



IndianOil



Fund Manager & Analyst Meet Presentation
June 20, 2014

इंडियनऑयल

Corporate overview

Key Businesses & Initiatives

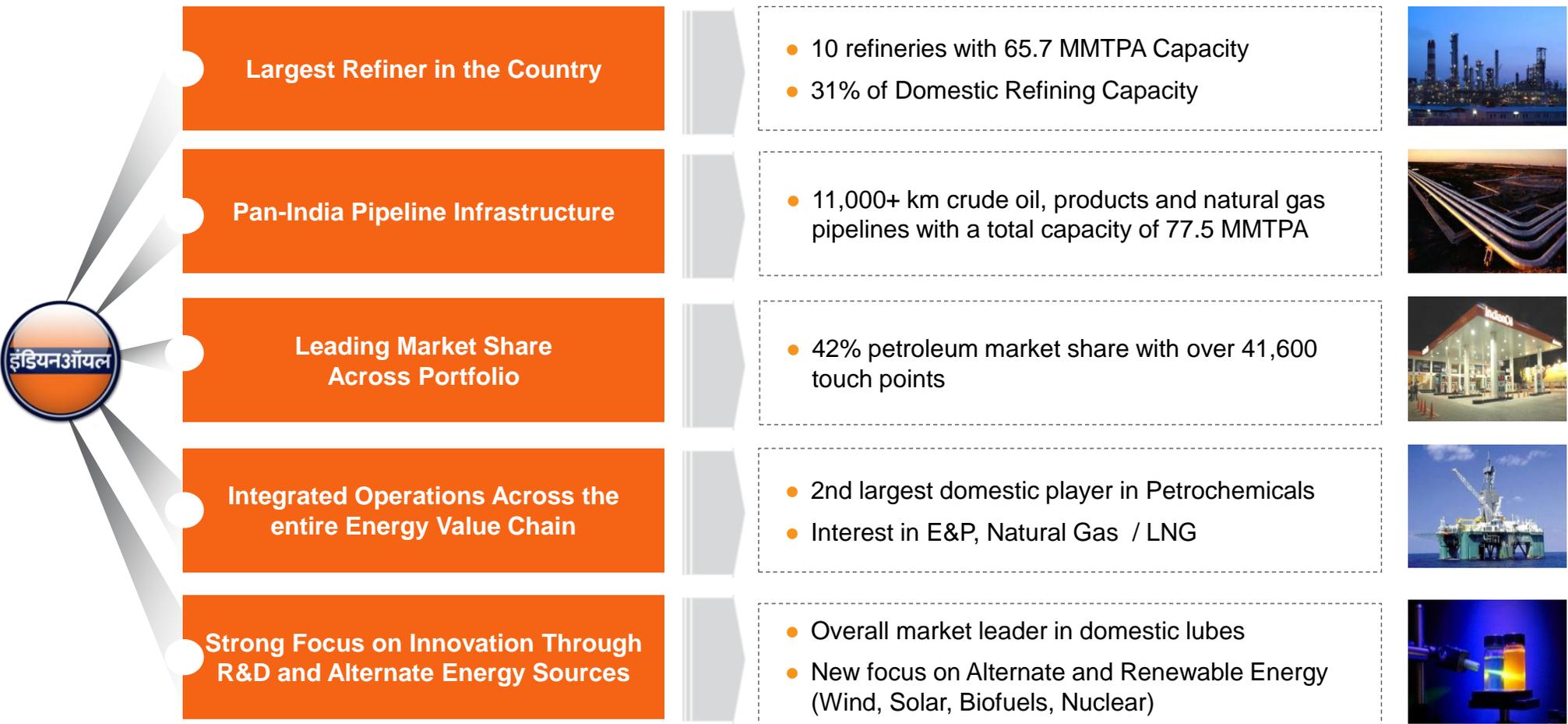
Refining

Pipelines

Marketing

Petrochemicals

Future Plans

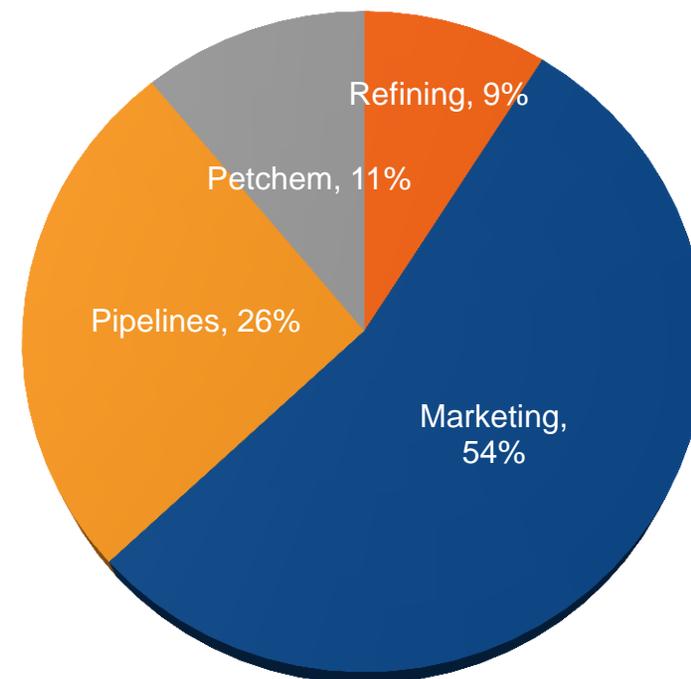


Note: Figures as of March 31, 2014.

(Rs./crore)

	FY 2013	FY 2014
Turnover	4,14,909	4,57,553
EBITDA	17,284	19,023
Net Profit	5,005	7,019
Net Worth	61,124	65,992
Gross Debt ⁽¹⁾	80,894	83,214
Core Debt ⁽²⁾	56,548	60,072
Debt-Equity Ratio	1.32	1.26
Interest Coverage Ratio	2.52	3.58
ROE (%) ⁽³⁾	8.41	11.04
ROCE (%) ⁽⁴⁾	10.67	11.44

Segment EBITDA : FY 2013-14



Investment Grade Credit Rating

- Baa3 & BBB- with Stable outlook by Moodys' & Fitch Ratings respectively; equivalent to sovereign rating
- Domestic rating of AAA by CRISIL, ICRA, India Ratings & CARE

