Annual Press Conference 2016

Indian Oil Corporation Ltd.

27th May 2016

Presentation Structure

- Journey to become the "Energy of India"
- Macro Picture
- Record Performance
- Projects
- Care: A Core Value
- Financials

Journey to become the
"Energy of India"

Over the Years

New Vision in 2009:
To become the *"Energy of India"*

Pre-1999

Midstream
- Refineries
- Pipelines

Downstream
- Marketing

Research & Development

1999

1[st] Vision

Post-1999

Midstream
- Refineries
- Pipelines

Downstream
- Marketing

Research & Development

New Business

Petrochemicals

Gas

E&P

2009

New Shared Vision

Post-2009

Upstream
- Exploration & Production

Midstream
- Refineries
- Pipelines

Downstream
- Marketing
- Petrochemicals
- Gas

Research & Development

New Business

Alternate Energy

Pre-1999 – Consolidating Downstream Leadership

IndianOil

1st September 1964: The Journey Begins...

As on 31.03.1965	
Ref. Capacity	1.75 MMTPA
PL Length	426 km
PL Capacity	0.5 MMTPA
POL Sales	1.71 million KL
No. of ROs	721
Indane Cust.	0.01 crore
Revenue	Rs. 77.82 crore
PAT	Rs. 0.76 crore

Refineries

- Capacity Addition: 30 MMTPA
- New Refineries: 5 (inc. AOD)

Pipelines

- New Length: ~6,200 km
- Capacity Addition: 37.7 MMTPA

Marketing

- New ROs: 6,200
- New Indane Customers: 1.9 crore

R&D

- R&D Centre established in 1972
- One of the largest in Asia – Pioneering Innovation

Pre-1999 Milestones:

India's Largest Commercial Enterprise | **Becomes India's only Fortune Global 500 firm** | **Elite Navratna Status Accorded in 1997**

1999-2009 – Spreading Wings

IndianOil

1st Vision:
To become a major, diversified, transnational energy company, with national leadership and a strong environment conscience, playing a national role in oil security and public distribution

As on 31.03.1999	
Ref. Capacity	32.6 MMTPA
PL Length	6,628 km
PL Capacity	38.2 MMTPA
POL Sales	46.1 MMT
No. of ROs	6,954
Indane Cust.	1.92 crore
Revenue	Rs. 69,430 crore
PAT	Rs. 2,214 crore

Refineries	• Capacity Addition: ~28 MMTPA (inc. CPCL and BRPL)
Pipelines	• New Length: 3,700 km (Cap. 33 MMTPA) • Foray into LPG pipelines
Marketing	• New ROs: 11,000 • New Indane Customers: 3.3 crore
R&D	• Turning R&D to technology research centre • Pilot INDMAX unit at Guwahati refinery
Petrochemicals	• 120 KTA LAB Plant • Foundation of Panipat Naphtha Cracker
Gas	• Foray into CGD through JV Green Gas • Pioneered "LNG at Doorstep" in India
E&P	• Won blocks through NELP
AE&SD	• 1st Wind Power plant at Kutch, Gujarat
Overseas	• Initiation of Lanka IOC and IOML operations

Post-2009 – Enroute to becoming *"Energy of India"*

IndianOil

New Vision:
To become the "Energy of India"

As on 31.03.2009	
Ref. Capacity	60.2 MMTPA
PL Length	10,329 km
PL Capacity	71.6 MMTPA
POL Sales	66.2 MMT
No. of ROs	18,278
Indane Cust.	5.29 crore
Revenue	Rs. 2,85,337 crore
PAT	Rs. 2,950 crore

Refineries	• Capacity Build-up of 20 MMTPA • Commissioning of Paradip Refinery
Pipelines	• New Length: 900 km (Cap. ~9 MMTPA) • Foray into Natural Gas pipelines
Marketing	• New ROs: 7,000 • New Indane Customers: 4.5 crore
R&D	• INDMAX Commercialization • Alternate Energy and CO_2 tech Research
Petrochemicals	• Commissioned Panipat Naphtha Cracker • Entry into niche Petrochemicals - SBR
Gas	• Setting up 5 MMTPA LNG import at Ennore • Expanding presence across Gas value chain
E&P	• Equity acquisition in overseas blocks • 1st equity oil production for IndianOil
AE&SD	• Further expansion into Alternate energy • Major push towards sustainability
Overseas	• IOML and Lanka IOC – prominent players • Exploring opportunities in target markets

Maharatna Enterprise since 2010

Journey So Far

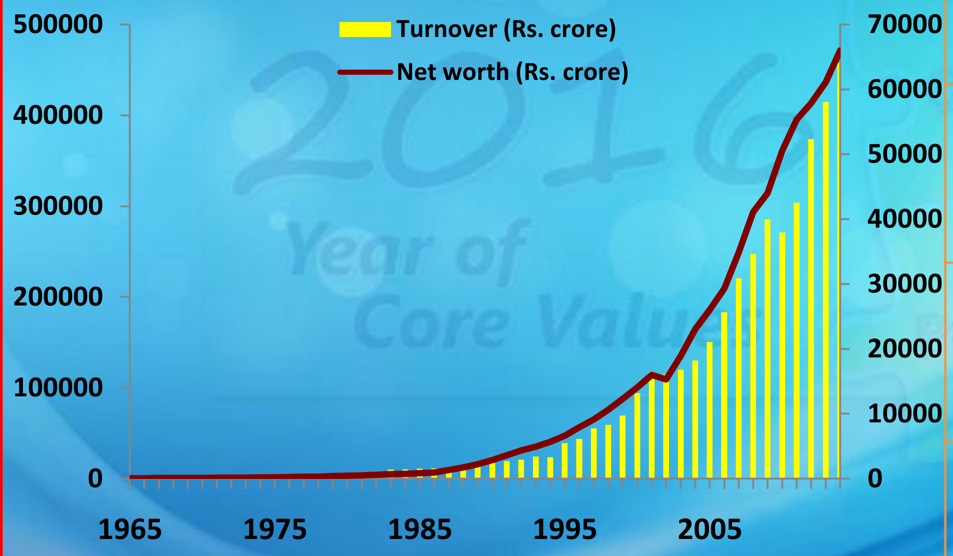
IndianOil

NOW

Then

Pre-1999

- Refineries
- Pipelines
- Marketing
- R&D



New Business

- Petrochemicals
- Natural Gas
- E&P
- AE&SD

Poised for the Next Leap… 1.4.2015

IndianOil

- India's Largest Commercial Enterprise
- Largest Refiner
- Largest Marketing Infrastructure
- Largest Pipeline Network

Employees

~33,000

Fortune Global 500
Ranked 119th in 2015

Affiliated Companies

30 Companies

Turnover

Rs 4,50,756 crore
(For FY 2014-15)

Profit

Rs 5,273 crore
(For FY 2014-15)

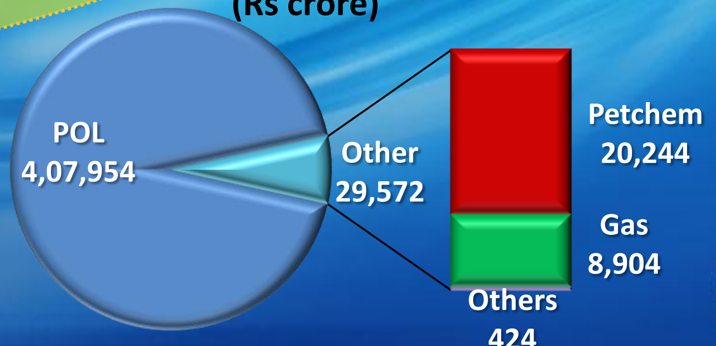
Gross Fixed Assets

Rs 1,21,643 crore
(As on 01.04.2015)

Global Network

6 Subsidiaries & 1 JV

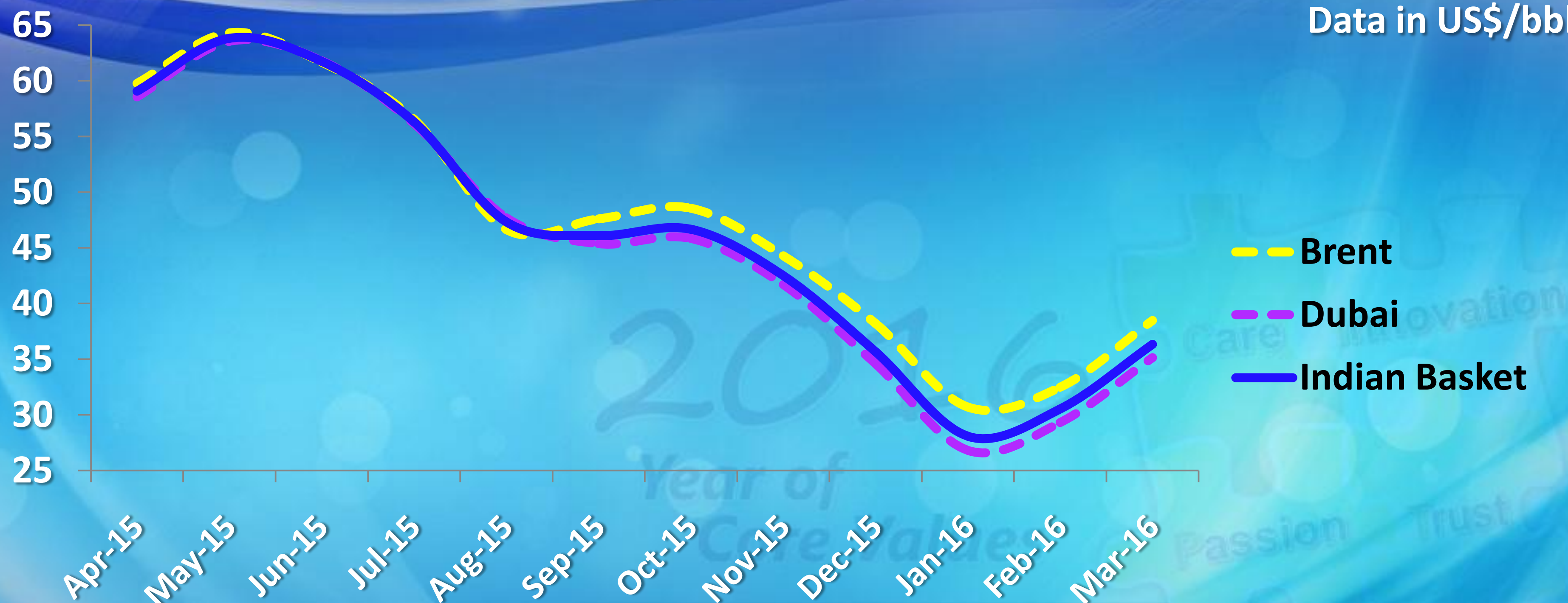
Revenue (Rs crore)



