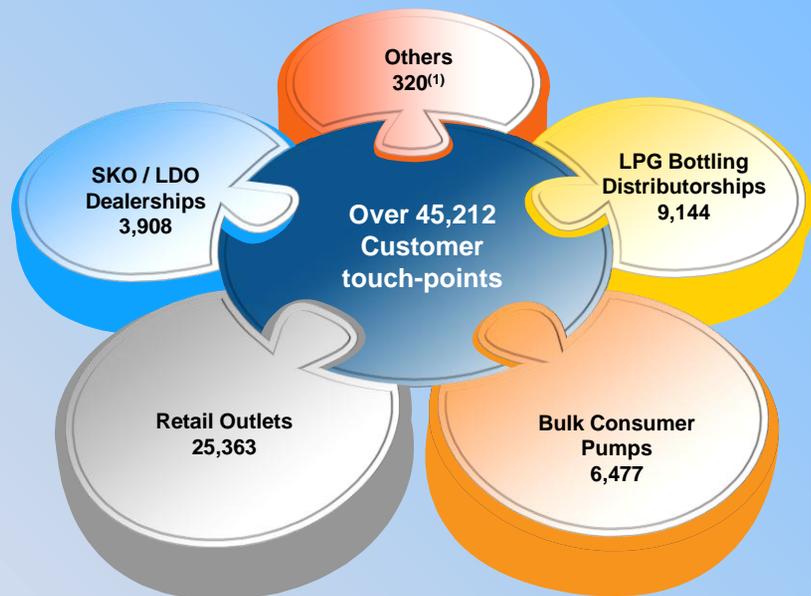
All figures for the year ended March 31 of the respective years.  
USD-INR:66.26 (as on March 31, 2016)

# Extensive Network of Cross Country Pipelines



# Marketing: Reach in Every Part of the Country

## Pan India Presence with Multiple Consumer Touch Points



All figures for the year ended March 31, 2016

Source: Company Filing

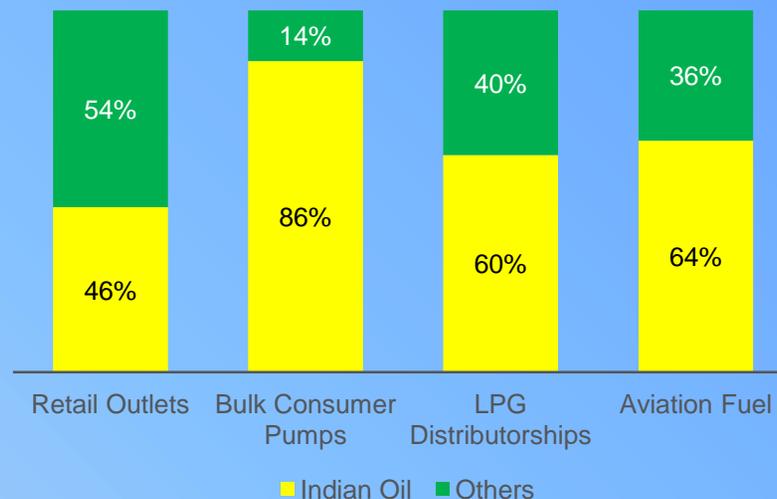
## Other Key Highlights

<b>Rural Thrust and Penetration</b>	<ul style="list-style-type: none"> <li>✓ 6,691 Kisan Sevak Kendras (KSK)</li> <li>✓ 13.9% of total sales in 2015-16 through KSKs</li> </ul>
<b>LPG</b>	<ul style="list-style-type: none"> <li>✓ Supply to over 99 million households</li> </ul>
<b>Petroleum Product Market Share</b>	<ul style="list-style-type: none"> <li>✓ 45.9% share in petroleum products</li> </ul>

Note: (1) Others includes Aviation Fuel Stations, Terminals, Depots and LPG Bottling Plants.