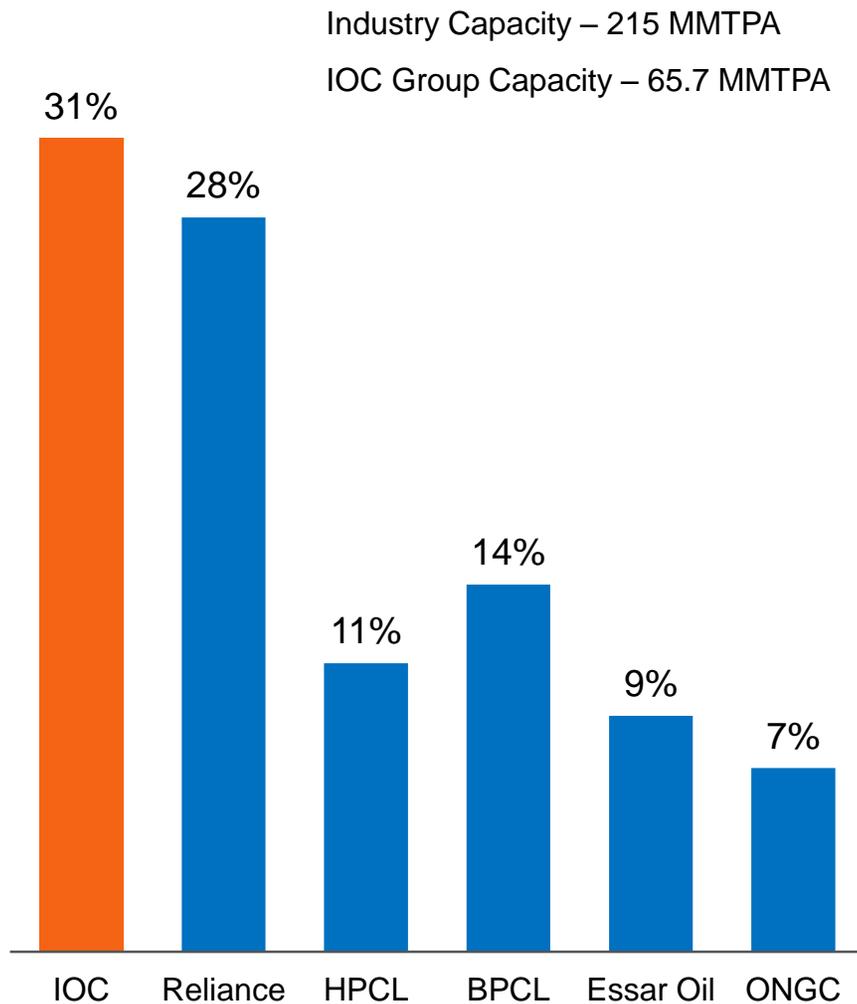
(1) Excludes finance lease obligation

(2) Core Debt = Debt less cash receivable from Government and cash equivalents

(3) Return on average equity

(4) Return on average capital employed

Leader in Refining Market Share⁽¹⁾

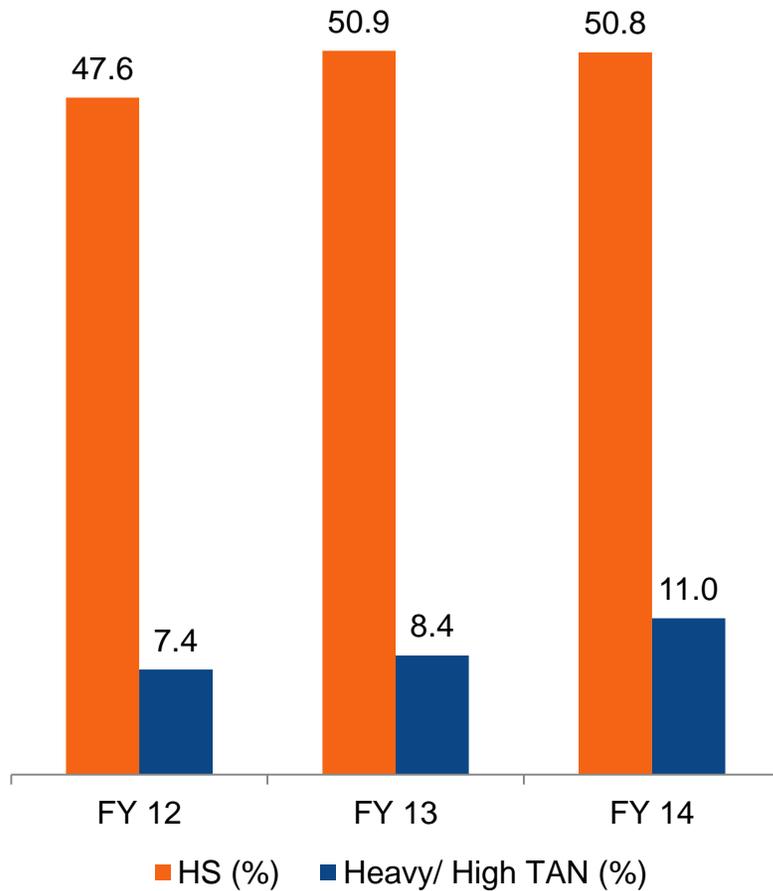


Nelson Complexity

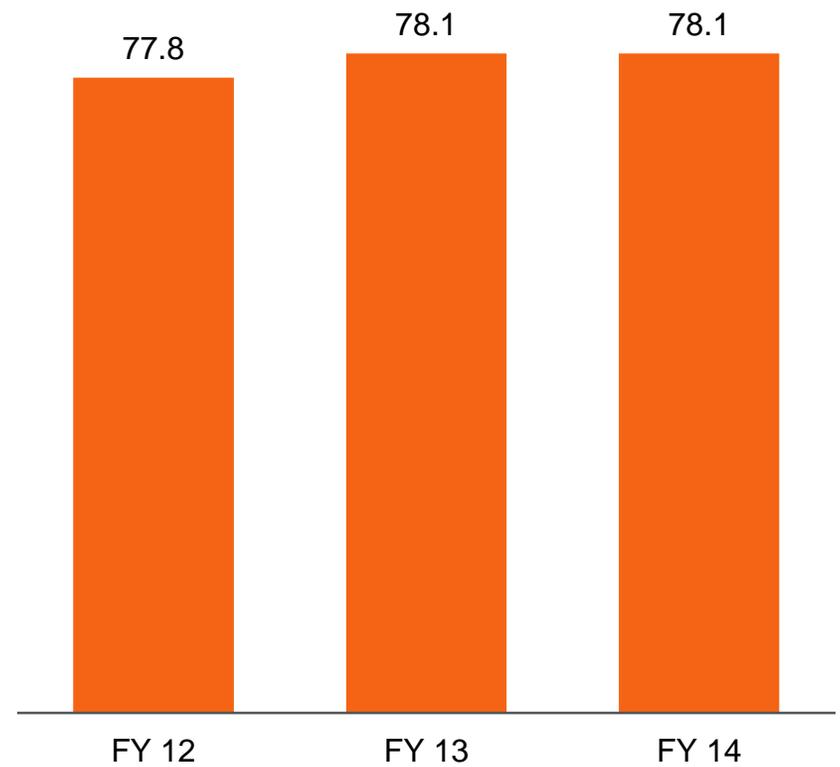
Refinery	Index
Digboi	11
Panipat	10.5
Haldia	10.4
Gujarat	10
Mathura	8.4
Bongaigaon	8.2
Barauni	7.8
Guwahati	6.7
Total	9.6
Paradip	12.2
CPCL	8.2

⁽¹⁾Figures as of March 31, 2014.

Crude Mix



Steady Distillate Yields (%)



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

Strengthening Downstream Integration

Fluidized Catalytic Cracking unit
Revamp at Mathura

- Cost: Rs. 1000 crore; Commissioned: January, 2014
- Unit capacity enhanced to 1.5 MMTPA from 1.3 MMTPA
- Improved profitability
- Maximized production of value-added Propylene

Styrene Butadiene Rubber Plant
at Panipat

- Cost: Rs. 890 crore; Commissioned: November, 2013
- 120 TMTPA capacity
- 1st SBR plant in India
- 100% import substitution

Butadiene Extraction Unit at
Panipat

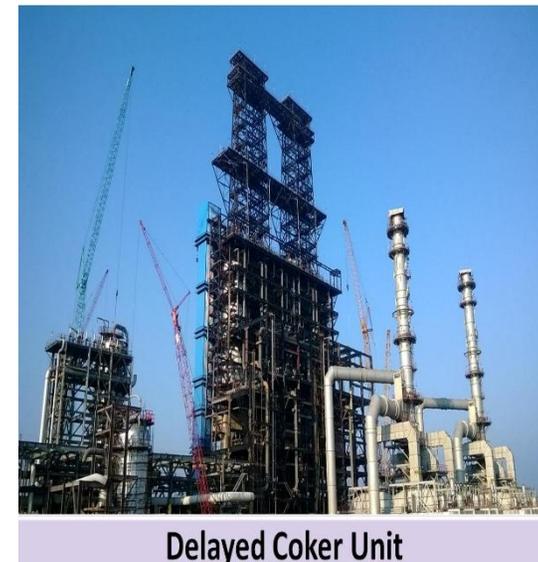
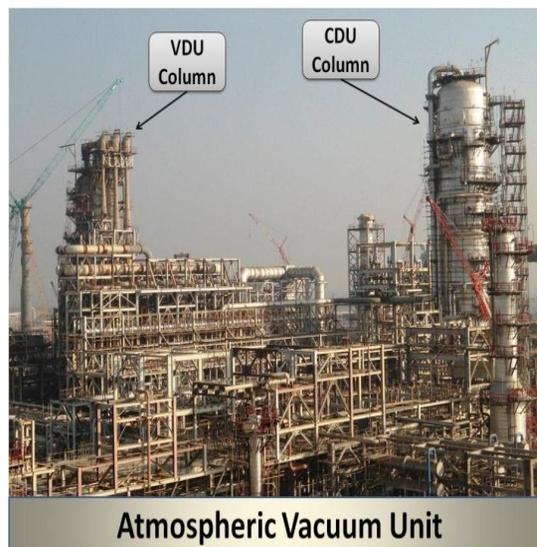
- Cost: Rs. 341.5 crore; Commissioned: October, 2013
- 138 TMTPA capacity
- Feedstock for SBR

Butene-1 unit at Panipat

- Cost: Rs. 190 crore; Commissioned: March, 2014
- 20 TMTPA capacity
- Reduced import and forex expense

Paradip Refinery from Aspiration to Reality

- Cost Rs.32,710 crore
- Complexity Factor 12.2
- Crude mix: 100% HS; 40% Heavy
- Distillate yield 81%
- On the verge of completion