Macro Picture

World & India

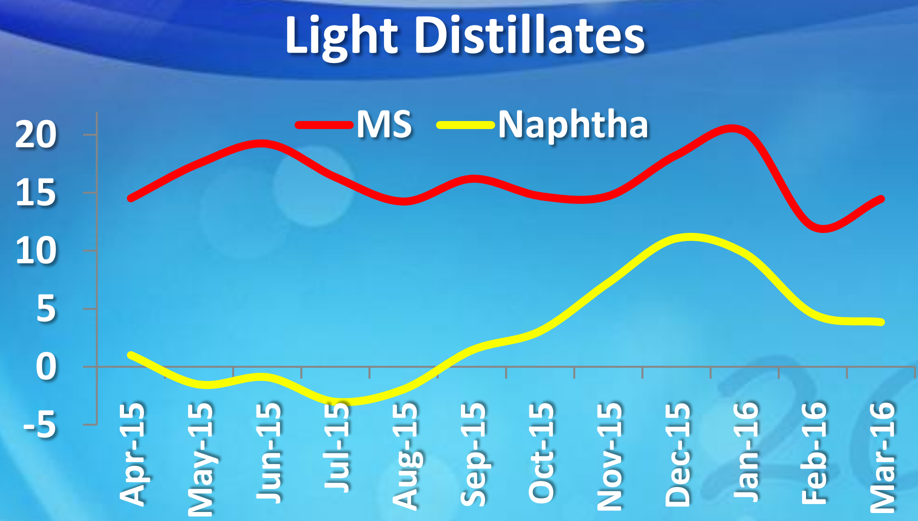
Global Oil Scenario

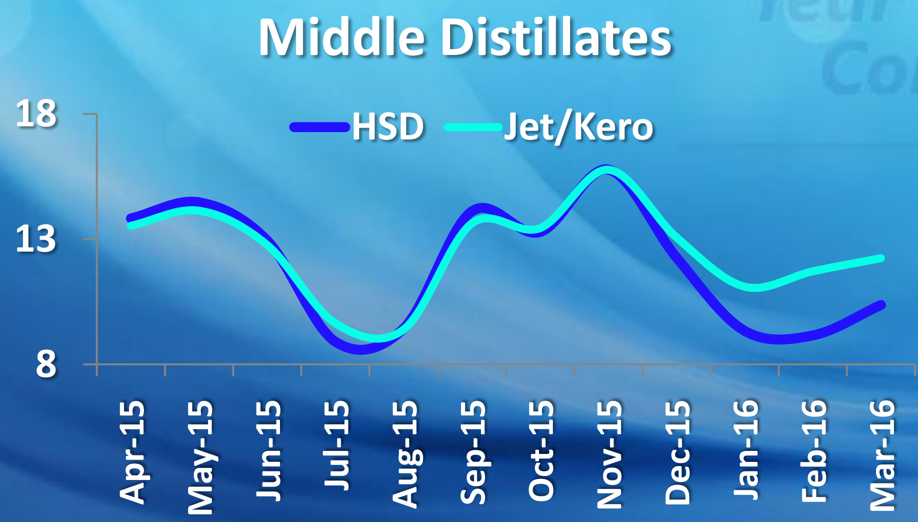


Factors Making an Unpredictable Market

- Iran's Re-entry after Lifting of Sanctions
- No Production Cut by OPEC
- Resilient US Shale Production

Products Cracks





Light Distillates

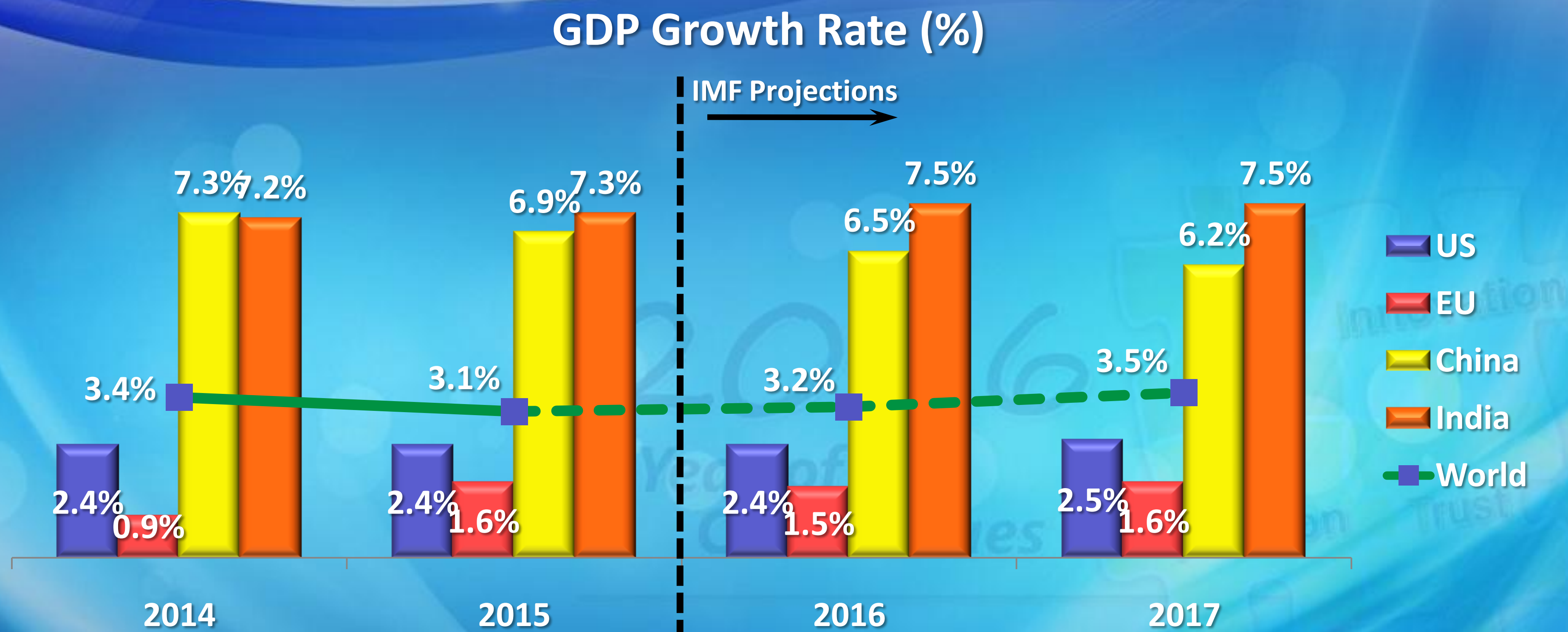
- New King of the barrel
- MS cracks strong due to automotive demand
- Naphtha cracks bolstered by Petchem demand

Middle Distillates

- Hitting Rough Patch
- Regional HSD surplus has depressed cracks
- Regional capacity addition will put further pressure

Depressed Asian Refining Margins

India – The Next Frontier



- **Global Economy**
  - Slow recovery in global growth
  - Tapering of Chinese growth rate
- **India's Economy**
  - Outpacing China as the fastest growing major economy
  - Improving macro-economic stability viz. Fiscal Deficit, CAD, Inflation

India's Growth Drivers

A World of Opportunities

Government Initiatives

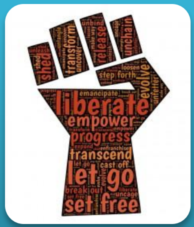
Make In India

- Promoting India's production/ manufacturing sector
- Improving investment and innovation landscape

Policy Incentives

- Ease of Doing Business: A federal priority
- Tax Reforms
- Pro-market, Pro-growth Reforms
- GST Framework under process

FDI Liberalization



- Construction
- Civil Aviation
- Defence
- Financial Services

Sectoral Growth

Infrastructure

- 100 Smart Cities
- Dedicated Freight Corridor
- Rapid Road development
- Port Infrastructure Push

Automobiles

- Record sales witnessed in 2015
- Major segments recorded impressive growth figures