Source: Company Filing

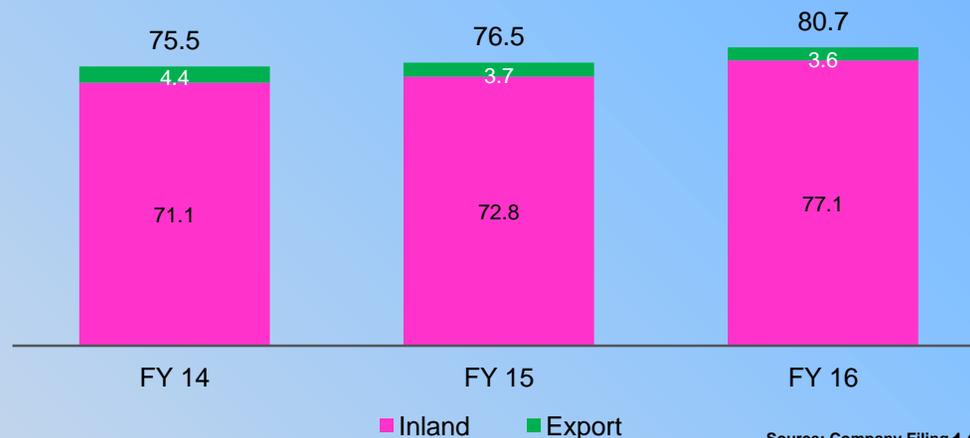
## Leader in Market Infrastructure



Source: Company Filing & PPAC Website

## Operating Highlights (Inland / Export Mix)

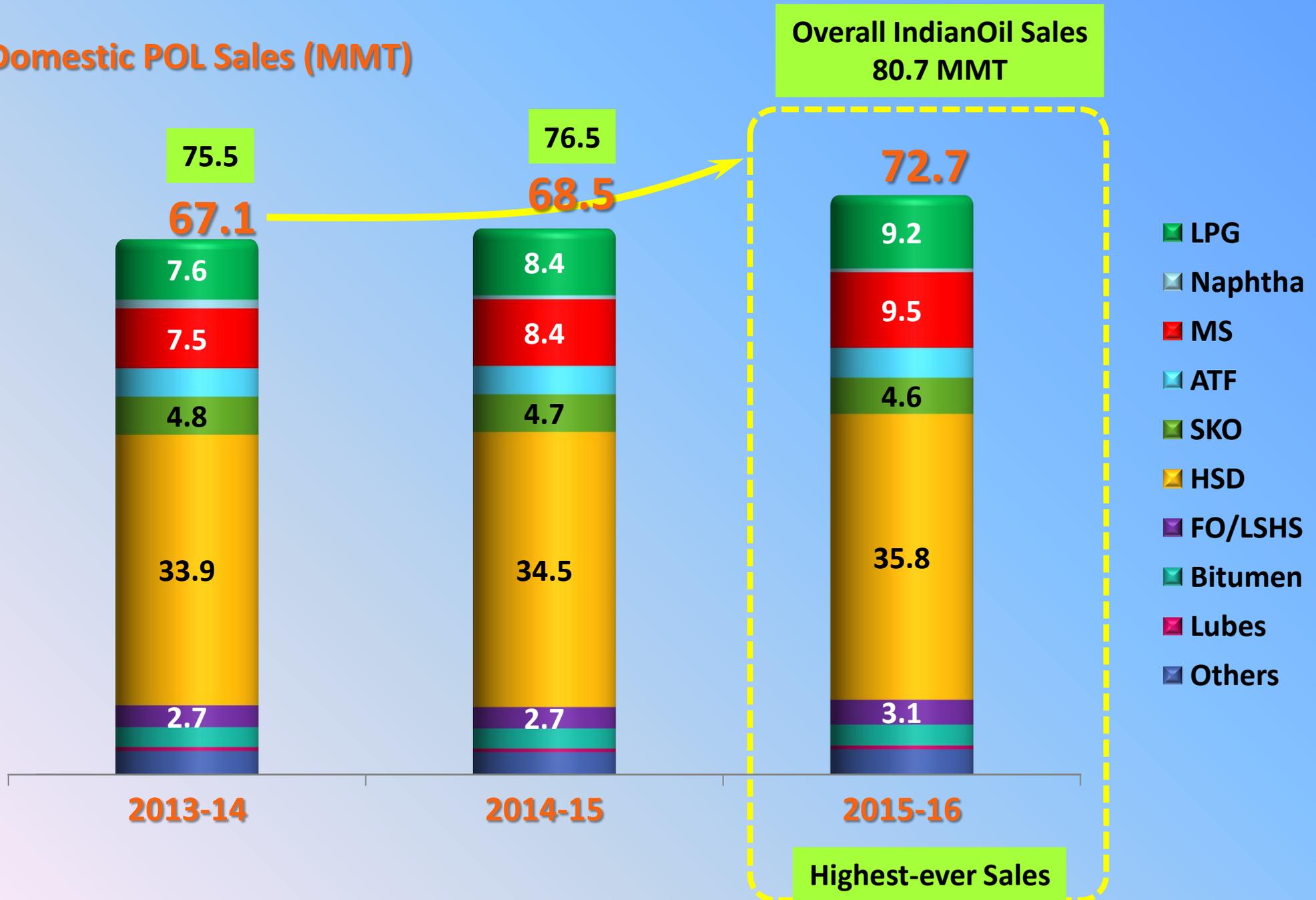
Sales (MMT)



Source: Company Filing 10

# Unparalleled Sales

## Domestic POL Sales (MMT)



Maintaining Leadership with 45.9% Market Share

# Diversified Base of Customers & Renowned Product Slate

Diversified Products & Brands

## Branded Products



## Branded Services



Kisan Seva Kendra outlets for extending rural reach

Diversified Customer Base



Retail Outlet at Boat house

- The turnover growth is insulated from the cyclical demand fluctuations due to diversified customer base

# Moving Beyond the Traditional Value Chain



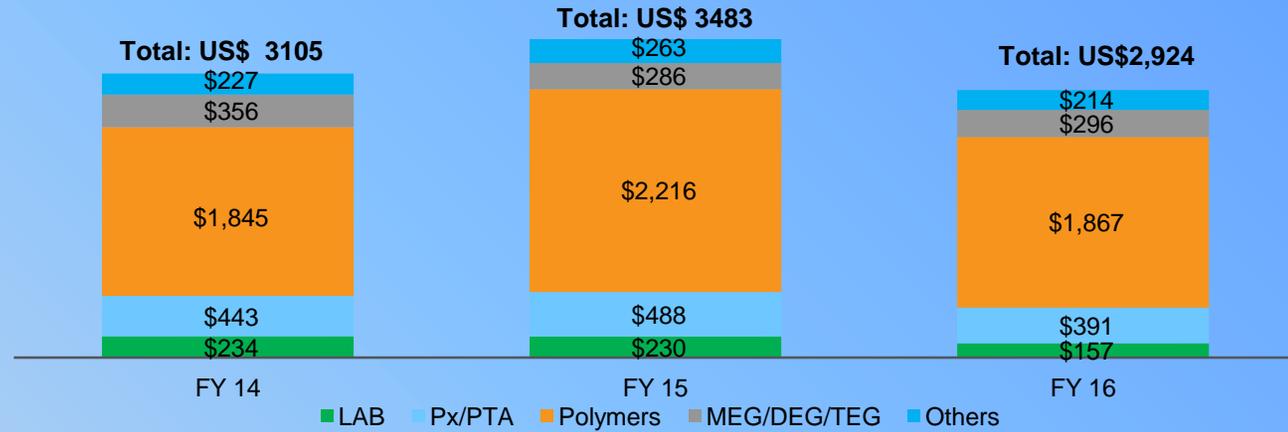
# Leading Producer of Petrochemical Products