Value addition through process optimization

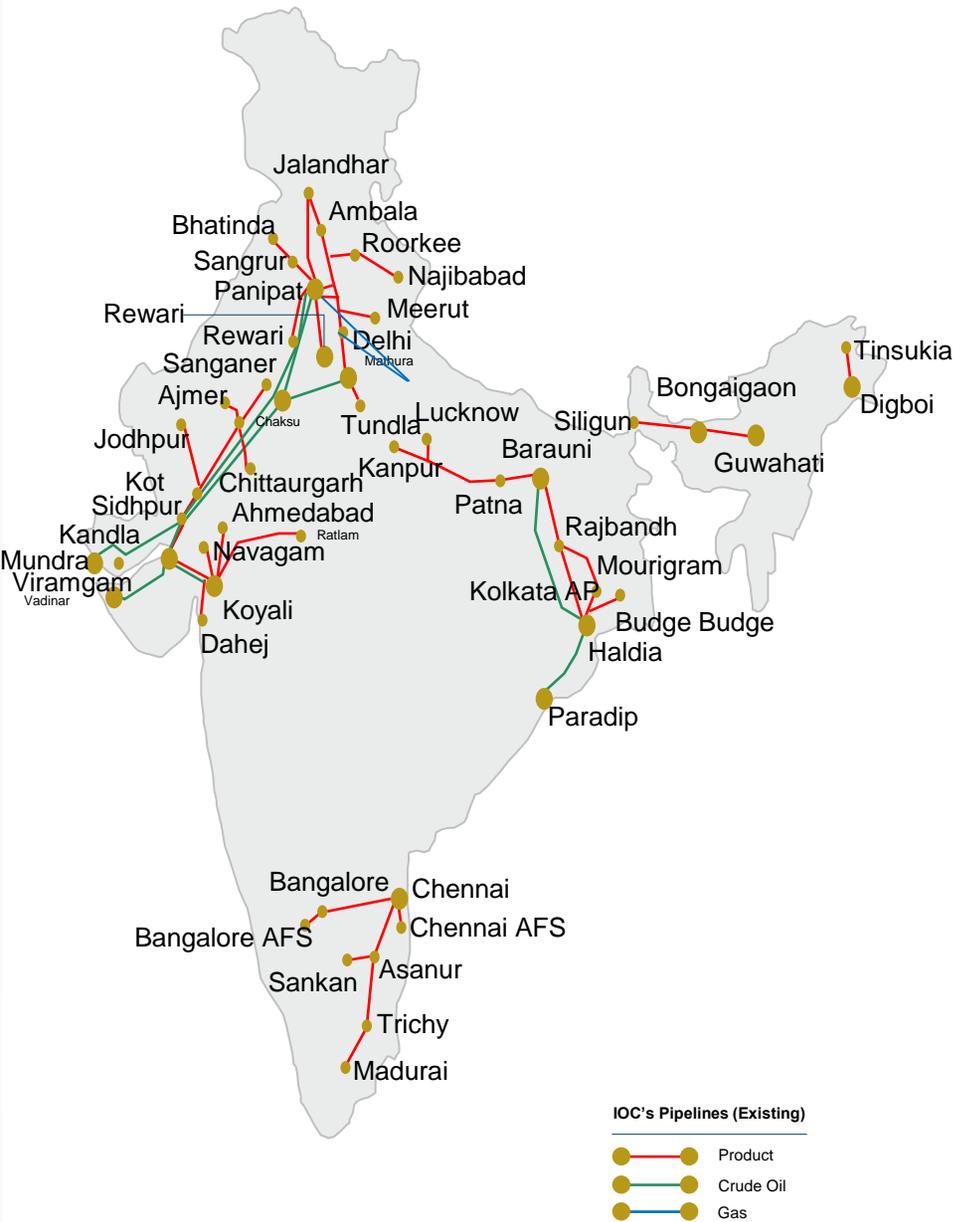
Coker at Haldia

- Estimate cost: Rs. 3076 crore
- Capacity increase from 7.5 to 8.0 MMTPA
- Distillate Yield improvement from 67% to 71%
- High sulphur crude processing from 61% to 82%

Polypropylene at Paradip

- Estimated cost: Rs. 3150 crore
- 700 TMTPA of Poly Propylene using Propylene from Indmax (in-house developed technology) at Paradip

Unparalleled Network of Cross Country Pipelines



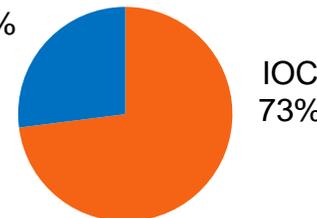
Leading Pipeline Network

	Length (KM)	Capacity
Crude Oil Pipelines	4,448	40.40 MMTPA
Product Pipelines	6,632	37.09 MMTPA
Gas Pipelines	134	9.5 MMSCMD ⁽¹⁾
Total	11,214	--

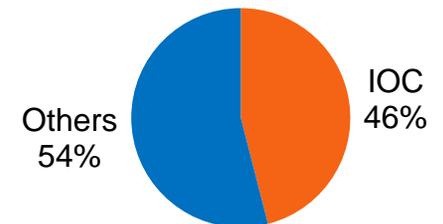
All figures for the year ended March 31, 2014.

Largest Pipeline Market Share (MMTPA) - Downstream

Others
27%

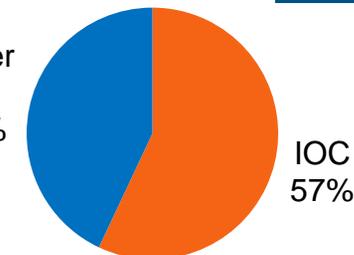


Crude Oil Pipelines



Product Pipelines

Other
s
43%

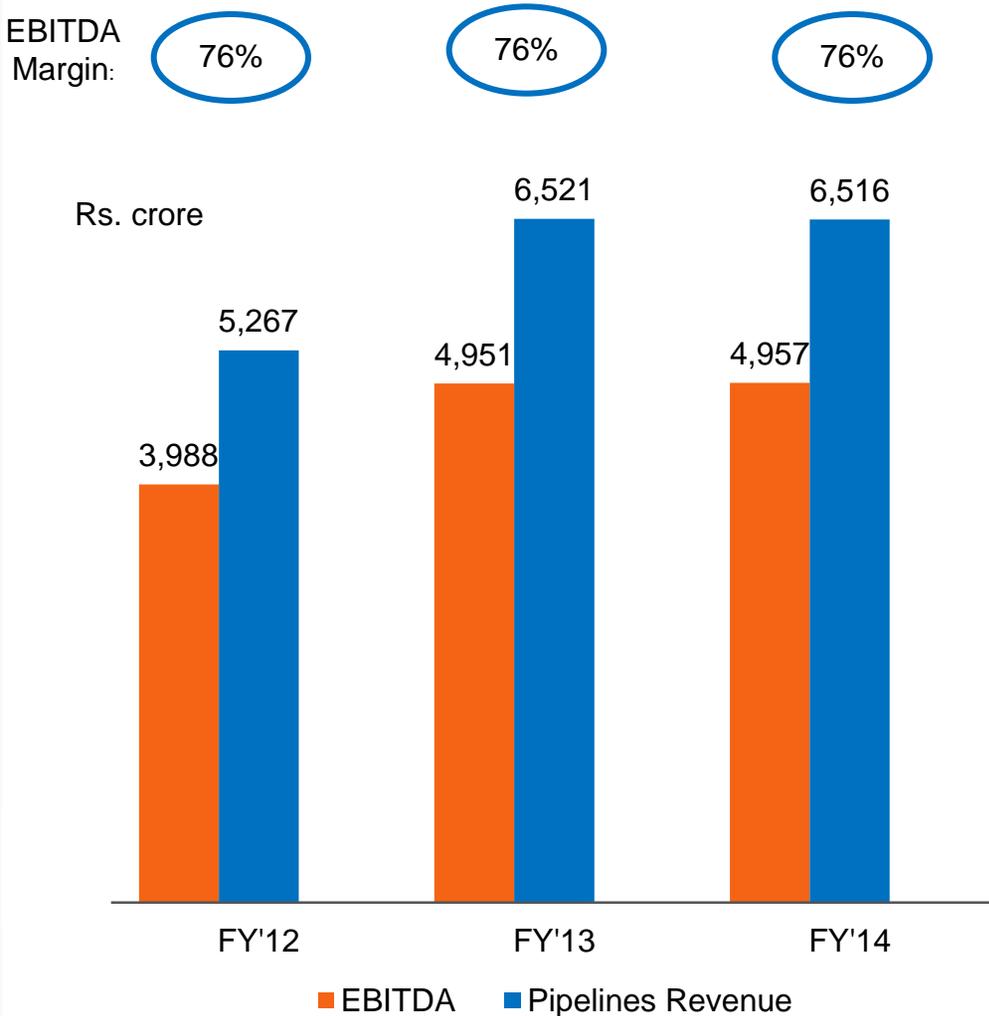


Total Pipelines

Note: 1. MMSCMD – Million standard cubic feet per day

Note: Figures as of March 31, 2014.

Steady Revenue Stream and Healthy EBITDA Margins



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

Excellence in operating parameters

- Over 113% capacity utilization of Crude oil pipelines
- Supported the refineries through heavy crude blending

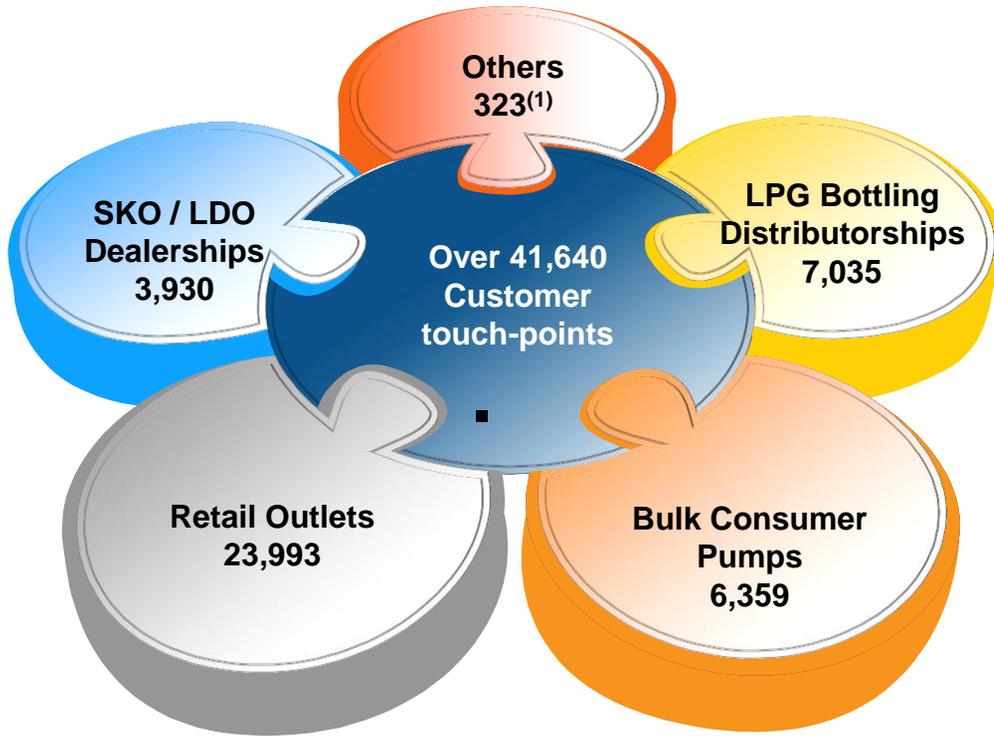
Emphasis for transporting heavier crudes

- Salaya-Mathura Pipeline augmentation from 21 to 25 MMTPA with increase in viscosity; cost Rs.1584 crore
- Paradip-Haldia-Barauni Pipeline augmentation from 11 to 15.2 MMTPA with increase in viscosity; cost Rs.586 crore