Oil & Gas

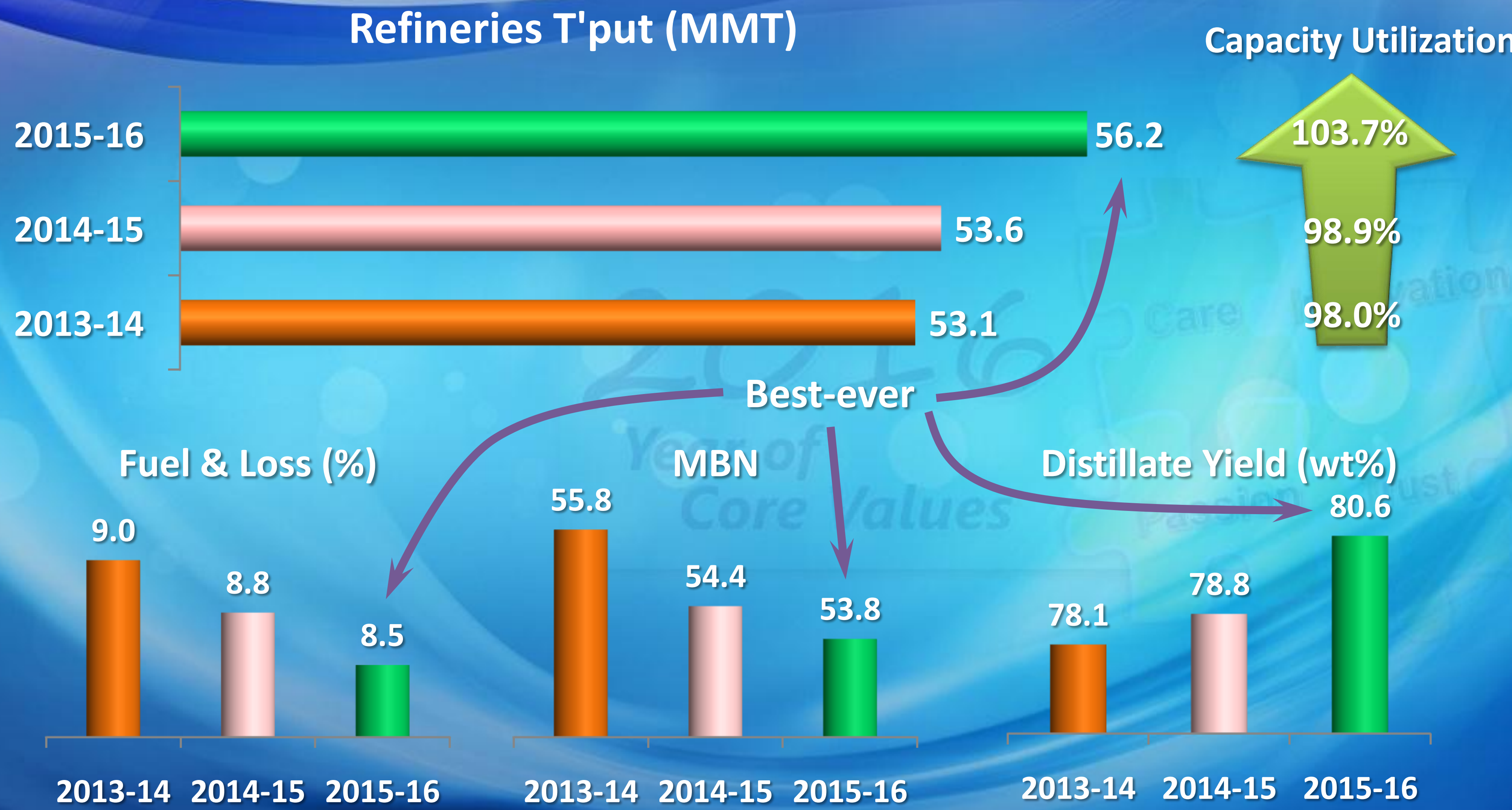
- Deregulated Auto Fuel Market
- Growing domestic demand: Sustained MS demand growth over 10%
- Evolving Policy Structure

IndianOil's Performance

Scaling New Heights

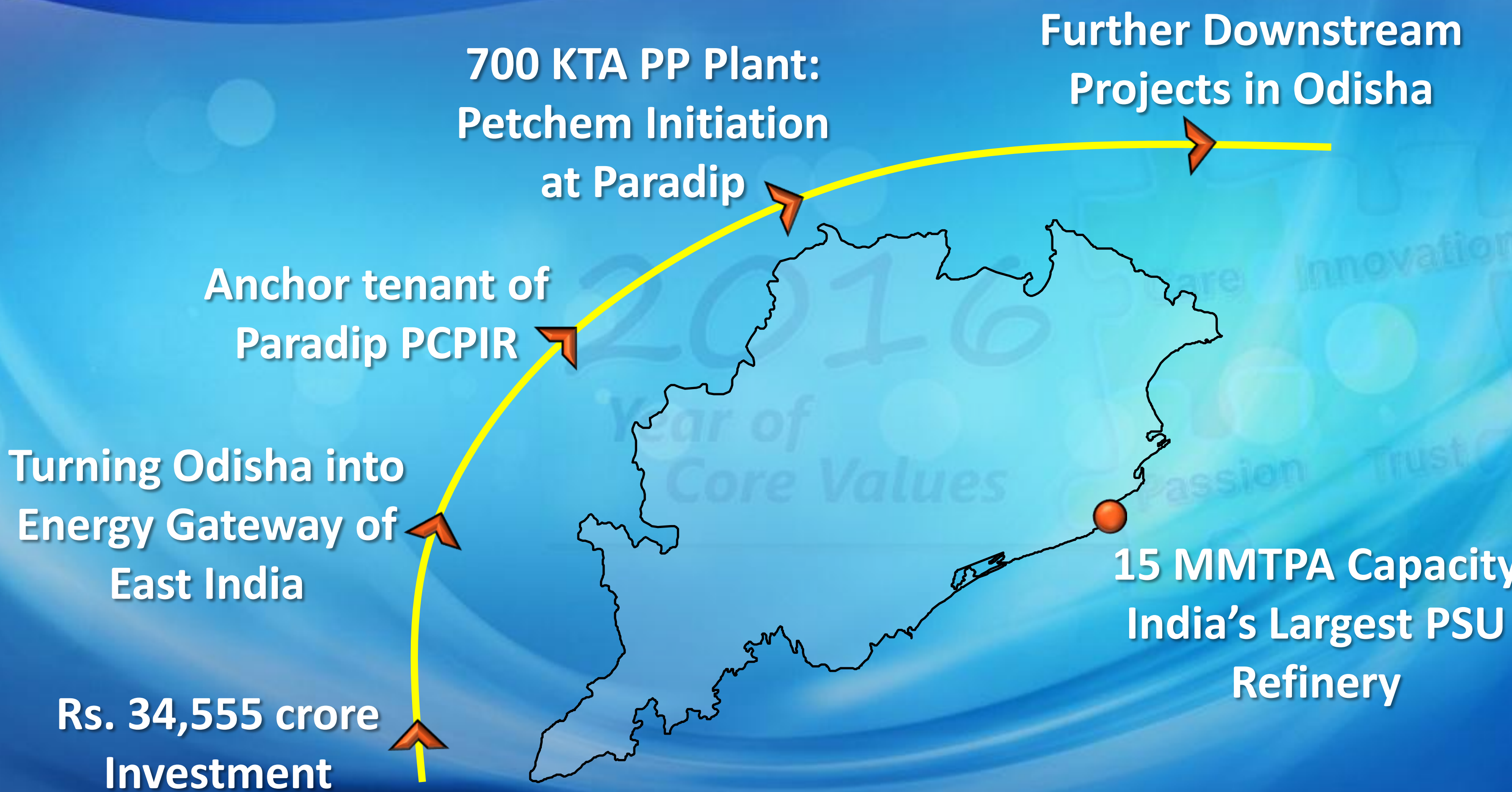
Refineries – Operational Excellence

All Data excludes PDRP



- 2 refineries with highest-ever Crude Processing: Barauni and Bongaigaon
- 2 refineries with highest-ever Distillate Yield: Gujarat and Panipat
- 2 refineries with lowest-ever MBN: Panipat and Gujarat