## Capacity

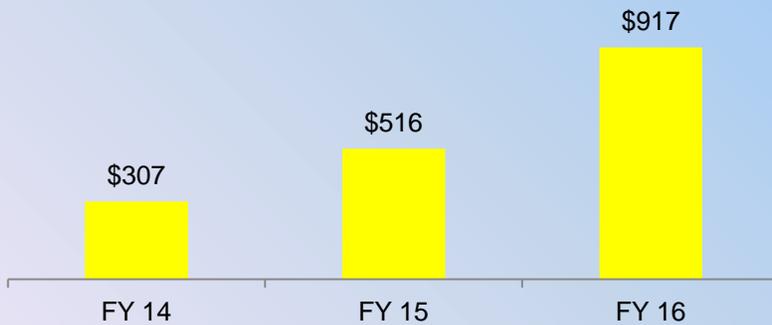
Project	Capacity (MT)	Capex (US\$m)
Guajarat LAB	120,000	175
Styrene Butadiene Rubber Plant	120 KTA	150
Panipat Px / PTA	553,000	508
Panipat Naphtha Cracker	1,460,000	2337

Source: Company Filing

## Sales Breakup (in US\$ millions)



## EBITDA (in US\$ millions)



US\$-INR: 66.2600 (as on March 31, 2016)

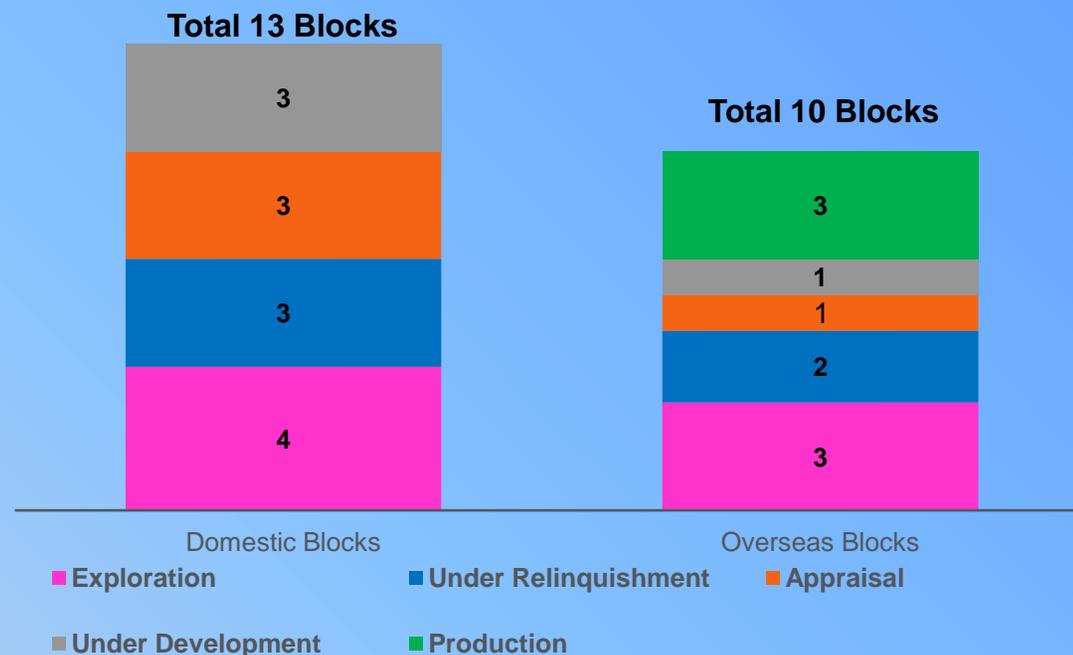
Source: Company Filing

# Backward Integration Through E&P

## IOC: E&P Capabilities

- Stake in 23 exploration blocks
- 13 Domestic blocks
  - With ONGC / OIL / GAIL / GSPC / Petrogas / HPCL / HOEC / AWEL (20% -100% participating interest)
    - Including 2 Coal Bed Methane blocks with ONGC (20% participating interest)
- 10 International blocks
  - Libya (3), Yemen (2) , Nigeria (1), Gabon (1), Venezuela (1) , USA (1) & Canada (1)

## Status of Domestic and Overseas Blocks



All figures for the year ended March 31, 2016

## Recent Developments on E&P

- Increasing Equity Oil and Gas Production.
- New Assets
  - Talisman Asset in Canada
  - MOU for stake in Roseneft's Russian Assets
  - Won Bid for On shore Block in Mozambique, Africa (with partner Delonex Energy)



*A view of the drilling site at IOC Khambhat 1*

All figures for the year ended March 31, 2016.

# E&P – Overseas Producing Blocks

## Pacific NorthWest LNG, Canada

Acquired in 2013

Approved Investment : US\$ 3003 Mn

Cumulative Investment:  
US\$ 1.365 billion  
(as on 31.03.2016)

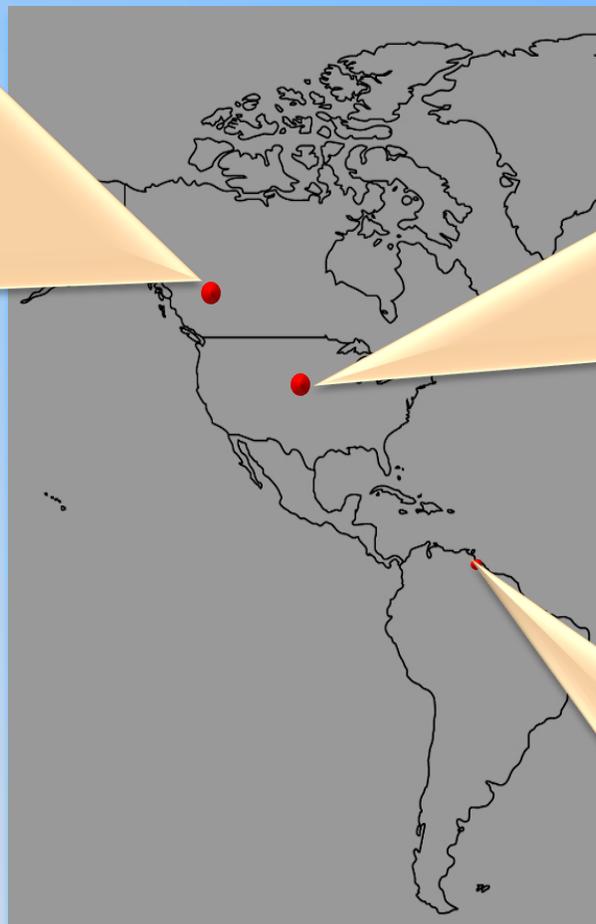
Potential Reserves: 52.77 Tcf  
2P Reserves: 19 Tcf  
1P Reserves: 4.5 Tcf