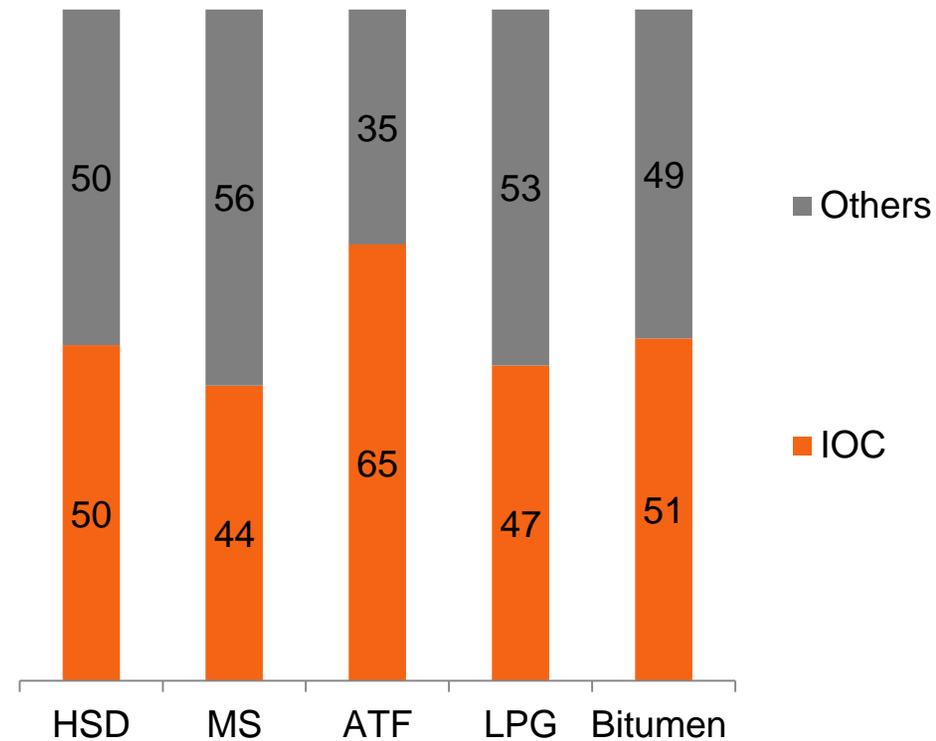
LPG pipelines – top on agenda

- Paradip-Haldia-Durgapur Pipeline
- Ennore-Trichy-Madurai Pipeline

Pan India Presence with Multiple Consumer Touch Points



Leading Market share (%) in domestic sales⁽²⁾



Petroleum Product Market Share

- ✓ 51% infrastructure share
- ✓ 42% share in domestic petroleum products

(1) Others includes Aviation Fuel Stations, Terminal ,Depots and LPG Bottling Plants.
HSD: High Speed Diesel and MS: Motor Spirit

⁽²⁾All figures for the year ended March 31, 2014

Focused on strengthening the position in retail

Key Initiatives

Urban positioning

- ✓ Continued thrust to commission ROs in strategic sites of metros and major towns

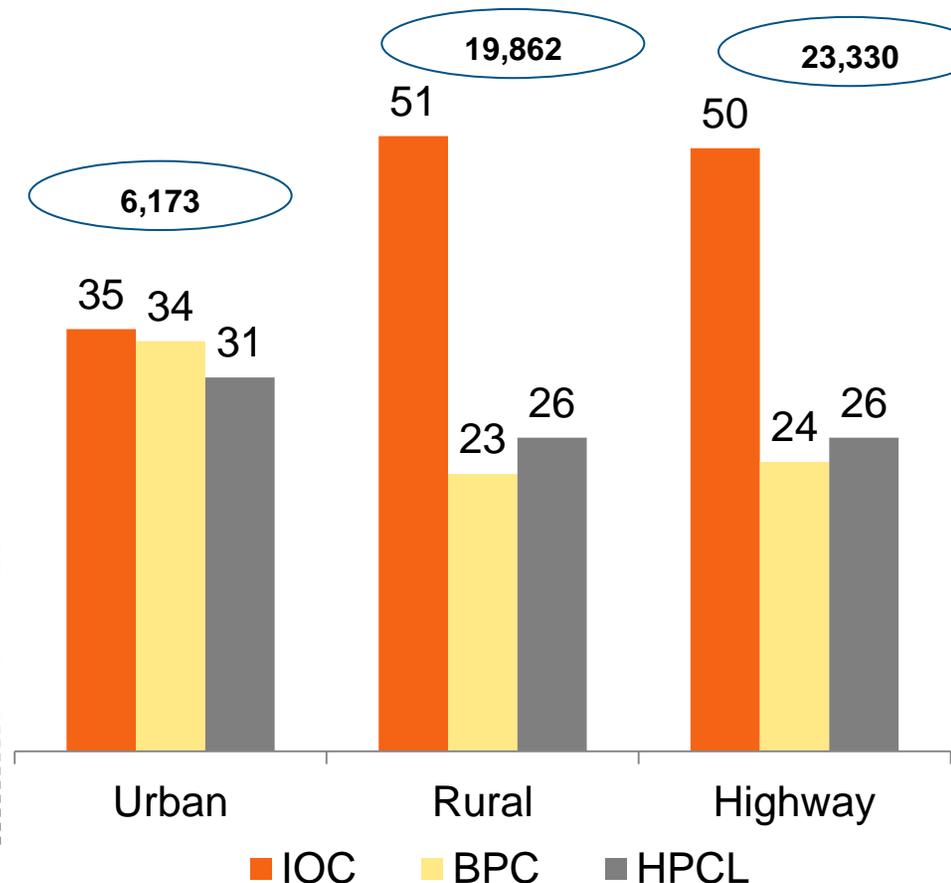
Rural positioning

- ✓ Thrust on rural penetration due to high growth potential
- ✓ 6,002 Kisan Sevak Kendras (KSKs) ⁽¹⁾
- ✓ Commissioned 764 KSKs in 2013-14
- ✓ 11.6% sales of MS from Rural Areas
- ✓ 11.7% sales of HSD from Rural areas

Highway positioning

- ✓ Exclusive right on highways
- ✓ Networking of ROs on highways

Segment-wise RO share⁽¹⁾



No. of ROs

Other Initiatives

- ✓ Automation of retail outlets to check malpractices – 31% coverage as on March 31, 2014
- ✓ Third party certification of retail outlets

⁽¹⁾Figures as of March 31, 2014.

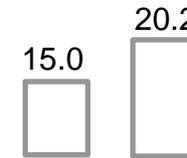
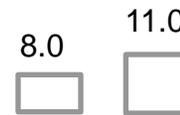
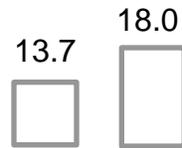
Refinery Expansion

- **Brownfield capacity expansions especially at advantaged inland refineries**

Gujarat Refinery (MMTPA)

Mathura Refinery (MMTPA)

Panipat Refinery (MMTPA)



- **A grass root refinery at west coast**

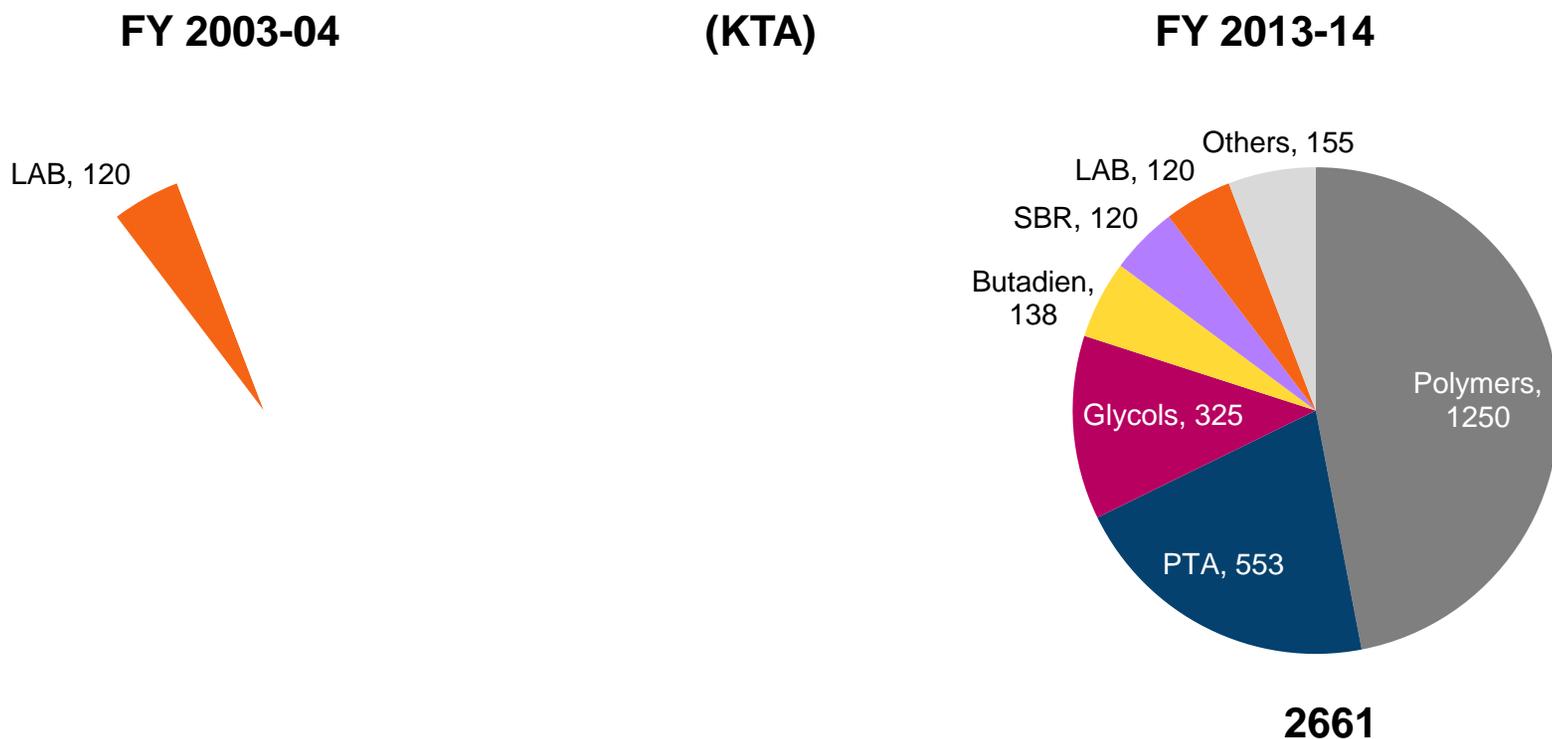
Pipeline Business

- **Diversification into gas pipeline business**
- **Construction of branch / feeder / spur pipelines**
 - Kandla – Panipat (LPG): 3.7 MMTPA
 - Koyali – Pune (product): 3.7 MMTPA
 - Paradip – Hyderabad (product): 4.2 MMTPA

