

ANNUAL PRESS CONFERENCE



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New Delhi

Structure of the Presentation

Economy and Industry Synopsis...

2013-14 Highlights

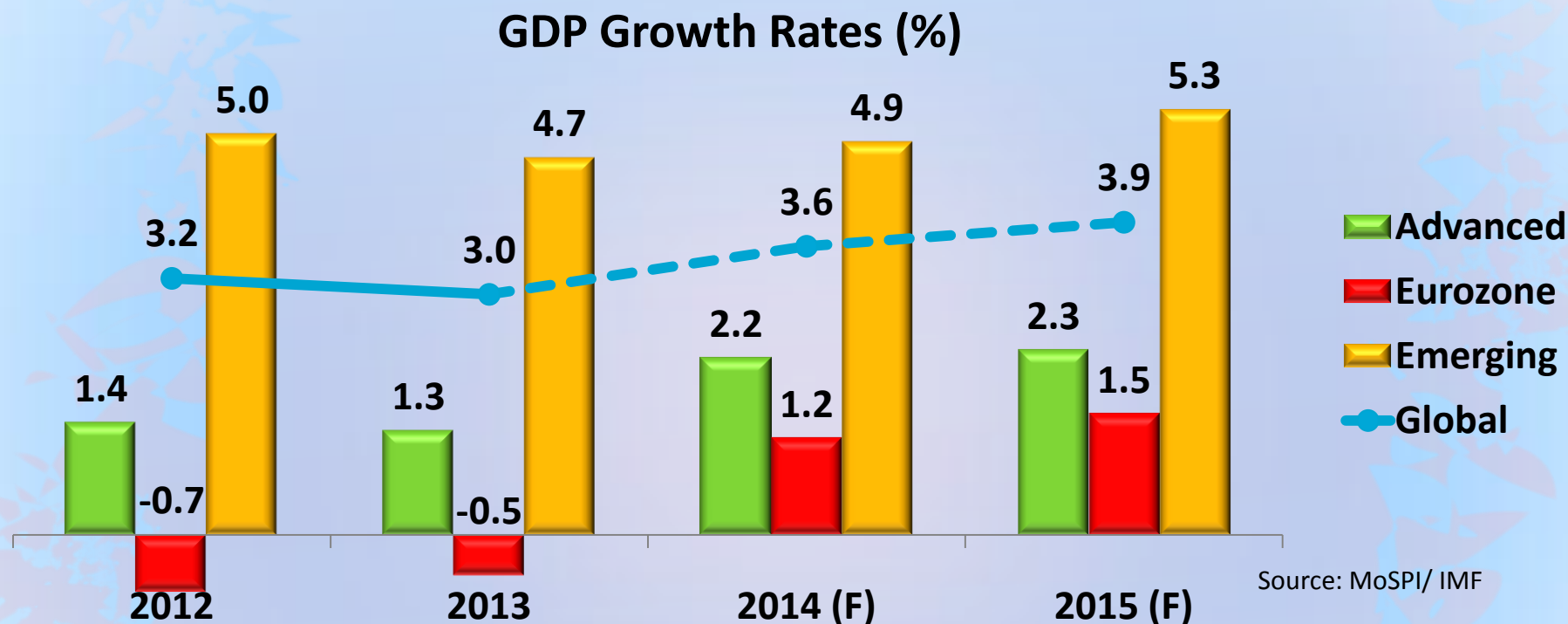
2013-14: The Bygone year

Financials...

Open Forum...