**IndianOil Share:**  
Reserves 10%

LNG Terminal Off take:  
1.2 MMTPA – exports by 2020

Cumulative Production: 8558 Mboe

Cumulative Revenue:  
\$109.5 million as on 31.03.2016



## Niobrara Shale Asset, USA

Acquired in 2012

Approved Investment : US\$132.72 Mn

Cumulative Indian Oil Investment US  
\$79.88 Mn

2P Reserves: 34 MMboe

**IndianOil Share:**  
10% ( 3.4 Mmboe)

Cumulative Production: 628 Mboe  
Cumulative Revenue:  
US\$ 24.55 million  
(as on 31.03.2016)

## Carabobo Project-1, Venezuela

Acquired in 2010

Cumulative Indian Oil Investment US  
\$57.64 Mn

Reserves : 3 Billion barrels

**IndianOil Share:**  
3.5% (106 Mmboe/ 14.42 MMT)

# Diversified Across Geographies and Energy Sources

## Geographical Diversification

**IndianOil Mauritius Ltd. (IOML)**  
(100% Stake)

- Aviation, terminal & retail business
- 24,000 MT Storage Terminal
- Market Share : 25.2%



**Lanka IOC Plc.**  
(75.1% Stake)

- Storage, terminal & retail business
- 181 retail outlets
- Sales Volume growth 16%.
- Growth in PAT 19%



**IOC Middle East FZE**  
(100% Stake)

- Marketing of Lubes



## Diversification Across Sources

**Gas**



- JV for City Gas Distribution with presence in 9 GAs
- 5 MMTPA LNG import, storage and re-gassification terminal planned at Ennore
- Ennore –Tuticorin Pipeline (1175 km)

**Wind Power**



- Current Wind Power Capacity 69.3 MW
- 4 Plants totalling 98.3 MW capacity under progress.
- Cumulative Revenues Rs. 274 crores

**Solar**



- Solar Power Capacity 6.1 MW
- Over 4200 RO's solarised.

Note: Other overseas subsidiaries include IOC Sweden AB, IOC (USA) Inc. and IndOil Global B.V. Netherland (facilitating overseas upstream operations)

All figures for the year ended March 31, 2016

# Strong Focus on Research and Development

## Focus on Products & Technology

<b>INDMAX</b>	<ul style="list-style-type: none"> <li>Technology developed to maximize light distillates from refinery residue</li> </ul>	<b>Indane NANOCUT LPG</b>	<ul style="list-style-type: none"> <li>Hi-therm LPG based metal cutting gas</li> <li>Improved efficiency and safety standards</li> </ul>
<b>Diesel Hydro treating</b>	<ul style="list-style-type: none"> <li>Commercialized 1.2 MMTPA grass-root DHDT facility in Bongaigaon</li> </ul>	<b>Railroad Oils</b>	<ul style="list-style-type: none"> <li>1st in India to introduce multi-grade railroad oil to Indian Railways - significant fuel and oil savings</li> </ul>
<b>Naphtha Isomerization</b>	<ul style="list-style-type: none"> <li>Retrofitting of Bongaigaon refinery for producing Euro-III/IV motor spirit</li> </ul>	<b>Marine Oils</b>	<ul style="list-style-type: none"> <li>One of six companies to develop "OEM Approved Marine Technology Equipment"</li> </ul>
<b>Fuel Efficient Engine Oils</b>	<ul style="list-style-type: none"> <li>Commercialization of R&amp;D developed fuel efficient engine oil for gasoline &amp; diesel car</li> </ul>	<b>Hot Rolling Oils</b>	<ul style="list-style-type: none"> <li>Commercialization of R&amp;D developed energy efficient hot rolling oil in association with RDCIS in steel plants</li> </ul>

## Collaborations



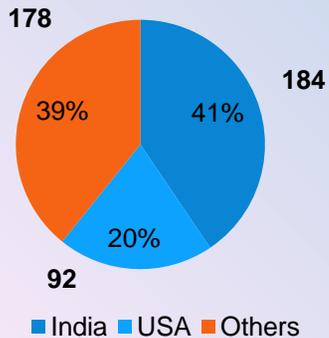
Game-changing technology for Conversion of CO<sub>2</sub> to value added products



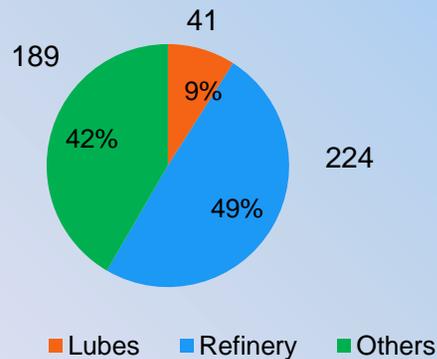
Conversion of Carbon dioxide to chemicals

## Active Patents Portfolio

As on March 31, 2016  
By Geography



By Division



Total Patents: 454

## Investments in Research & Development

**Indalin:** Technology for conversion of naphtha to light olefins, LPG & aromatic rich gasoline; feasibility under study

**Delayed Coking:** Thermal cracking technology for conversion of long/short residue to distillates. Partnership with Engineers India Limited

**Octamax:** Technology for dimerization of cracked C4 to high octane (RON) component for Euro IV/V gasoline

**FCC Catalyst Additives:** CO - Combustion promoter, Coke Reduction Additive, Residue Upgradation Additive for bottom Upgradation