Marketing Business

- **Focus on high growth potential areas like rural & highways**
- **Modernization, networking and automation of Ros**
- **Automation of 10,000 ROs by 2015-16 & 100% coverage by 2021-22**

Petrochemical Capacity Growth

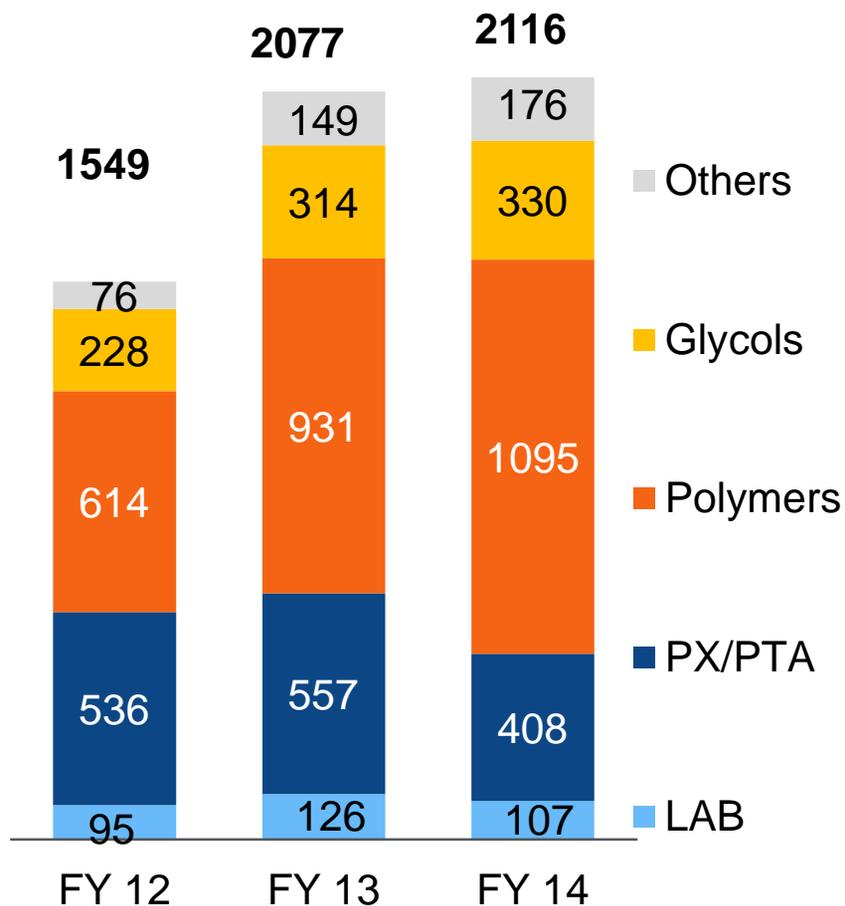


Capex (Rs./crore)

LAB, Gujarat	1,191
PX/PTA Panipat	4,562
Naphtha Cracker, Panipat	14,019
SBR	175
Butadiene Extraction Unit	210
Butene-1	125
Total	20,282

2nd largest petrochemicals player in the country

Sales Breakup (in KTA)

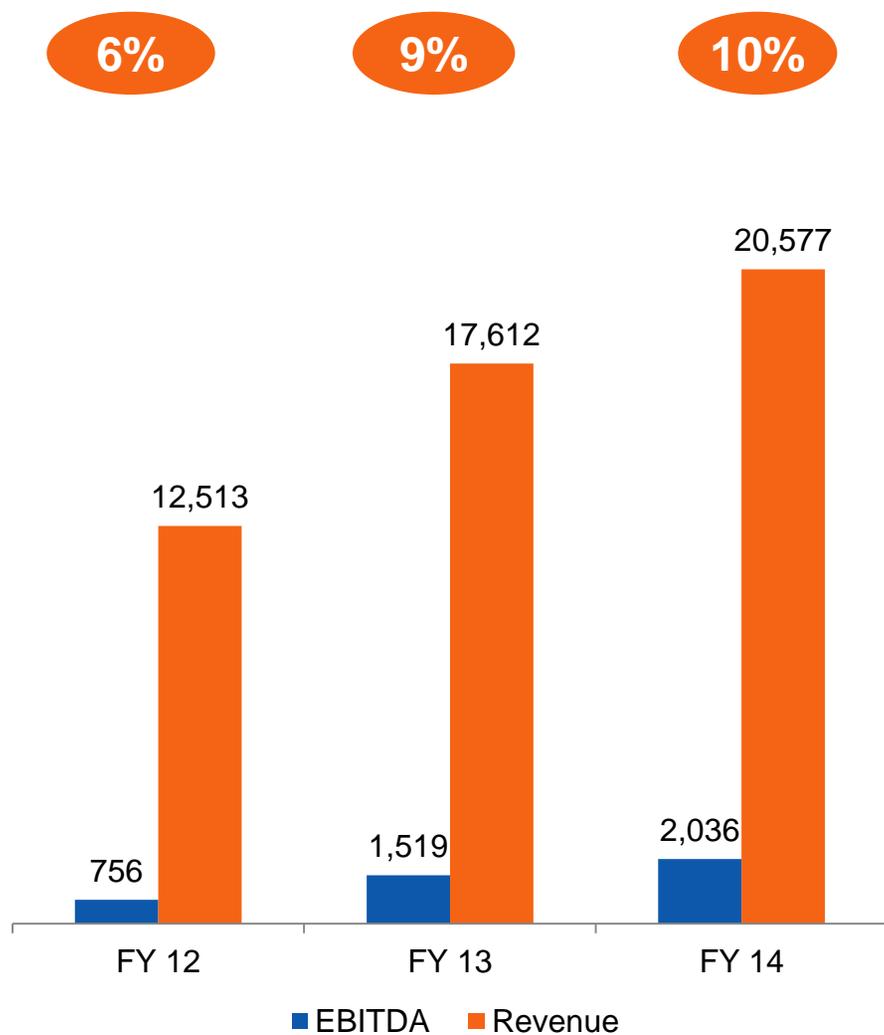


Achievements

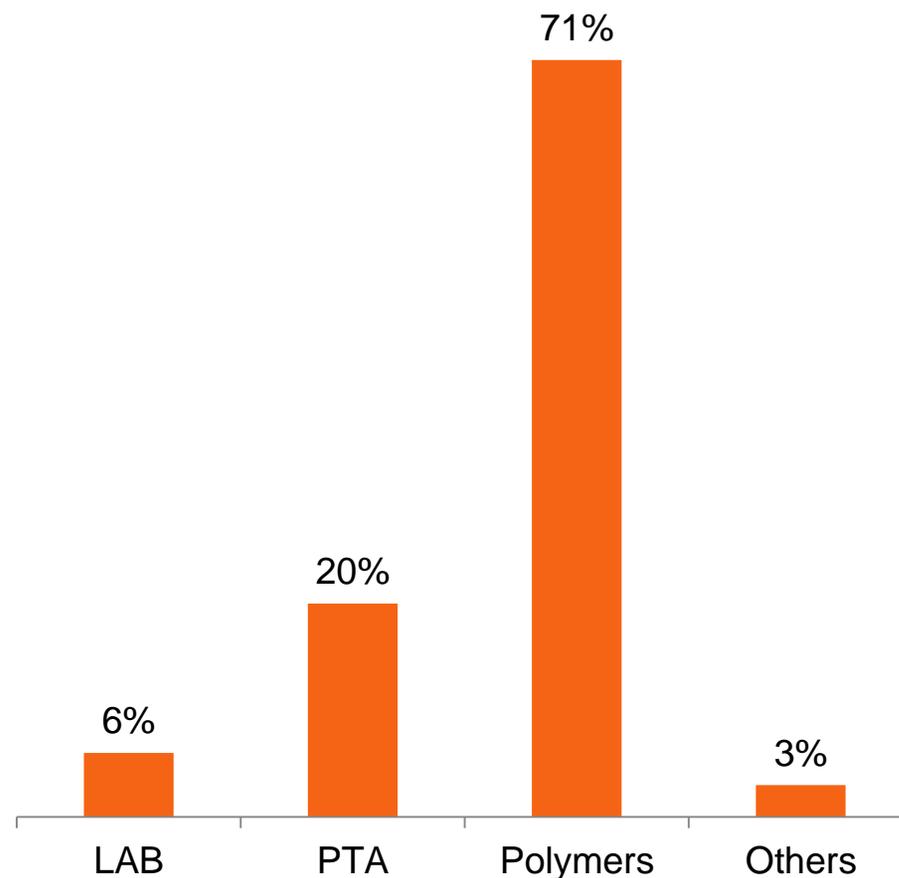
- Product basket increased to 36 polymers
- 9 OEM approvals obtained for polymer products
- Highest ever export of 125 TMT to 46 countries