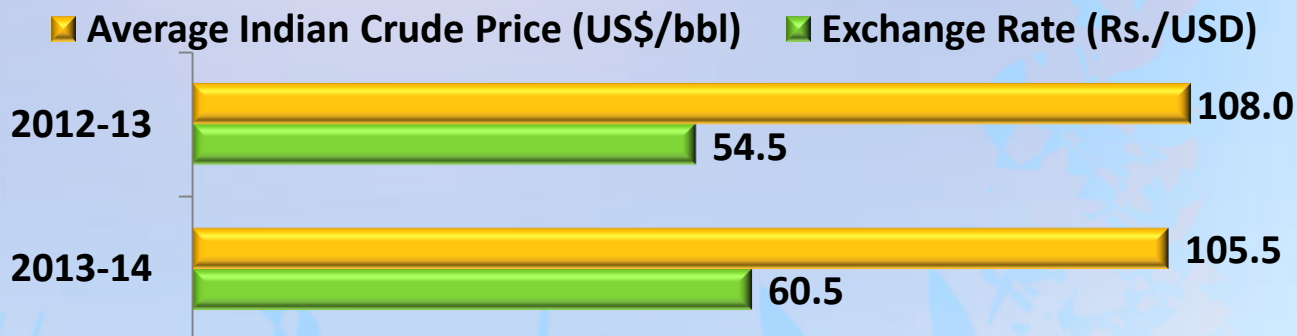
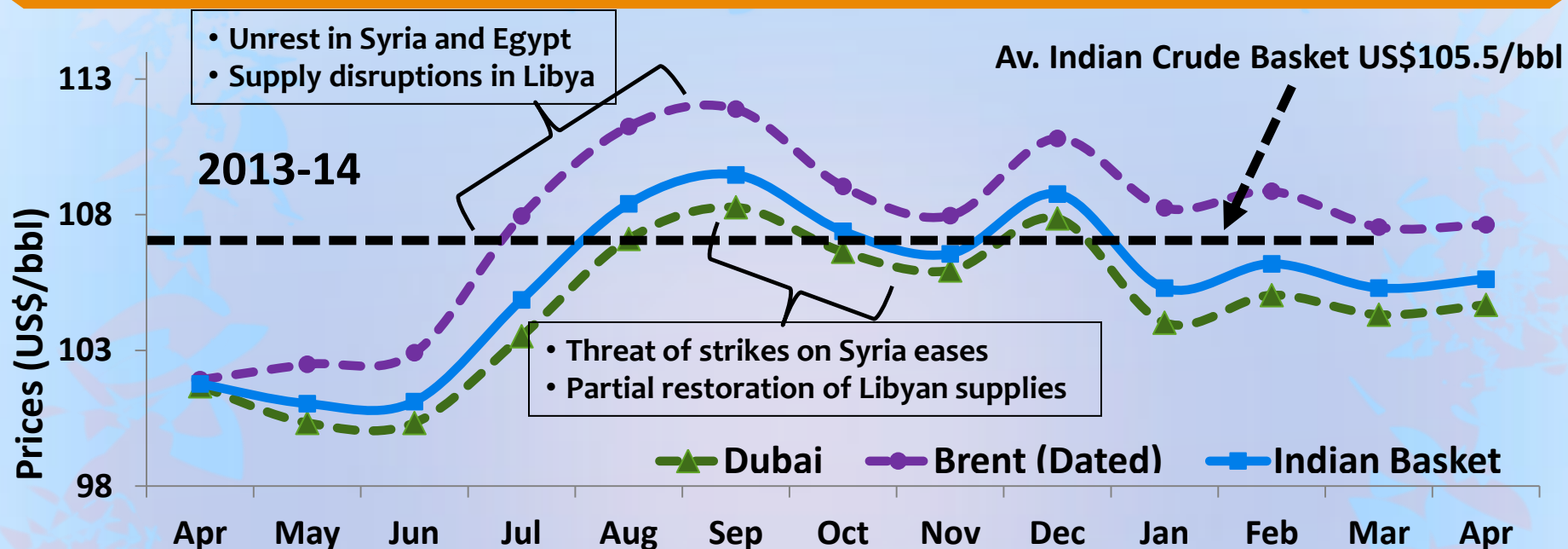
Economy and Industry Synopsis...