**DHDS / DHDT Catalysts:** Demonstrated at CPCL for ULSD in 2009. Partnership with Sud-Chemie India Limited (SCIL)

**Vegetable Oil co-processing in DHDT:** Successful technology demonstrated in 2013 including demetallation of vegetable oil

# INDMAX – A New Era

## INDMAX: INDane MAXimization

IndianOil R&D's "Make In India" Initiative

Indigenously developed technology to bridge India's LPG Deficit

Over 2 times LPG yield over regular FCC

Flexibility to cater to Seasonal Demand: LPG/ MS/ HSD Mode

High Octane MS (97-98 RON) production

**INDMAX unit being installed at Bongaigaon refinery as well**



# Investing In Future Growth

## Major Ongoing Projects

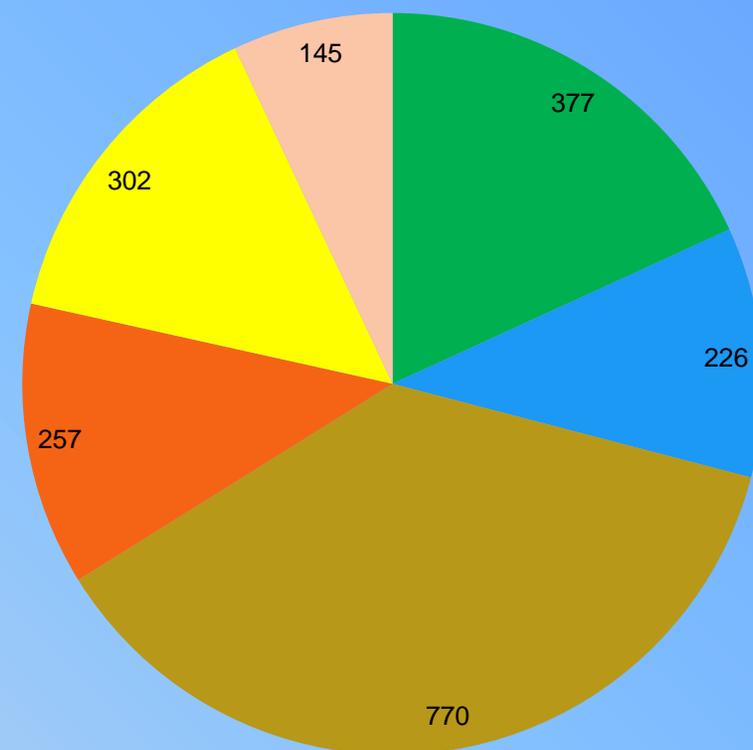
Project	Estimated Cost (US\$ mn)	Anticipated Completion
Ennore LNG Terminal	774	2018-19
Paradip Raipur Ranchi Pipeline	271	2017-18
Paradip-Haldia-Durgapur LPG Pipeline and ext. to Muzaffarpur	275	2019-20
Polypropylene unit at Paradip	475	Sep-17
Distillate Yield Improvement at Haldia	464	Sep-17
Paradip-Hyderabad Pipeline (1150 km, 4.5 MMTPA)	350	2019-20

## Major Capex approved in 2015-16

Project	Estimated Cost (US\$ mn)
INDMAX unit at BGR	390
BS-IV Project Gujarat Refinery	140
98.3 MW Wind Power Plant	98
Styrene Recovery Unit (20 KTA) and modification of Py-Gas splitter at Panipat	37

## Planned Capital Expenditure Outlay<sup>(1)</sup> (2016-17)

(US\$ millions)



■ Refining ■ Pipelines ■ Marketing ■ Petrochemicals ■ E & P ■ Others

## Management Team



**B. Ashok**  
*Chairman*  
Over 33 Year Experience

- Handled all aspect of marketing activities. Also headed the overseas business of IndianOil in South East Asia.
- Mechanical Engineer from College of Engineering, Madras and Management diploma from MDI, Gurgaon.



**Sanjiv Singh**  
*Director (Refineries)*  
30+ Year Experience

- Previously heading the upcoming Paradip refinery project of IndianOil. Also worked with centre for High technology and with Nigeria Petroleum National Company.

- Chemical engineer from IIT Roorkee



**Debasis Sen**  
*Director (Planning & Business Development)*  
35+ Year Experience

- Possesses rich experience of all aspects of petroleum product marketing including brand building, customer segmentation, niche marketing etc.

- Mechanical engineer from Jadavpur University. Advance course in Lubes & Fuels from IIP Dehradun.



**A K Sharma**  
*Director (Finance)*  
32+ Year Experience

- Handled various assignments in finance functions. Was at the forefront of treasury operations to raise funds for IOC. Credited for issuing the first ever foreign currency bonds of IndianOil in the international market.

- Chartered Accountant (CA) by profession. Also possesses law degree.



**Verghese Cherian**  
*Director (HR)*  
32+ Year Experience

- Possesses a rich and comprehensive experience in human resource discipline in various positions at IndianOil. Also headed IIPM, an apex training centre of IndianOil

- Post graduate in Social Work (MSW).



**Anish Agarwal**  
*Director (Pipelines)*  
36+ Year Experience

- Has held various important portfolios in Pipelines, and has worked in various disciplines like operations, maintenance, engineering services, projects, etc.

- Electronics engineer from Punjab Engineering college and Executive MBA from MDI, Gurgaon.



**B S Canth**  
*Director (Marketing)*  
32+ Year Experience

- Has held several key portfolios including sales, operations, human resources etc. Has made significant contribution as a member of Retail Advisory Committee.

- PG in Personal Management & Industrial Relations and a Law graduate.