Naphtha Cracker Capacity utilization in FY 2014 – 94.5%

EBITDA & Revenue (in Rs. crore)



Product-wise EBITDA Margins⁽¹⁾



EBITDA Margin

⁽¹⁾All figures for the year ended March 31, 2014

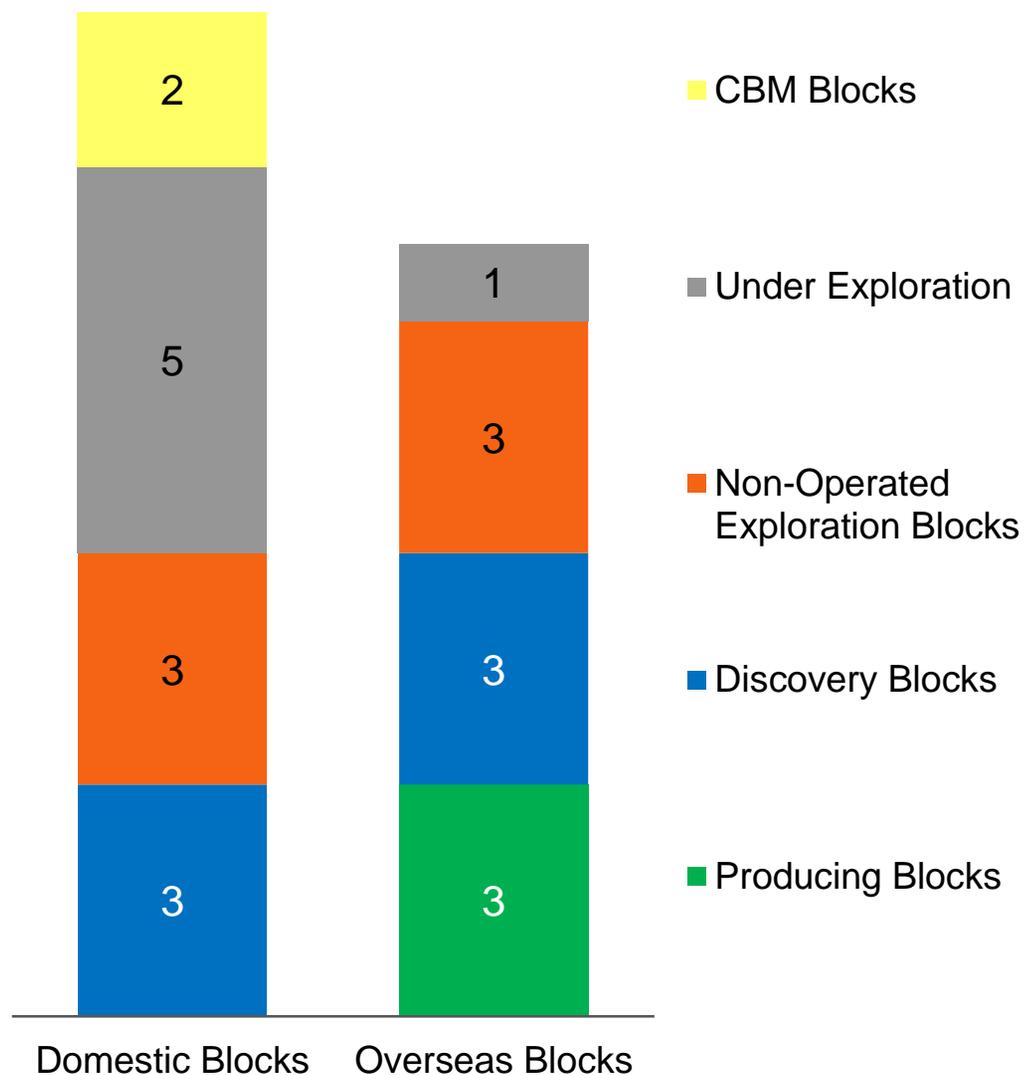
IOC: E&P Capabilities

- 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)



A view of the drilling site at IOC Khambel 1

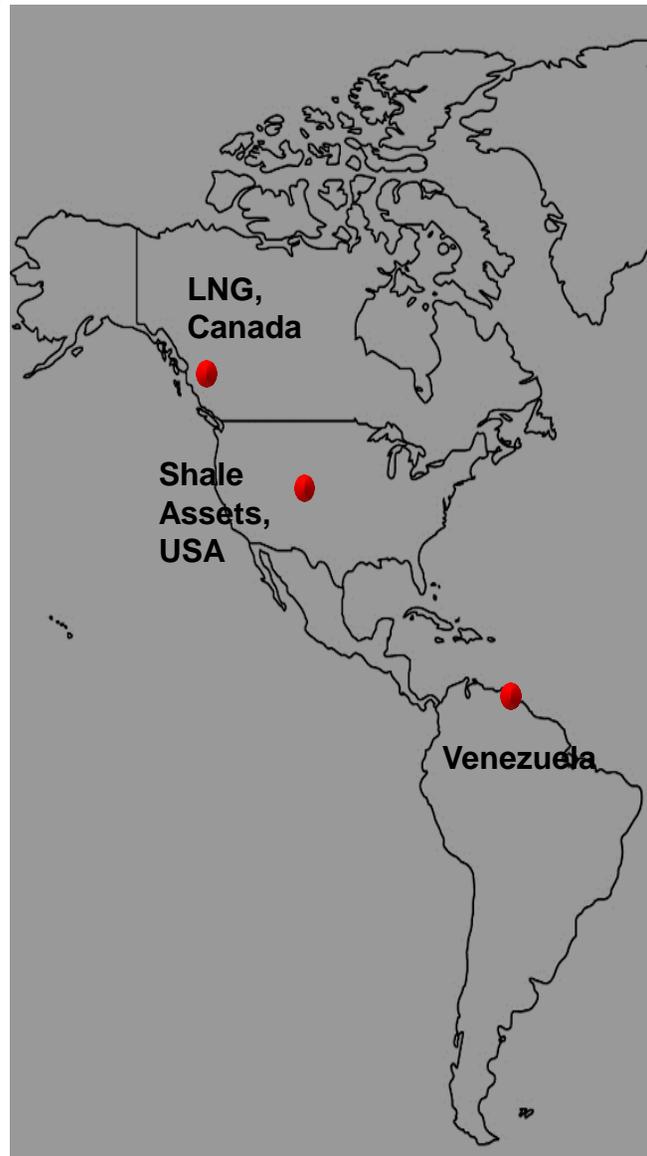
Status of Domestic and Overseas Blocks (No.)



All figures for the year ended March 31, 2014.

Pacific NorthWest LNG, Canada

- Acquired in 2013
- Reserves
 - Potential Reserves: 46.35 Tcf ⁽¹⁾
 - 2P Reserves: 8.35 Tcf
 - 1P Reserves: 2.69 Tcf
- Initial IndianOil Investment: US\$ 1 billion
- IndianOil Stake:
 - Reserves 10% - 4.6 Tcf
 - LNG Terminal Offtake:
1.2 MMTPA – exports by 2019



Niobrara Shale Asset, USA

- Acquired in 2012
- IndianOil Share:
 - Cumulative Production:
10% (10 MMBOE) ⁽²⁾
 - 211,000 boe as on
31.3.2014
 - Revenue: US\$ 9.1 million

Carabobo Project-1, Venezuela

- Acquired in 2010
- IndianOil Share:
 - 3.5% (106 MMboe)
 - Cumulative Production: 43,082
bbl as on 31.3.2014

⁽¹⁾ Tcf – Trillion cubic feet

⁽²⁾ MMBOE - Million Barrels of Oil Equivalent

Geographical Diversification

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

- Aviation, terminal & retail business
- 70% market share in aviation
- 25% market share in POL sales



Lanka IOC Plc.
(75.1% Stake)

- Storage terminal & retail business
- 19% market share



IOC Middle East FZE
(100% Stake)

- Marketing of lubes & POL
- Registered a growth of over 12% on lube sales



Gas – Stepping on the Pedal

Ennore LNG Import Terminal

- Estimate cost – Rs.4,320 crore

Gas

City Gas Distribution (CGD)

- Network in 4 cities:
 - Operational: Agra and Lucknow
 - Upcoming: Chandigarh and Allahabad



Cross-Country Pipelines

- Mehsana-Bhatinda (77.11 mmscmd)
- Bhatinda-Jammu-Srinagar pipelines (42.22 mmscmd)
- Mallavaram-Bhopal-Bhilwara-Vijapur pipeline (78.25 mmscmd)
- Total cost – Rs.13,706 crore
- Formed two joint ventures with GSPL, BPCL & HPCL ; IOC's stake – 26%

Diversification Across Sources

Nuclear



- 26% JV with Nuclear Power Corporation of India to establish nuclear plant at Rawatbhatta; Investment of Rs.961 crore
- Likely to be commissioned by 2016-17

Wind Power



- 21MW plant at Kachchh; Second plant of 48.3MW capacity in AP, South India

Solar

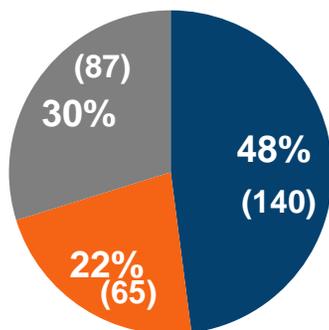


- 5MW solar plant in Rajasthan
- 1266 ROs / KSKs solarized

Active Patents Portfolio

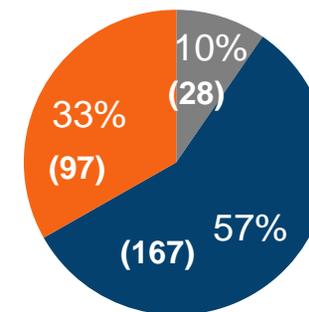
Total Patents: 292

By Geography



■ India ■ USA ■ Others

By Division



■ Lubes ■ Refineries ■ Others

Focus on Product & Technology

INDMAX

Technology developed to maximize light distillates from refinery residue

Carbon Nano Tubes

1st in India to introduce multi-grade railroad oil to Indian Railways; significant fuel savings