Paradip Refinery – Modern Marvel

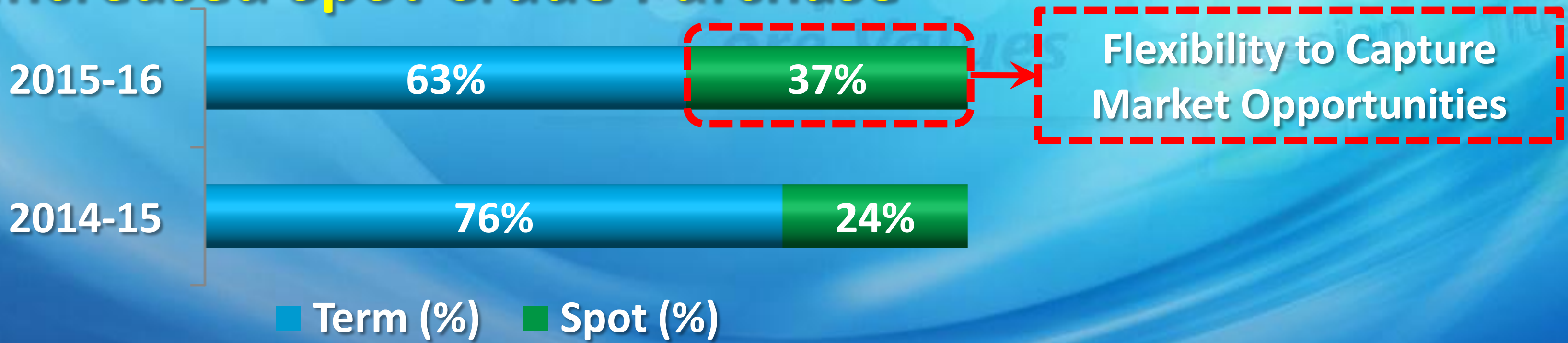


Dedicated to the Nation by Hon'ble PM of India on 7th Feb 2016

Optimizing Crude Purchase

- **Reduced Tendering Time**

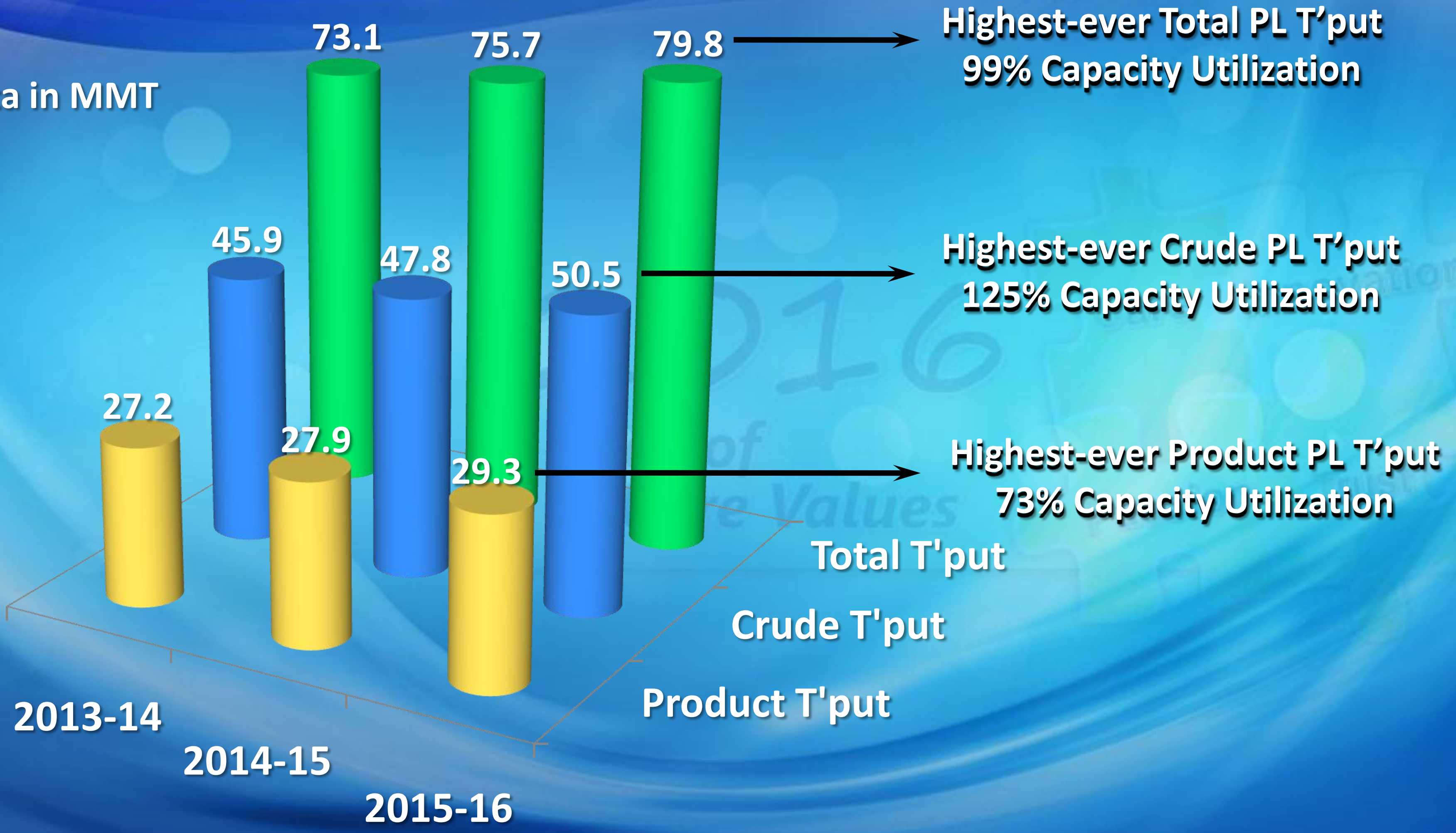
- **Increased Spot Crude Purchase**



- **Expanding Crude Basket**
  – 8 new crudes processed in 2015-16

Pipelines – Record Throughput

Data in MMT



525 km new pipelines commissioned in 2015-16

Further Records

IndianOil

❖ Refineries

Crude Oil Refining

- Rajasthan Crude Processed: 1.62 MMT
- LPG Production: 2.45 MMT
- MS Production: 7.01 MMT
- HSD Production: 25.75 MMT

Petrochemicals Segment

- Naphtha Processed at PNC: 2.90 MMT
- Production of:
  - Polymers
  - MEG
  - Butene-1
  - Butadiene

❖ Pipelines

– Crude Oil handled at

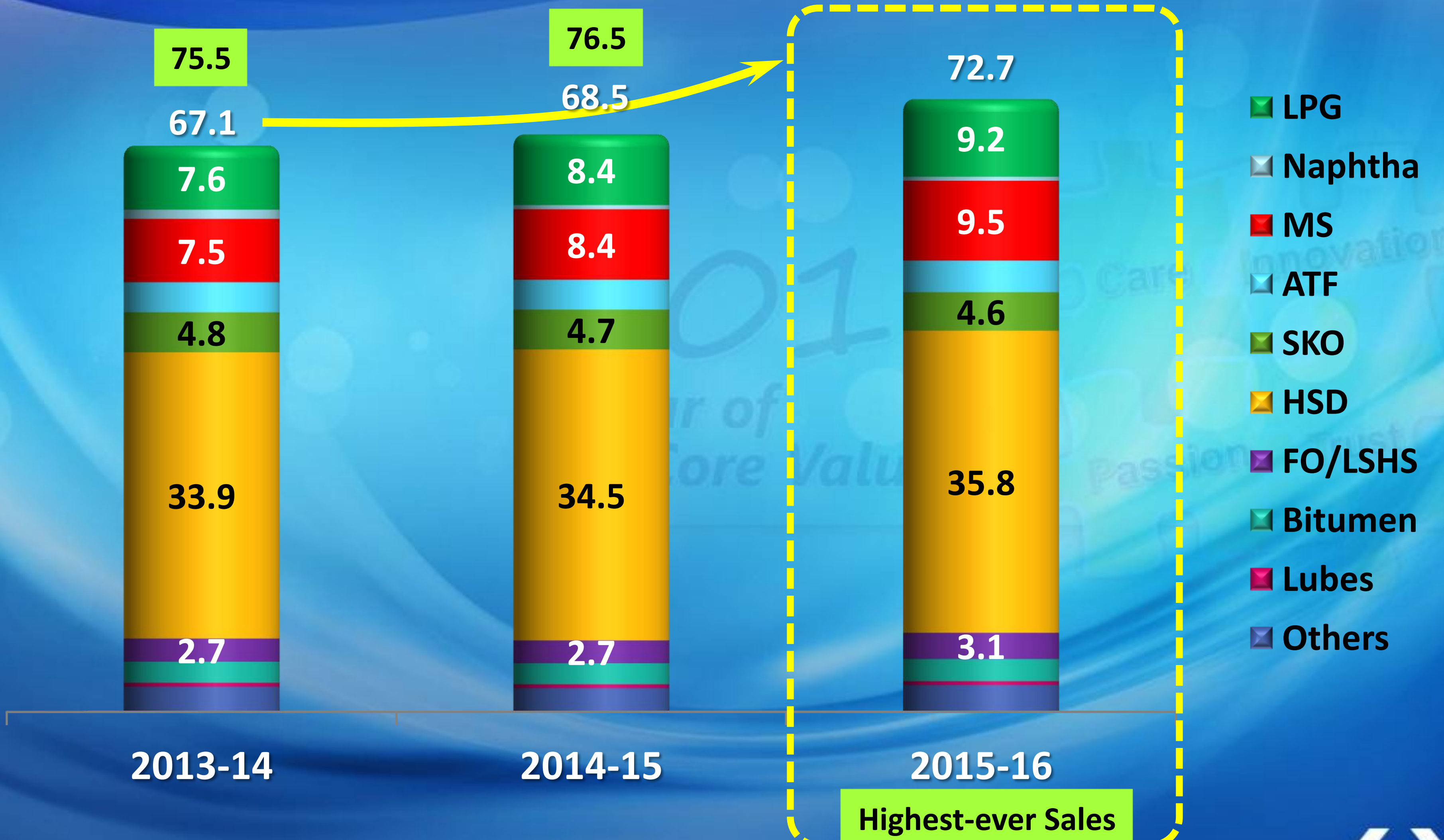
- Vadinar: 24.7 MMT
- Paradip: 18.0 MMT

Handling Increased Crude Quantity Every Year

Unparalleled Sales

Domestic POL Sales (MMT)

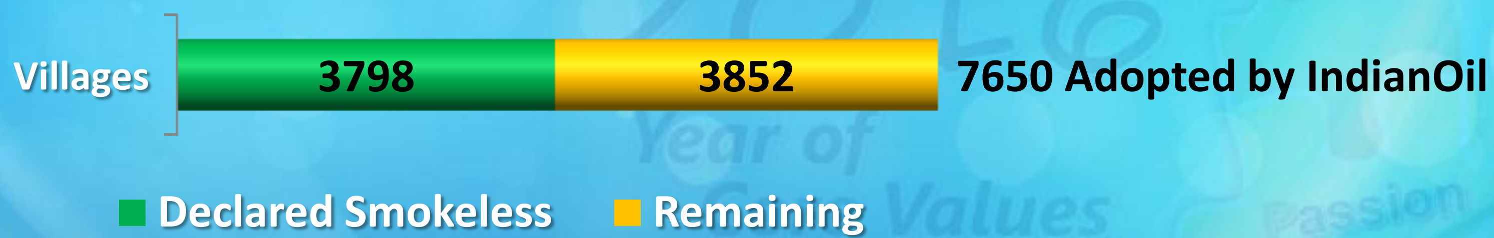
Overall IndianOil Sales 80.7 MMT



Maintaining Leadership with 45.9% Market Share

Marketing Initiatives

- **Smart Terminals: Improved Operations**
  - IndianOil's and India's 1st Smart Terminal at Chittoor, AP
  - 30 Smart Terminals under operation currently
- **Smokeless Villages: Improving Rural Health**



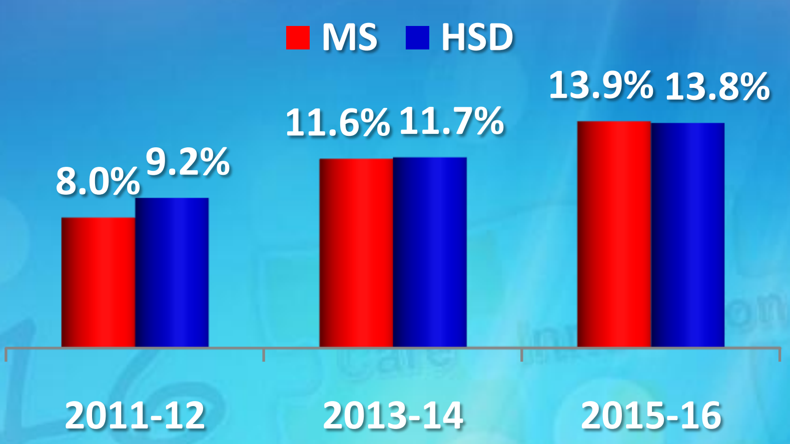
- **Automation Drive**

Type	In 2015-16	Cumulative
RO Automation	1,715	9,400+
City Automation	22	55

Marketing Initiatives

- **Increasing Contribution of KSKs**
  - MS: 13.9% of Total Sales
  - HSD: 13.8% of Total Sales
- **LPG**
  - Successfully implemented PAHAL scheme across India
  - Most Indane connections released in a year: 1.03 crore
- **Commissioned 100th AFS at Rourkela, Odisha**