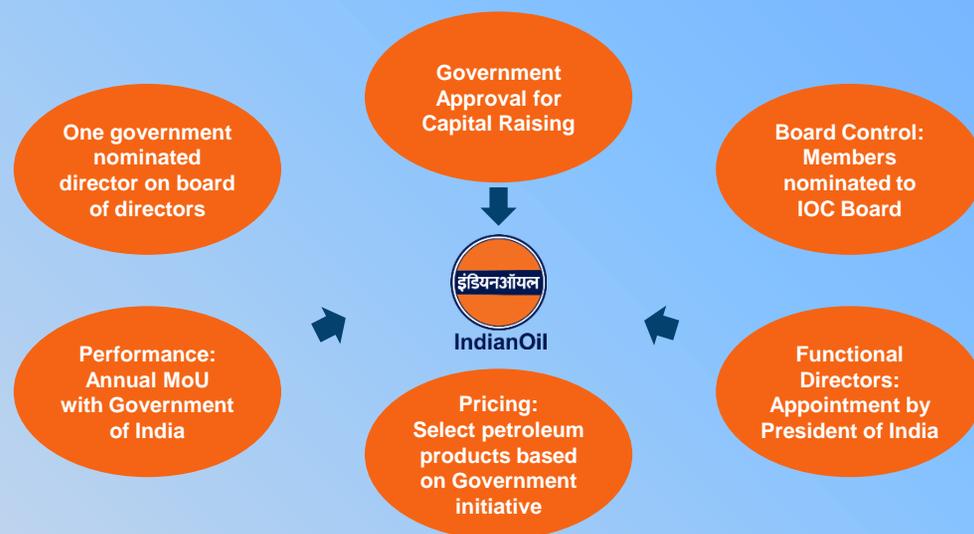
## Contribution to Exchequer (in US\$ billions)



US\$-INR: 66.26 (as on 31 March 2016)

Source: Company Filing

## Strong Support From the Government of India



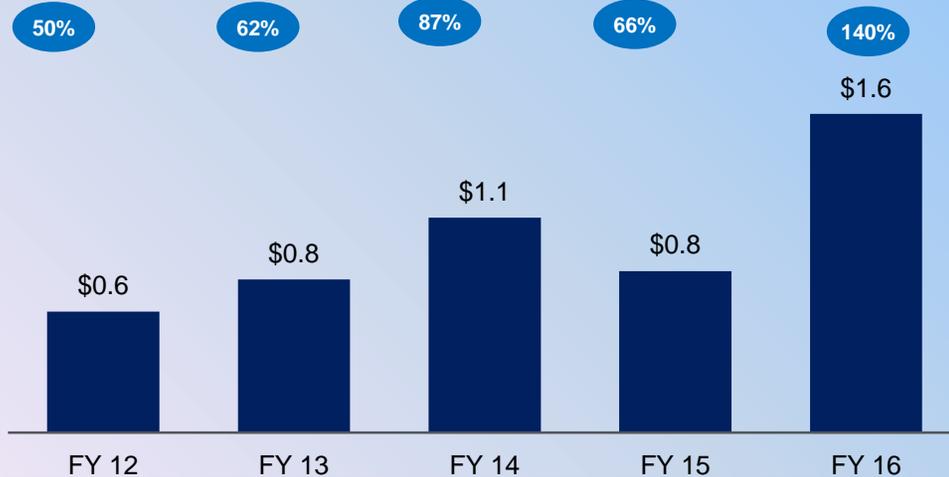
# Our Differentiators: Strong Financials

## Turnover (in US\$ billions)



Reduction in turnover during FY16 is due to reduction in product prices

## Net Profit (in US\$ billions) and Dividends (%)



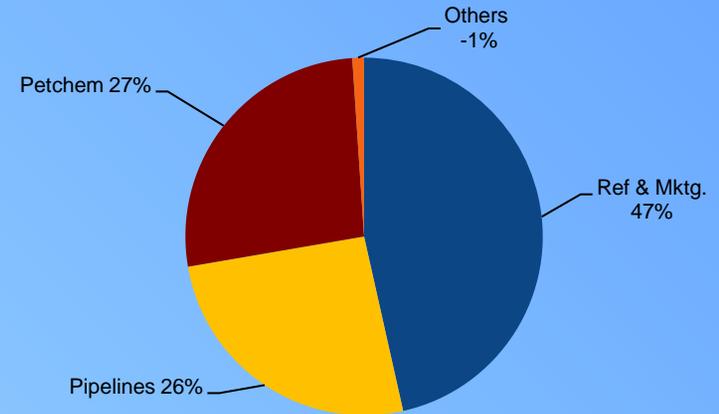
Reduction in FY12 due to entry tax on crude oil in Mathura Refinery  
Reduction in FY15 due to exceptional inventory loss (US\$ 2.35 bn)

Exchange Rate 1USD= INR 66.2600

Dividend Paid (% face value)