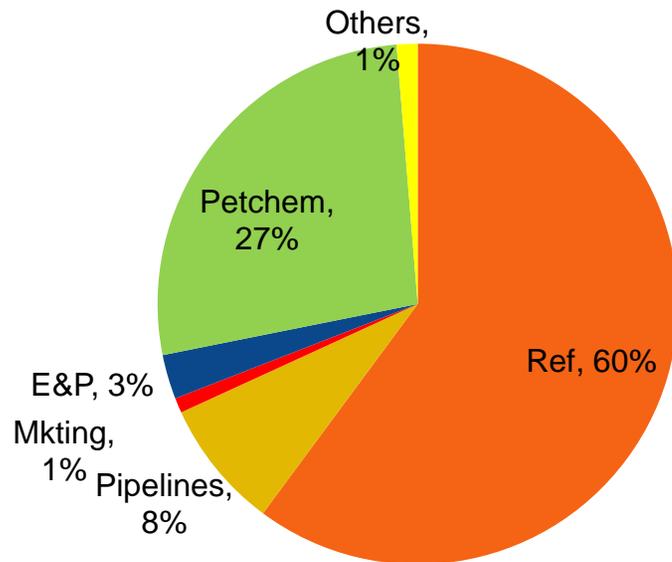
Needle Coke

One of few world companies that possesses high value needle coke technology

OEM Approval

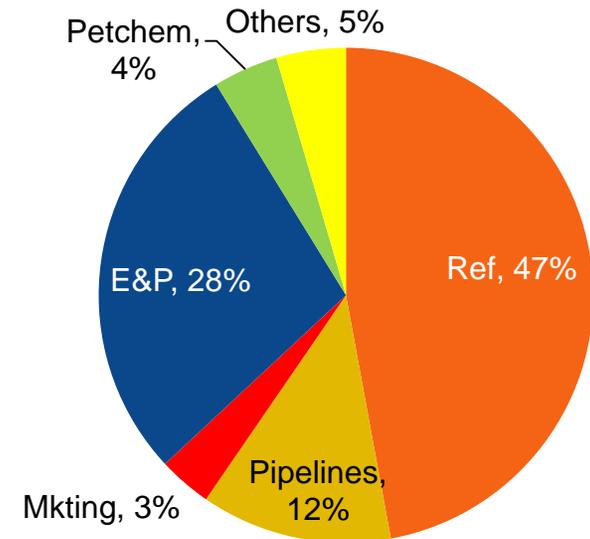
- Bombardier, Germany approved IndianOil R&D's synthetic grease
- To be utilized by Mumbai Railway Vikas Corporation

XI Plan Capex: 2007-08 to 2011-12



Rs.48,655 crore

XII Plan Capex : 2012-13 to 2016-17 ⁽¹⁾



Rs.56,200 crore

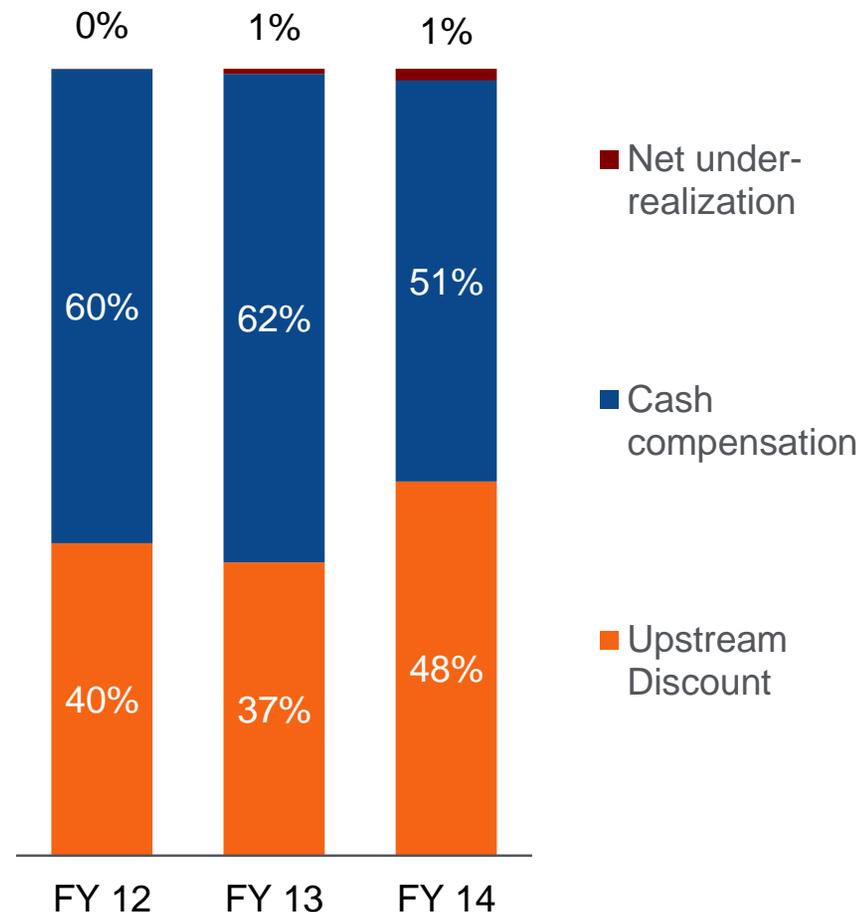
⁽¹⁾ Capex for future periods subject to change

Finalization of Under Recovery Sharing on Annual Basis

(Rs. crore)

	FY 12	FY 13	FY 14
Gross Under – realization	75,469	85,793	72,938
Upstream Discount	29,961	31,967	34,673
Cash Compensation	45,486	53,278	37,182
Net Under - realization	22	548	1,083

Burden of Under – Recovery Sharing



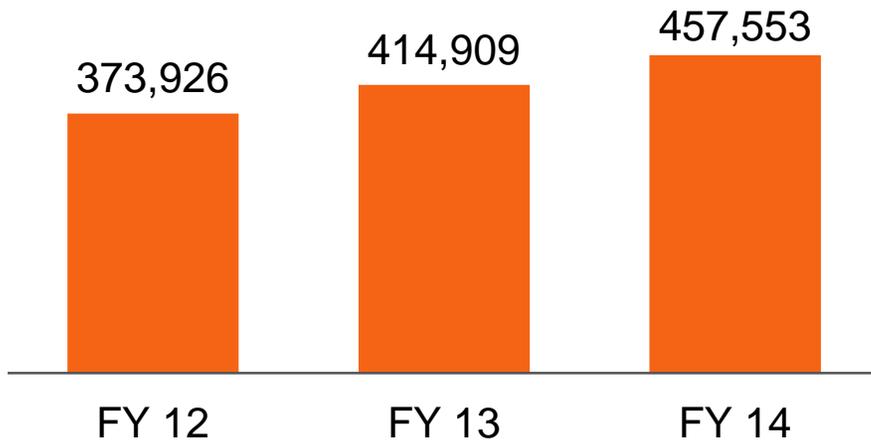
Recent Steps

- Steps taken on 18th Jan 2013: Dual pricing introduced for HSD
 - Market Determined Prices for Bulk Customers (e.g. Railway, Defense, State Transport etc.)
 - Oil Marketing Companies (OMC) authorized to increase the retail price by about 40-50 paisa per liter per month
- Outcomes:
 - Retail prices increased by 8.84 per liter since 18th Jan 2013 to 1st Jun 2014; current under-realization on HSD- Rs.1.62 per liter

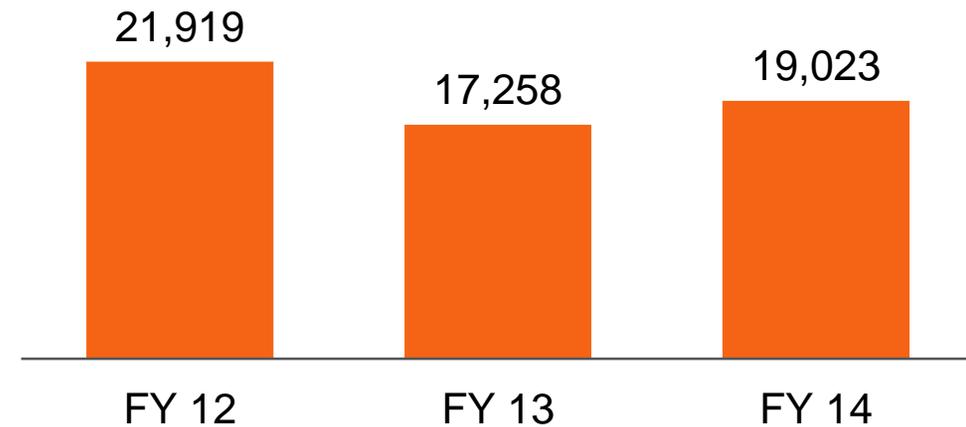
Our Differentiators: Strong Financials



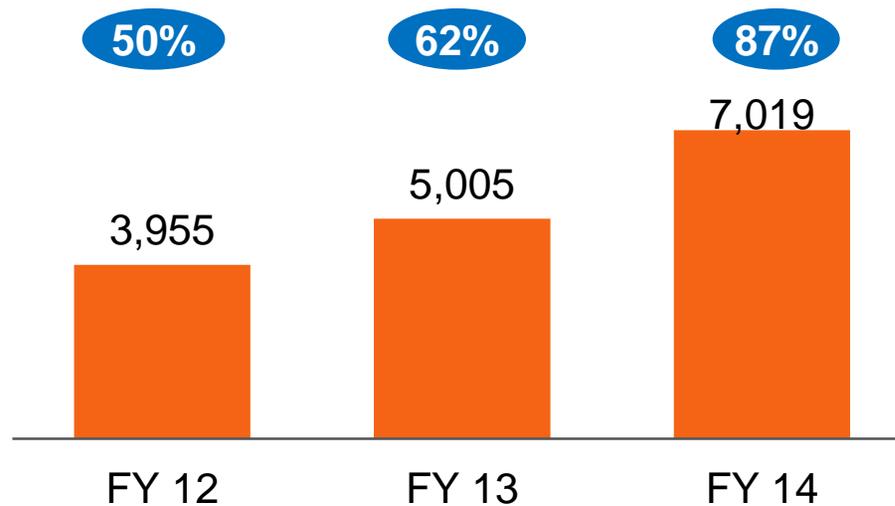
Turnover (in Rs. Crore)