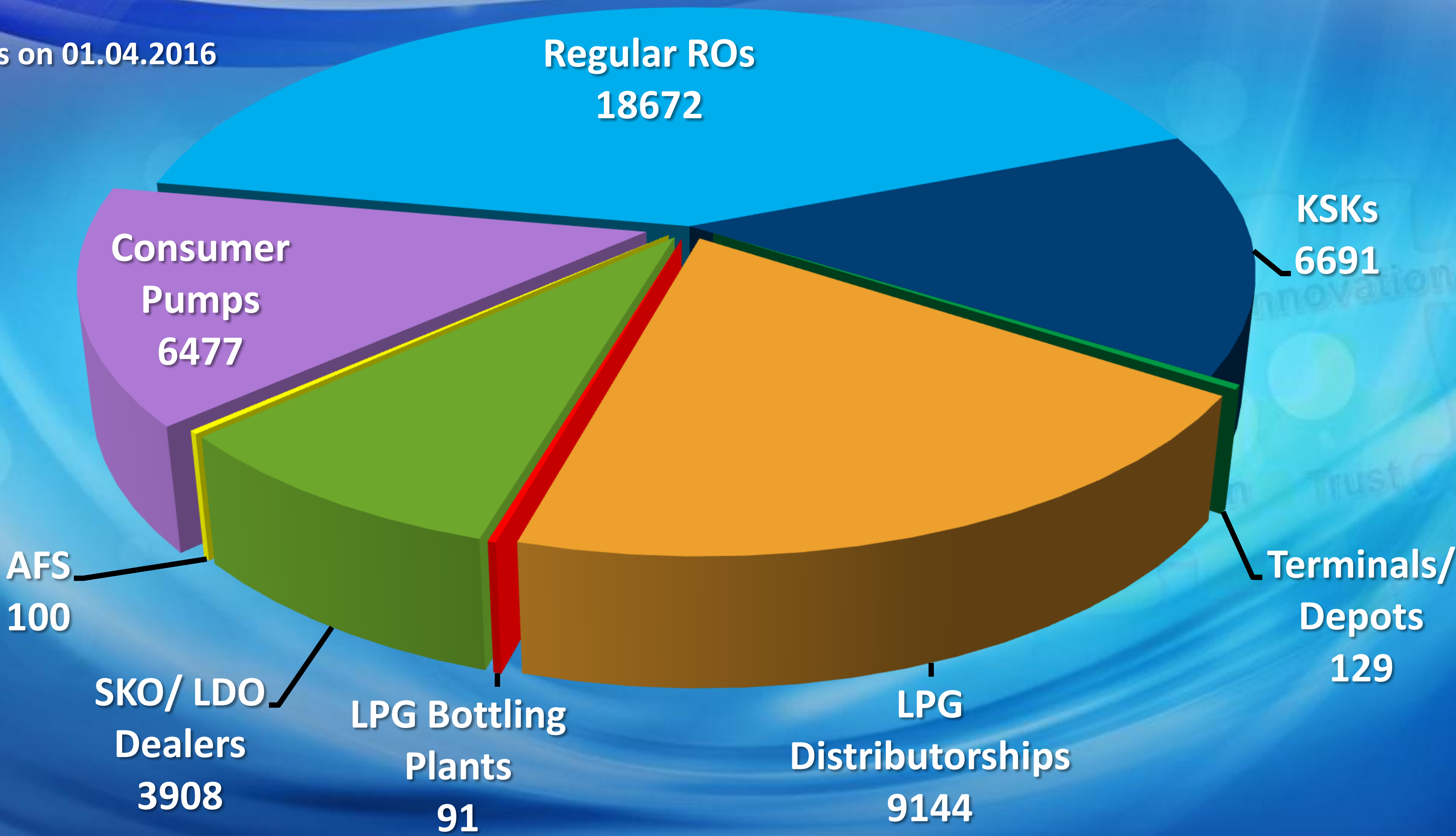
KSK Contribution to IndianOil Sales



Inauguration of IndianOil's 100th AFS at Rourkela

Expanding Touch Points

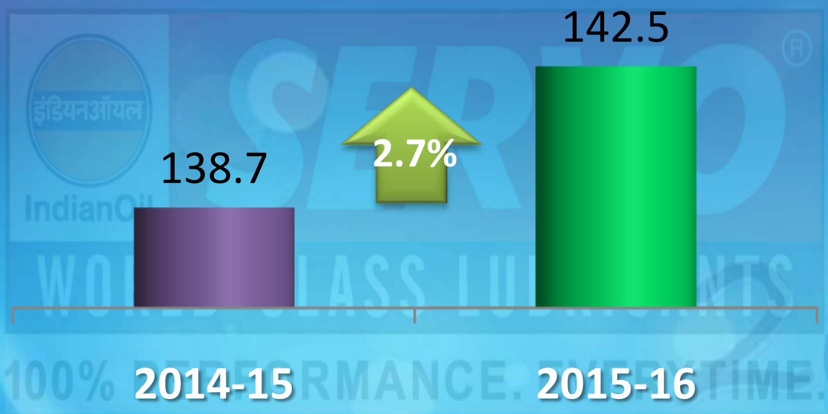
As on 01.04.2016



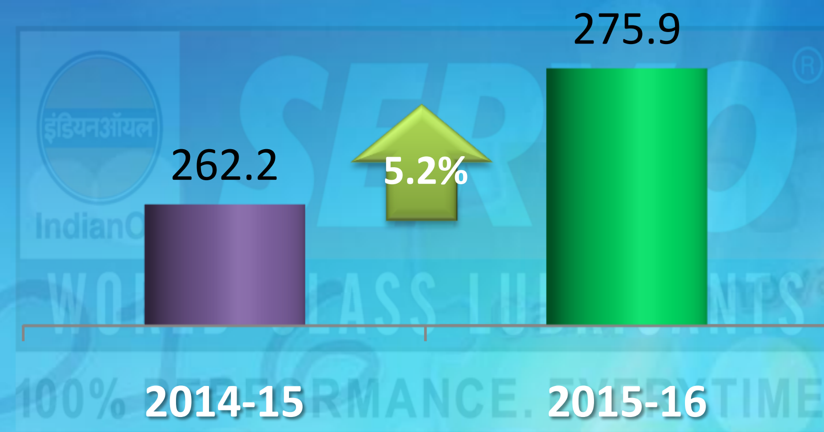
6,258 Towns with Indane – 9.88 crore Customers

SERVO – Trendsetter

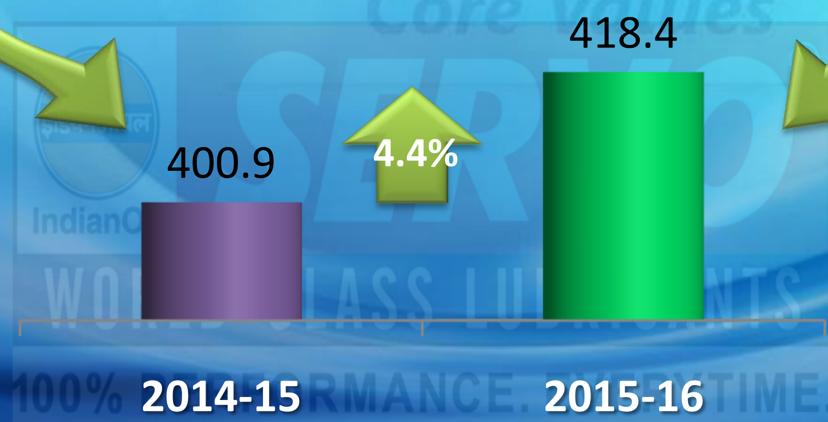
Retail Lube Sales (KL)



Institutional Lube Sales (KL)



Finished Lube Sales (KL)



Leading Industry with 27.5% Market Share in Finished Lubes

Research & Development

❖ Patents

In Force: 454

During 2015-16

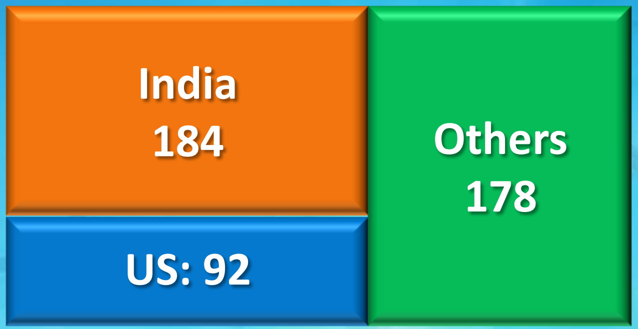
Filed: 74	Granted: 19
Commercialized: 4	

❖ Lubricants

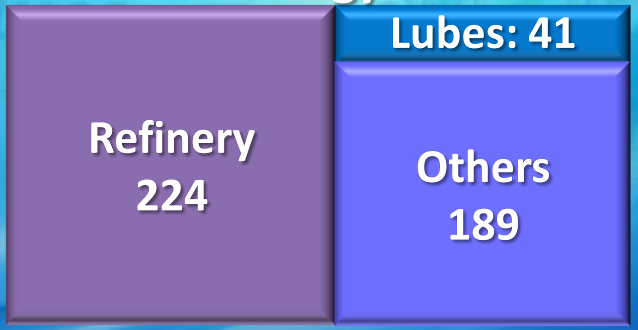
- 120 new formulations developed
- 46 OEM/ Customer/ Defence Approvals

Patents Break-up

Country-wise:



Technology-wise:



As on 31.03.2016

Research & Development

New R&D Campus at Faridabad

- IndianOil's 2nd R&D Campus
- 59 acres land acquired in Faridabad, Haryana
- Research focus in Alternate & Renewable Energy

CO_2 Research

- Mitigation Measure through CO_2 Sequestration
- Conversion of CO_2 into value-added products

Technology Commercialization

- INDAdept^G: New unit under progress at Guwahati refinery
- OCTAMAX: 55 KTA unit under implementation at Mathura refinery