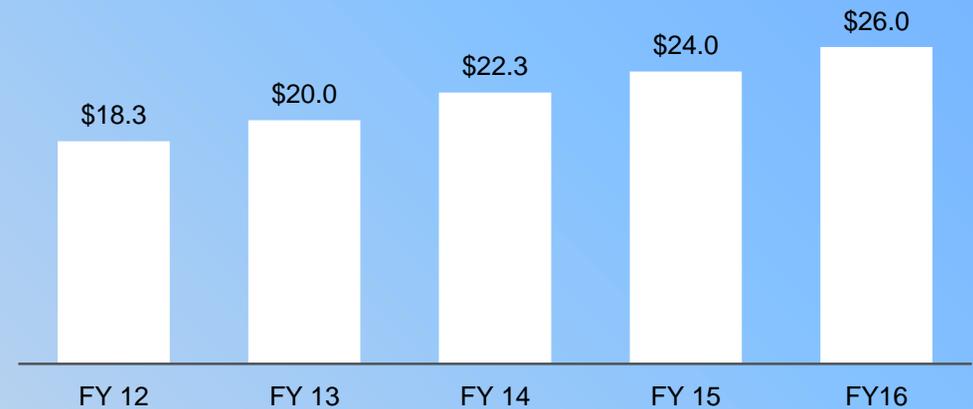
Source: All figures Company Filing

## EBITDA (%)



Contribution to FY16 EBITDA

## Asset Base<sup>(1)</sup> (in US\$ billions)



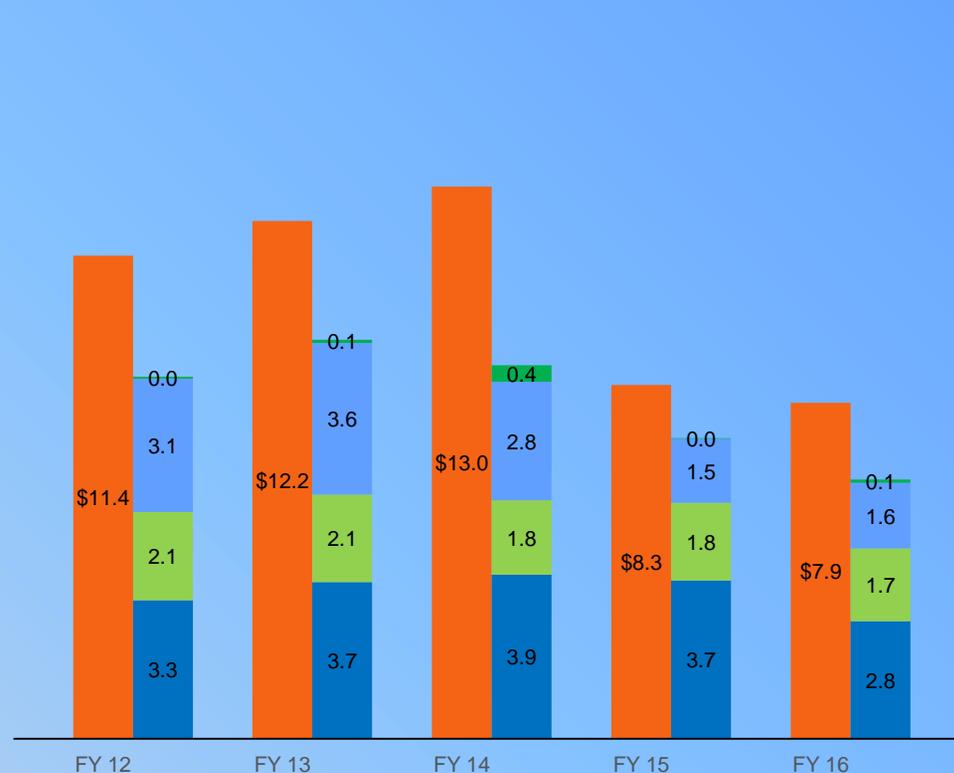
Note: (1) Comprises of Gross Fixed Assets and Capital WIP.

# Our Differentiators: Strong Financials

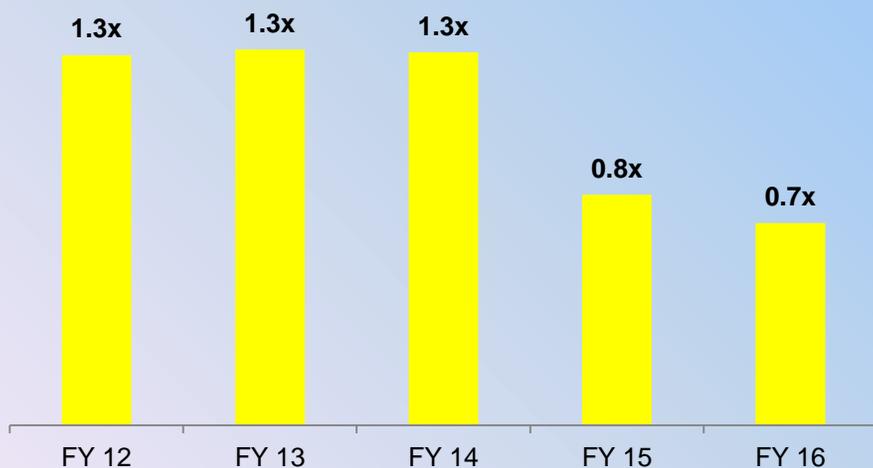
### Net Worth (in US\$ billions)