EBITDA (in Rs. crore)



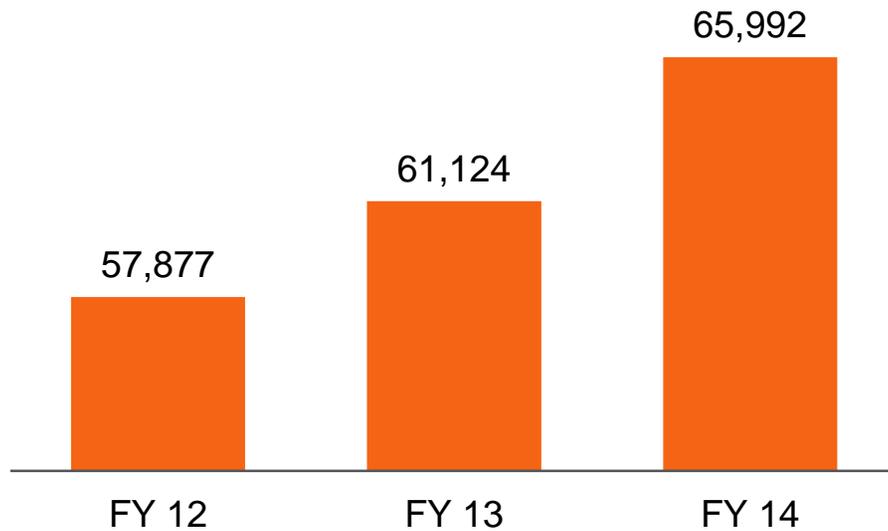
Net Profit (in Rs. crore) and Dividends



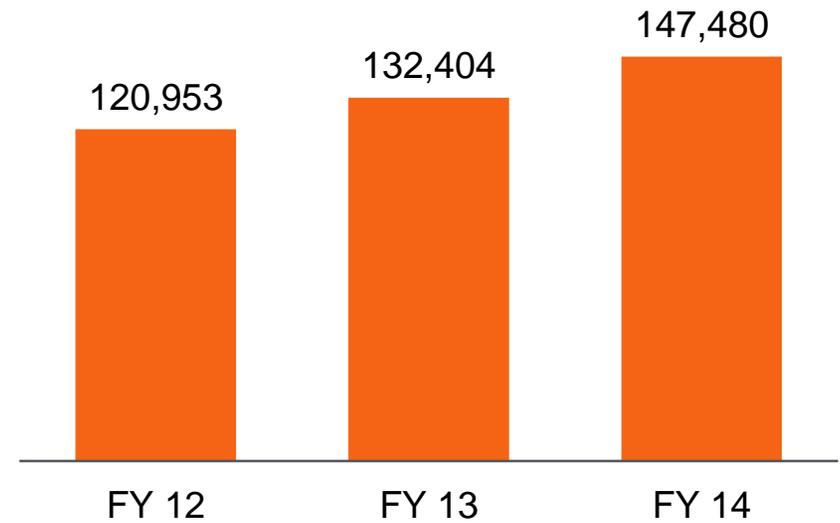
 Dividend Paid (% face value)

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

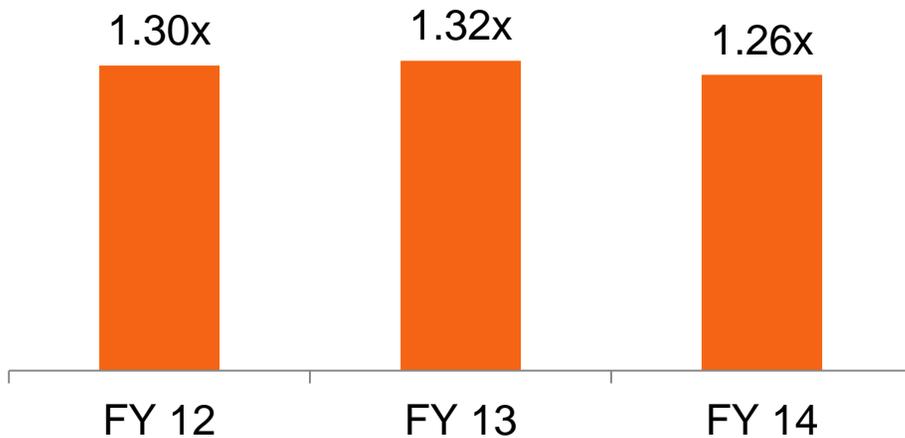
Net Worth (in Rs. Crore)



Asset Base⁽¹⁾ (in Rs. Crore)



Debt / Equity (Times)



Core Debt / Equity⁽²⁾

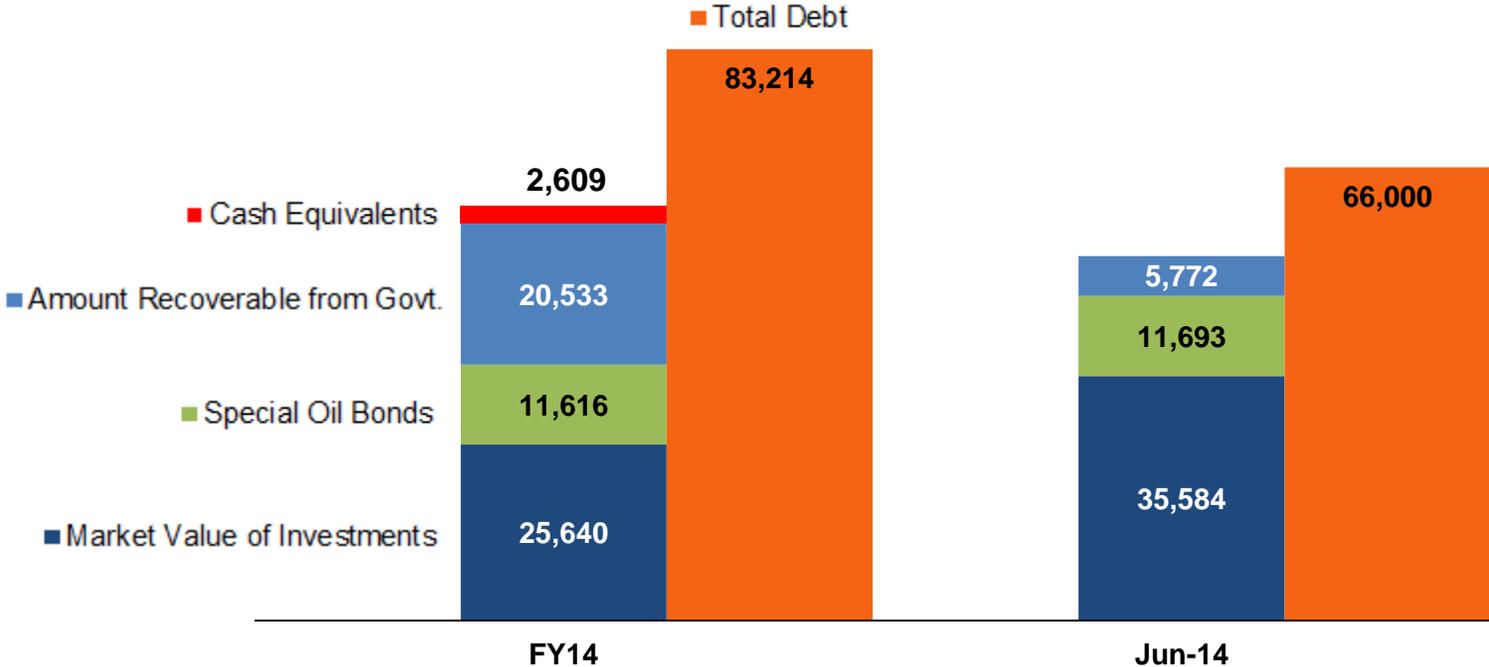


⁽¹⁾Comprises of Gross Fixed Assets and Capital WIP.

⁽²⁾Core Debt = Debt less cash receivable from Government and cash & bank balances



Debt & Liquid Investments (in Rs crore)



(1) Oil Bonds received from Government of India in lieu of compensation till the year FY 2009
(2) Figures of June 14 are provisional



IndianOil

India's Largest Oil Company

...Focused on Creating Shareholder Value

1

- **Dominance in downstream sector**

2

- **Unparalleled infrastructure in all segments**

3

- **Integrated business operations likely to extend competitive advantage in complete deregulated scenario**

4

- **Investments in Petrochemicals and E&P likely to enhance contribution to EBITDA**

5

- **Focused strategy and management commitments to effectively manage change and enhance profitability and shareholder value**

Last but not the least..... Attractive valuation relative to its peers

Thank you