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

Petchem – PROPELling to Future

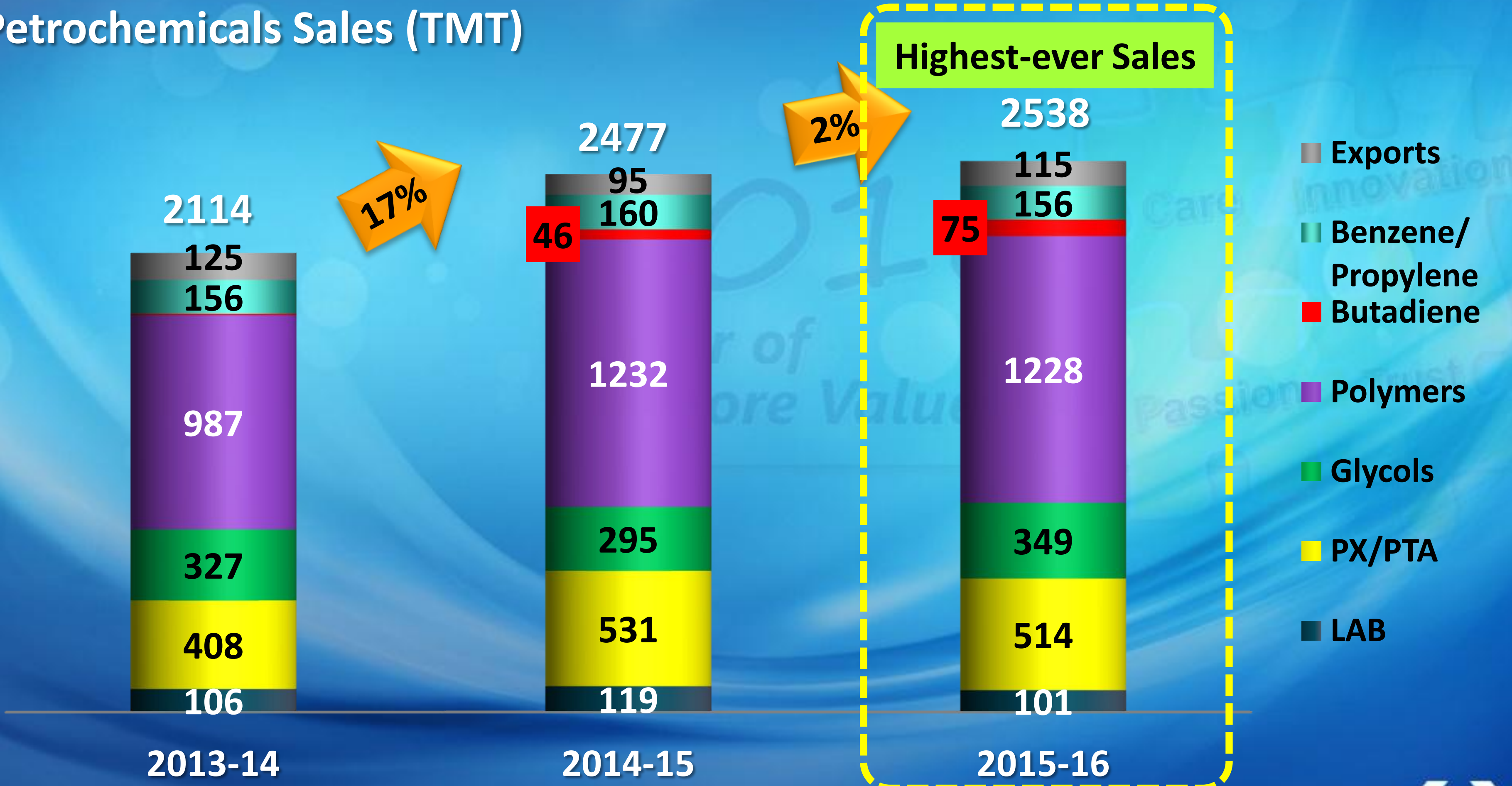
IndianOil

PROPEL

100% TRUST. 100% VALUE.

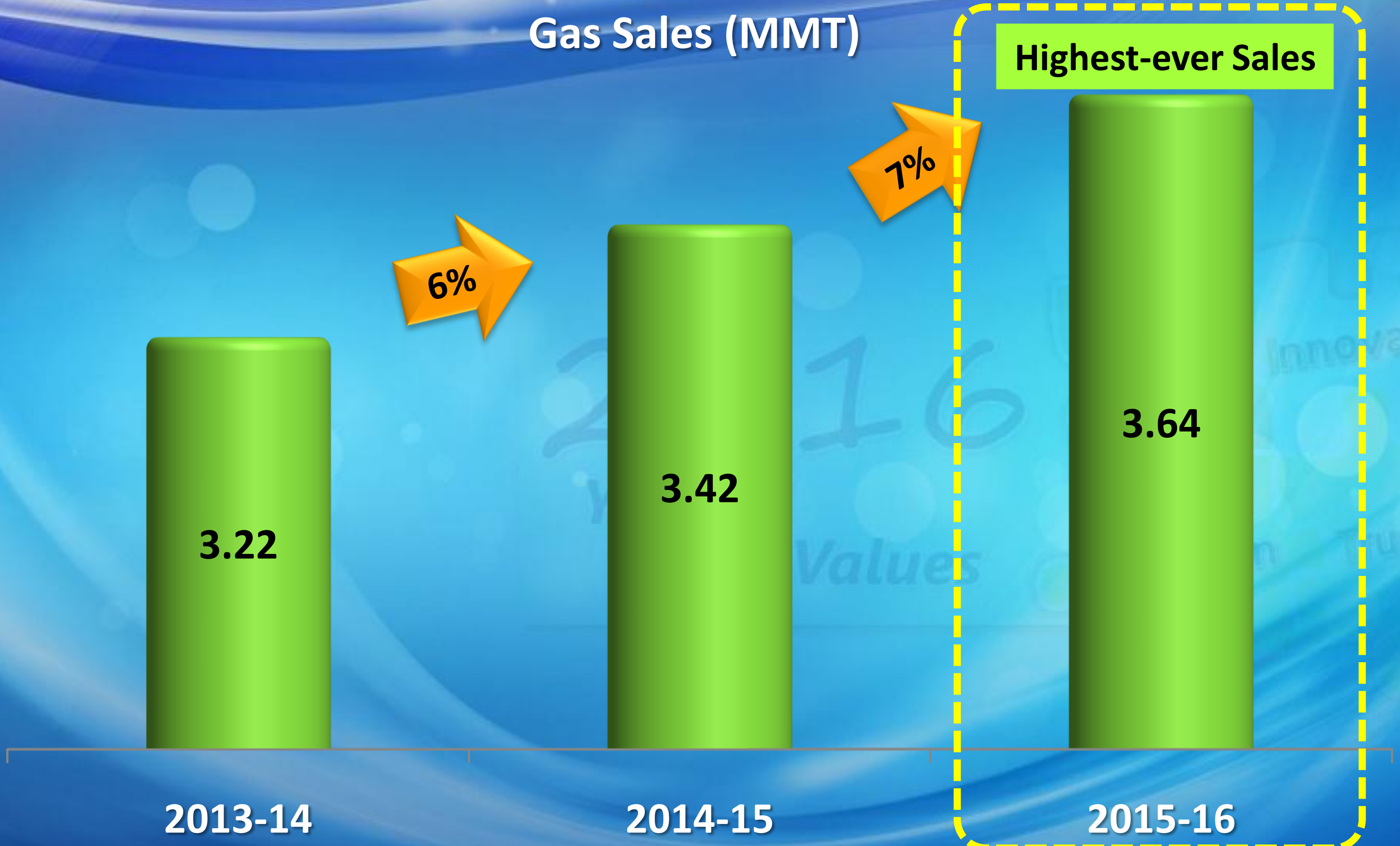
A range of world-class petrochemicals

Petrochemicals Sales (TMT)



Largest Indigenous SBR Producer

Gas – Growing Foothold



Includes own-use Gas
External Sales of 1.929 MMT in 2015-16

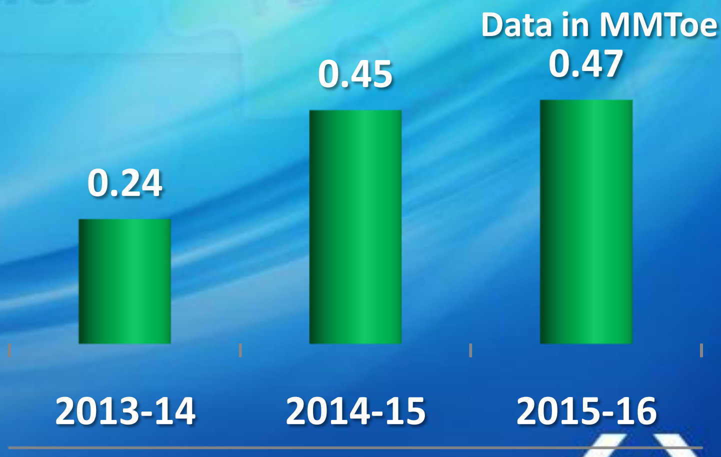
India's 2nd Largest R-LNG Player

Growth Verticals

- **Petrochemicals**
  - Initiated Tolling Arrangement for PIB Manufacturing (550 MT)
  - 15 OEM Approvals
  - Exports Footprint expanded to 71 countries
- **E&P**
  - Increasing Equity Oil & Gas Production
  - New Assets
    - Talisman Assets in Canada
    - MoU for Stake in Rosneft's Russian Assets
    - Won bid for onshore block in Mozambique, Africa (with partner Delonex Energy)

Export Footprint

Equity Oil & Gas Production



Growth Verticals

IndianOil

- **Gas**
  - Purchased 9 Independent LNG Cargoes
  - Ennore LNG Import Terminal
    - 30-year Land Lease with Kamarajar Port Ltd.
    - Construction under Progress
  - Ennore-Nagapattinam-Tuticorin Pipeline
    - Length: 1,175 km
    - Major Demand Centres
      - Thiruvallur
      - Puducherry
      - Madurai
      - Bengaluru
      - Nagapattinam
      - Tuticorin
  - CGD: IndianOil Presence in 9 GAs
    - Lucknow
    - Allahabad
    - Ernakulam
    - Agra
    - Panipat
    - Dharwar
    - Chandigarh
    - Daman
    - Udham Singh Nagar

LNG at Doorstep
Wide-Range of Customer Solutions

Sustainability Initiatives

IndianOil

Solarization

- Solar Power capacity in 2015-16: 6.1 MW
- Over 1500 ROs Solarized in 2015-16; Cumulatively ~4200
- Comprehensive policy adopted to enhance solar power generation