### Cash breakdown & Debt (in US\$ billions)



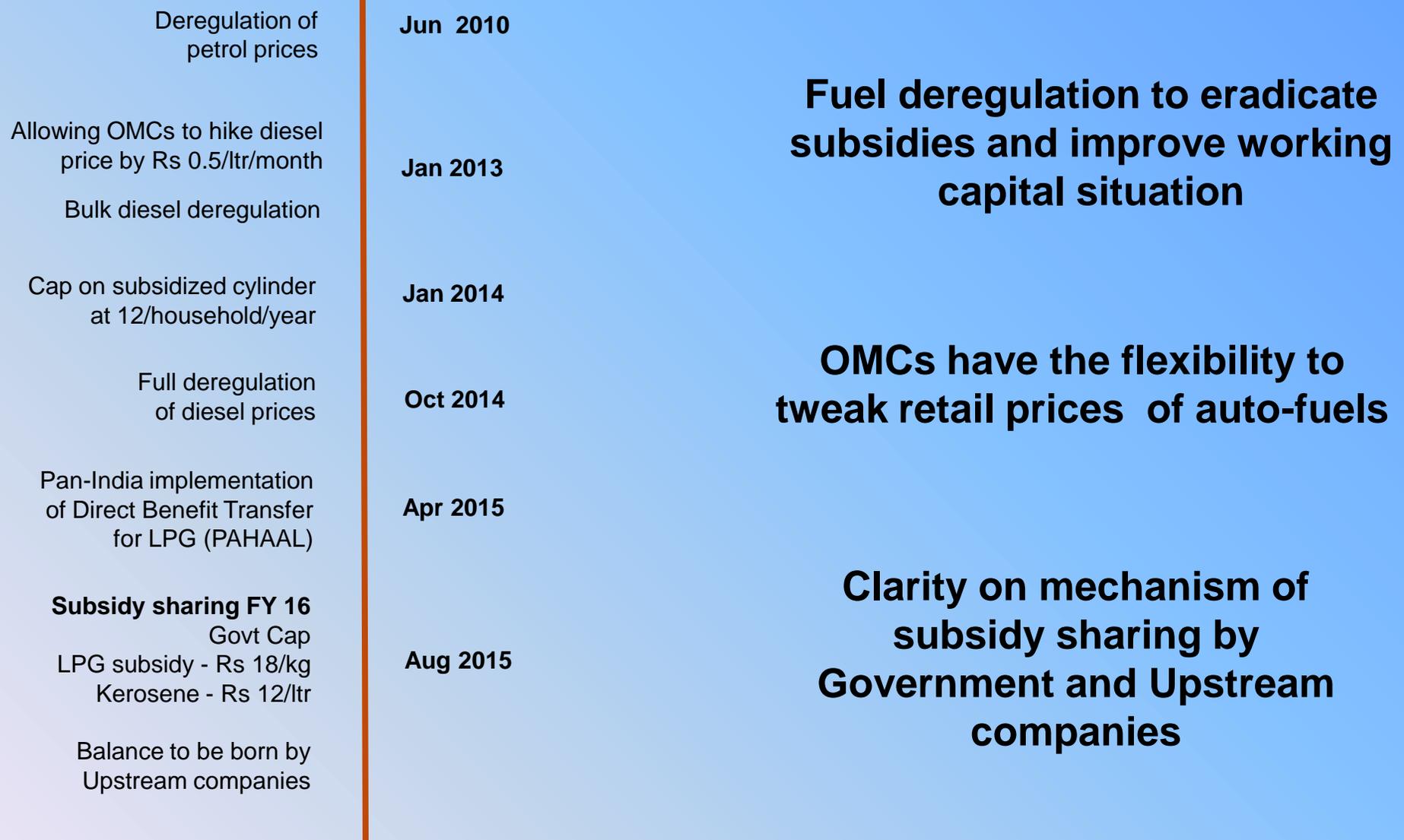
### Debt / Equity



US\$-INR: 66.2600 (as on March 31, 2016)

(1) Special Oil Bonds received from Government of India in lieu of compensation till the year FY 2009.

# Path to Fuel deregulation



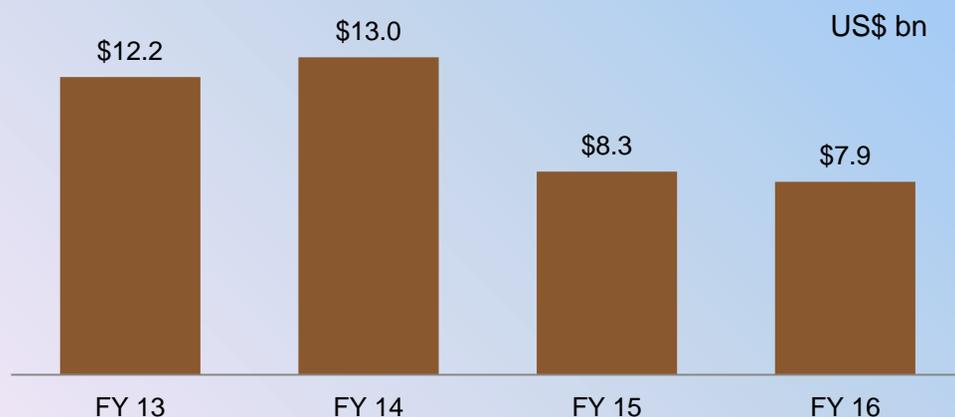
# Under Realization & Compensation

## Finalization of Under Recovery Sharing on Annual Basis

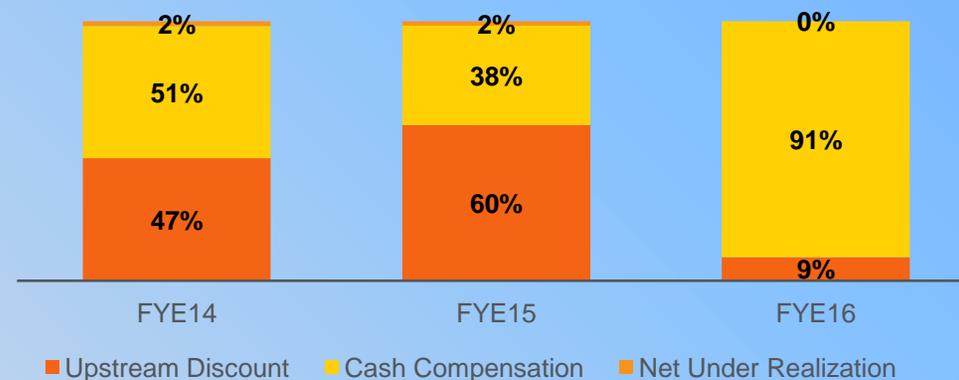
(in US\$ billion)

	FY 14	FY 15	FY 16
<b>Gross Under – realization</b>	<b>11.0</b>	<b>6.0</b>	<b>1.1</b>
Upstream Discount	5.2	3.6	0.1
Cash Compensation	5.6	2.3	1.0
Net Under - realization	0.2	0.1	0.0

### Reduction in Debt Level – a by-product of fall in prices



### Burden of Under – Recovery Sharing



US\$-INR: 66.26 (as on Mar 31, 2016)

Source: All figures Company Filing

# Conclusion

**India's Largest Oil Company**

**...Focused on Creating Shareholder Value**

- 1** • Largest Refiner in the Country
- 2** • Pan-India Pipeline Infrastructure
- 3** • Leading Market Share Across the Portfolio
- 4** • Integrated Operations Across the entire Energy Value Chain
- 5** • Strong Focus on Innovation Through R&D and Alternate Energy Sources
- 6** • Driven by a Management Team That has Delivered Results
- 7** • With Strong Support from the Government of India

# Key Risk Factors

- Fluctuations in commodity prices (e.g. crude oil)

- Fluctuation in exchange rates (INR – US\$)

- Fluctuations in global petroleum product prices

- Change in operating & distillate yields and impact on gross refining margins

- Impact of Government subsidy and other policies

- Risk associated with expansion and diversification of business including joint ventures and new ventures e.g. Bio fuels / Nuclear / Solar