Wind Power

- Current Wind Power capacity 69.3 MW
- 4 Plants totalling 98.3 MW capacity under progress

Rainwater Harvesting

- 66 rainwater harvesting systems installed during 2015-16
- Over 500 rainwater harvesting systems installed across the organization till date

Waste Conversion Plants at Varanasi

- 50 Tonnes Per Day (10x5 TPD Units) Waste-to-Energy plants under progress
- 200 TPD Waste-to-Fuel Plant in the pipeline

Working towards 260 MW Renewable Energy capacity addition in next 5 years

JVs & Subsidiaries

21 JVs - Aviation, Infrastructure, Catalysts, Petrochemicals, Lubes

+

9 Subsidiaries in R&M, E&P, Biofuels

+

1 LLP in Biofuels

=

31 IndianOil Companies

CPCL: Remarkable Turnaround

- Revenue: Rs. 34,968 cr. (vs. Rs. 47,896 cr. LY)
- PAT: Rs.771 cr. (vs. Rs. 39 cr. loss LY)
- Crude Throughput: 9.6 MMT
- GRM of $5.27/bbl vs. $1.97/bbl in 2014-15
- Highest-ever Distillate Yield of 72.5%

Lanka IOC: From Strength to Strength

- Excellent Physical and Financial Performance
- Revenue: Rs. 3365 cr. (vs. Rs. 3726 cr. LY)
- PAT: Rs. 105 cr. (vs. Rs. 88 crore LY)
- Sales volume growth of 16% achieved
- Commissioning of 20 new ROs during 2015-16

Projects

Today's Projects, Tomorrow's Assets

Major Projects

Major Ongoing Projects	Approved Cost (Rs. crore)
Ennore LNG Import Terminal	5,151
Polypropylene Plant, Paradip	3,150
Distillate Yield Improvement Project (Coker), Haldia	3,076
Paradip-Hyderabad Pipeline (1150 km, 4.5 MMTPA)	2,321
Augmentation of Paradip-Haldia-Durgapur LPG PL and ext. to Patna and Muzaffarpur (1076 km, 1.7/2.0 MMTPA)	1,823
Paradip-Raipur-Ranchi Products PL (1067 km, 5 MMTPA)	1,793
Debottlenecking of Salaya-Mathura Crude Oil Pipeline	1,584

Major Projects Approved in 2015-16	Approved Cost (Rs. crore)
INDMAX unit at Bongaigaon refinery	2,582
BS-IV Project at Gujarat refinery	931
ToP at Una, HP with branch pipeline, rail-fed Depot at Doimukh, AP , and land acquisition for Betkuchi ToP	864
98.3 MW Wind Power Plants	647
Additional land at Faridabad for 2nd R&D Centre	319
Styrene Recovery Unit (20 KTA) and modification of Py-gas splitter at Panipat	246

Impact of Projects

- 5 MMTPA LNG Import Terminal
- Improved Distillate Yield and Fuel Quality
- 700 TMTPA PP Plant
- 17 MMTPA PL Capacity 6000 km Network
- Enhanced R&D Capability

Care: A Core Value

A Socially Responsible Organization

CSR Thrust Areas for 2015-16

IndianOil

Education

- IndianOil Education Scholarship
- IndianOil Sports Scholarship

Healthcare

- AOD Hospital, Digboi
- Swarna Jayanti Samudayik Hospital, Mathura

Skill India

- Skill Development Institute (SDI), Bhubaneshwar, Odisha setup under aegis of IndianOil

Swachh Bharat – Swachh Vidyalaya Abhiyaan

- 2,855 toilets constructed in schools across 16 states in India

Improving Sanitation Facilities in Remote Areas

Student Receiving Scholarship in 2015-16

Inauguration of SDI, Bhubaneshwar

Rs. 157 crore expenditure under CSR during 2015-16

Your Corporation in Times of Need

2nd Nepal Earthquake – April 2015

- Streamlining and coordinating POL supplies to ensure adequate on-ground distribution
- Relief materials, blankets and tarpaulin were arranged

Supporting Flood-affected Local Communities – August 2015

- Distributed food materials to flood victims at Itaberia, Purba Medinipur
- Distributed 1.5 lakh food packets among flood victims at Basankantha district, one of the worst flood-affected districts of Gujarat

Chennai Floods – December 2015

- Supply line kept operative through alternate IndianOil sources
- Our pipeline system ensured normalcy of vital fuel supplies across Tamil Nadu, AP and Karnataka

Relief Material for Nepal Earthquake

Maintaining Supply Line in Dire Situations in Chennai

Haldia and Gujarat

Financial Benchmarks

Record Profits

Record Operations
- Refineries
- Petrochemicals
- Pipelines
- Marketing

Record Sales
- Fuels
- Lubes
- Petrochemicals
- Natural Gas

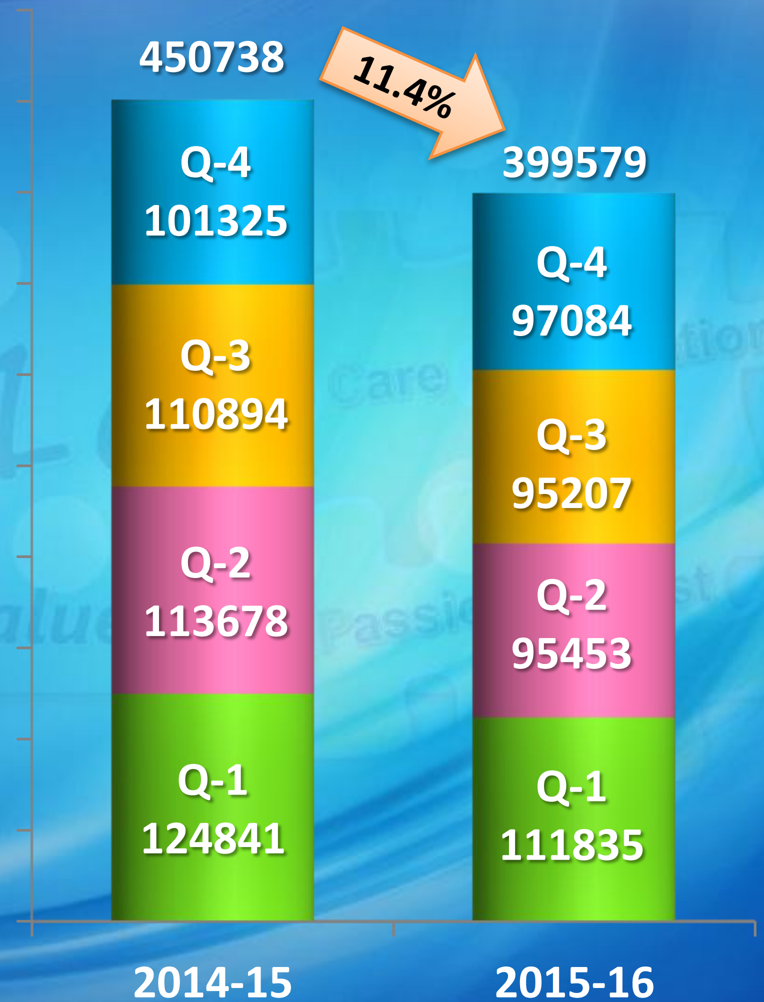
Financials

What You Have Been Waiting For

Turnover

(in Rs. crore)

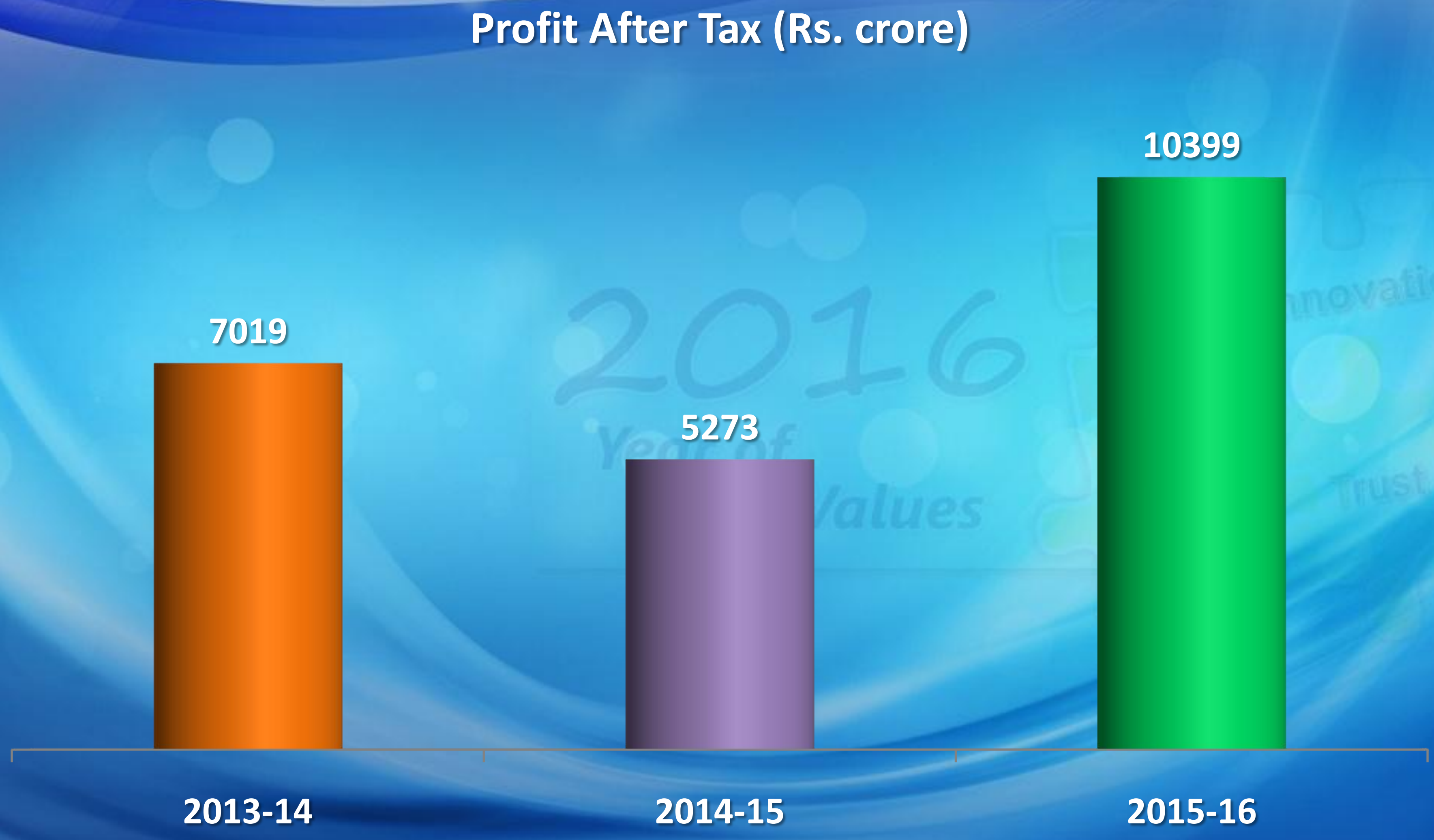
	2014-15	2015-16	Var. (%)
Inland Sales	362,702	333,091	(8.2)%
Sales to OMCs	47,651	37,218	(21.9)%
Petrochem.	22,307	18,704	(16.2)%
Gas	8,904	7,650	(14.1)%
Export	15,424	9,711	(37.0)%
Sub-Total	**456,989**	**406,374**	**(11.1)%**
Less: Discount	6,251	6,795	(8.7)%
Turnover	**450,738**	**399,579**	**(11.4)%**
Excise Duty	(30,408)	(56,693)	86.4%
Subsidy/ Others	17,194	7,717	(55.1)%
Income from Operations	**4,37,524**	**3,50,603**	**(19.9)%**



Quantity Variance: Rs. 25,145 crore

Price Variation: Rs. (76,304) crore

Profits

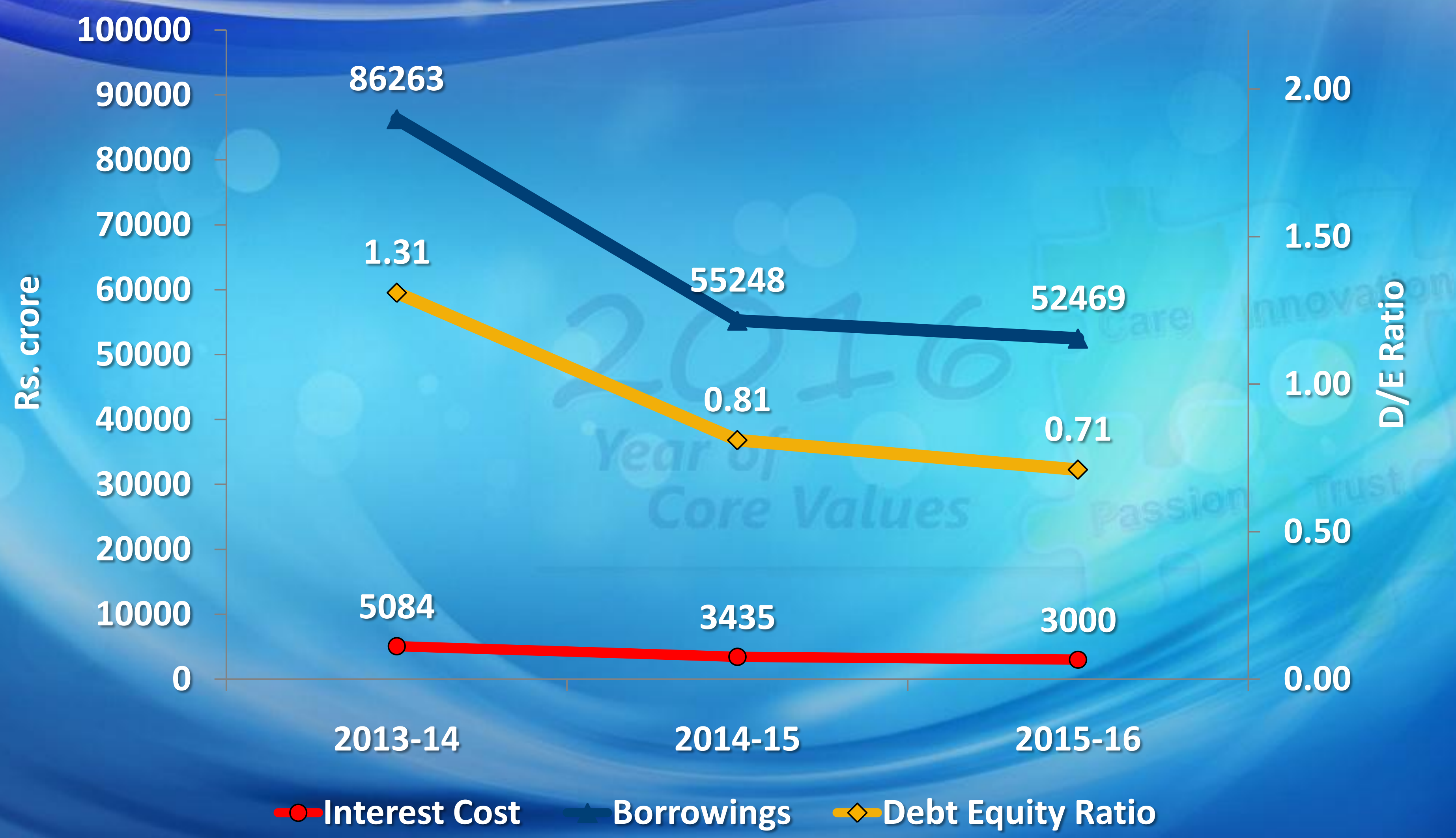

Profit After Tax (Rs. crore)
7019
5273
10399
2013-14
2014-15
2015-16

Under-Recoveries

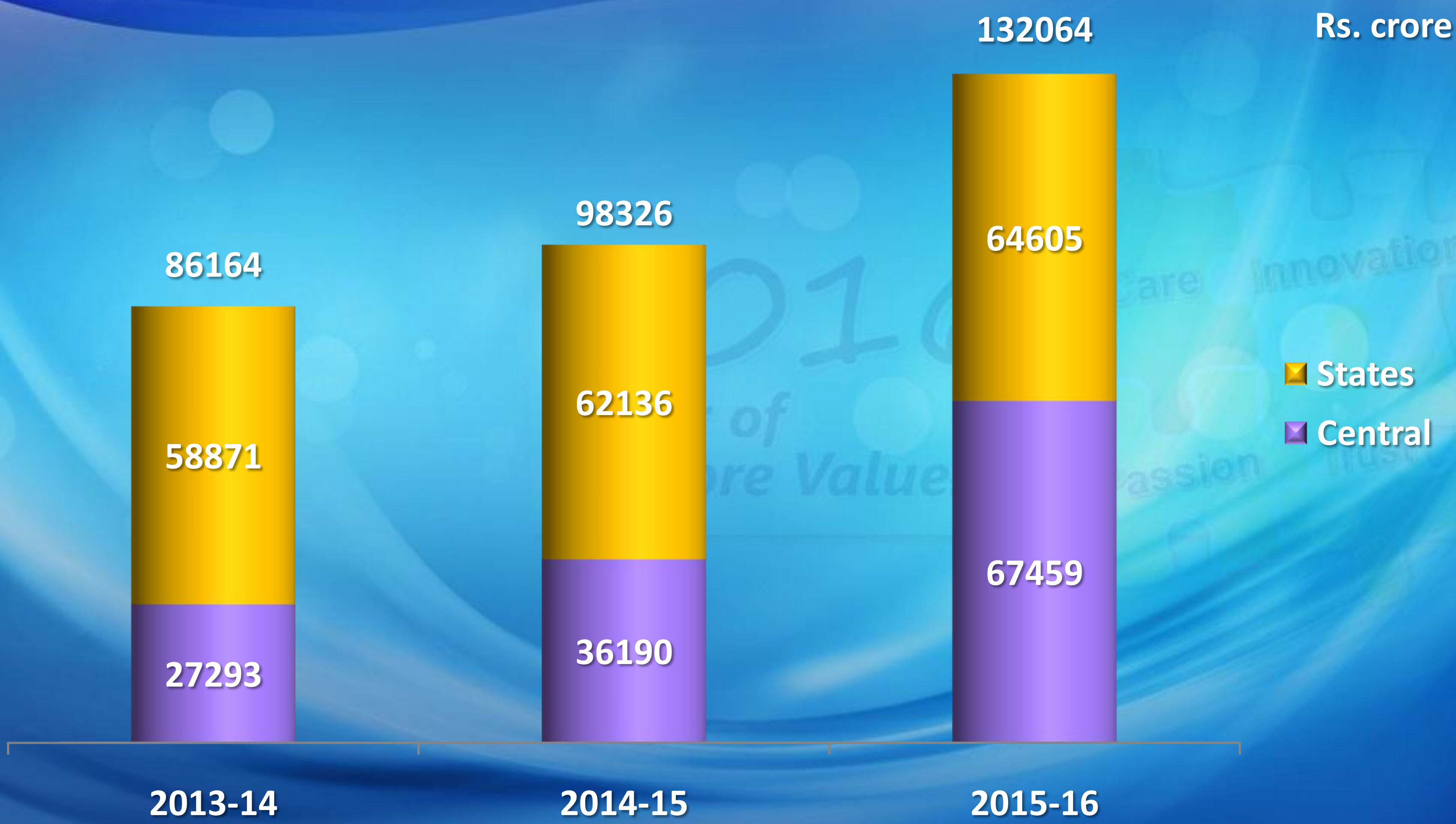
Rs. crore

Parameter	2013-14	2014-15	2015-16
Gross Under-Recovery	72938	39758	7757
Less: Compensation			
Discount from upstream companies	34673	23597	863
Budgetary support from Govt.	37182	14960	6885
Total compensation	71855	38557	7748
Unmet Under-Recovery	1083	1201	9
Unmet U/R as % of Total U/R	**1.48%**	**3.02%**	**0.1%**

Improving Debt Situation



Contribution to Exchequer



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