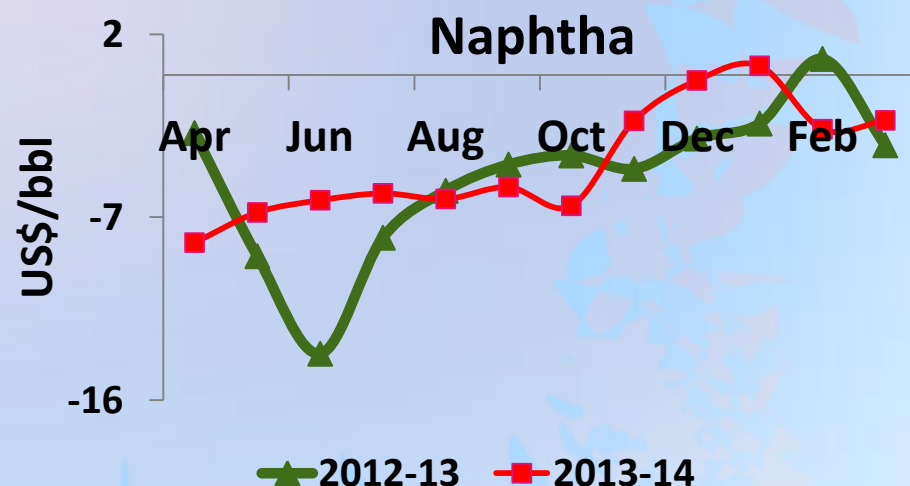
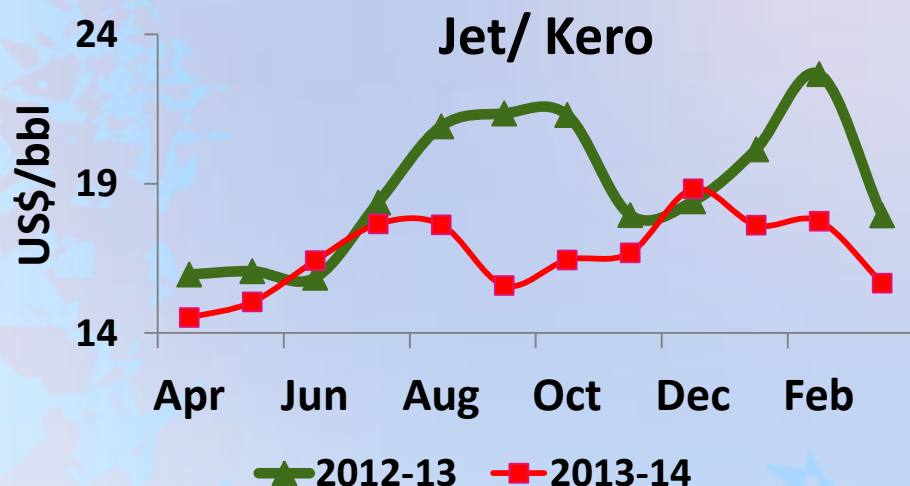
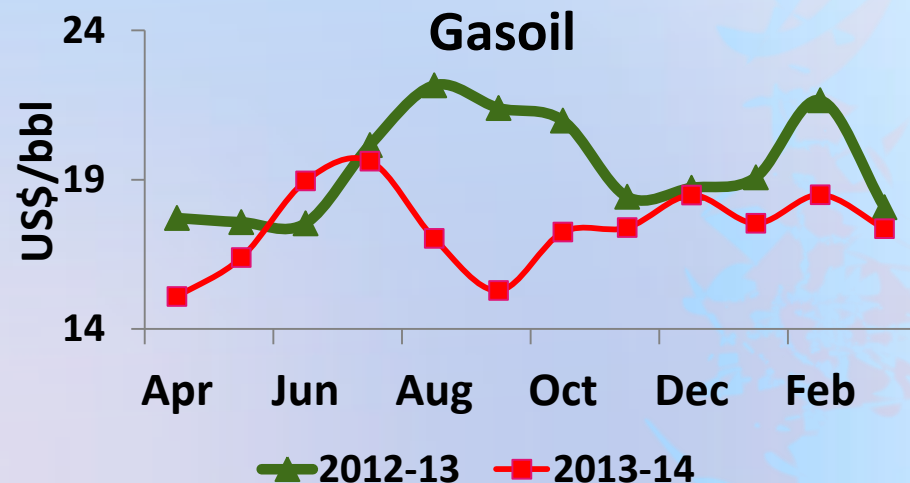
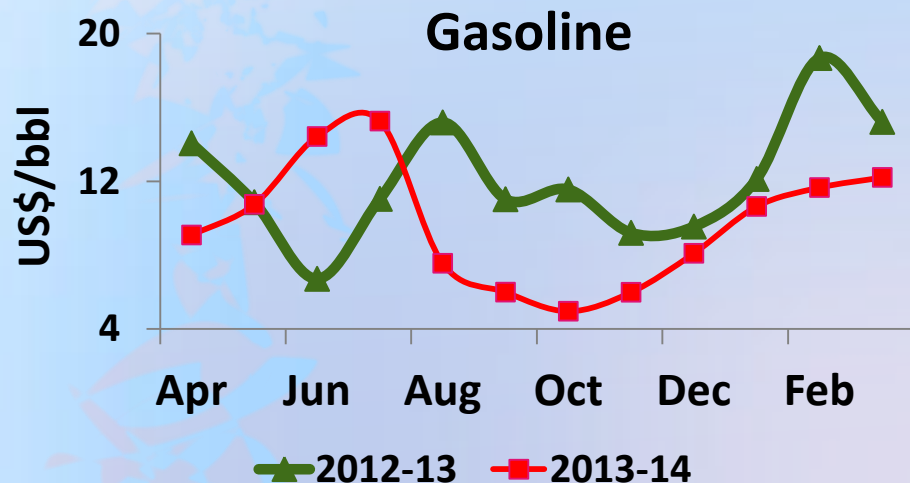
- Acceleration in the global economy projected
 - ✓ Advanced economies – main drivers for global growth
- Emerging economies
 - ✓ China - faltering economic growth, raising expectations of weaker oil demand
 - ✓ India - mild upturn in Q2 & Q3, likely to strengthen further

Crude Pricing



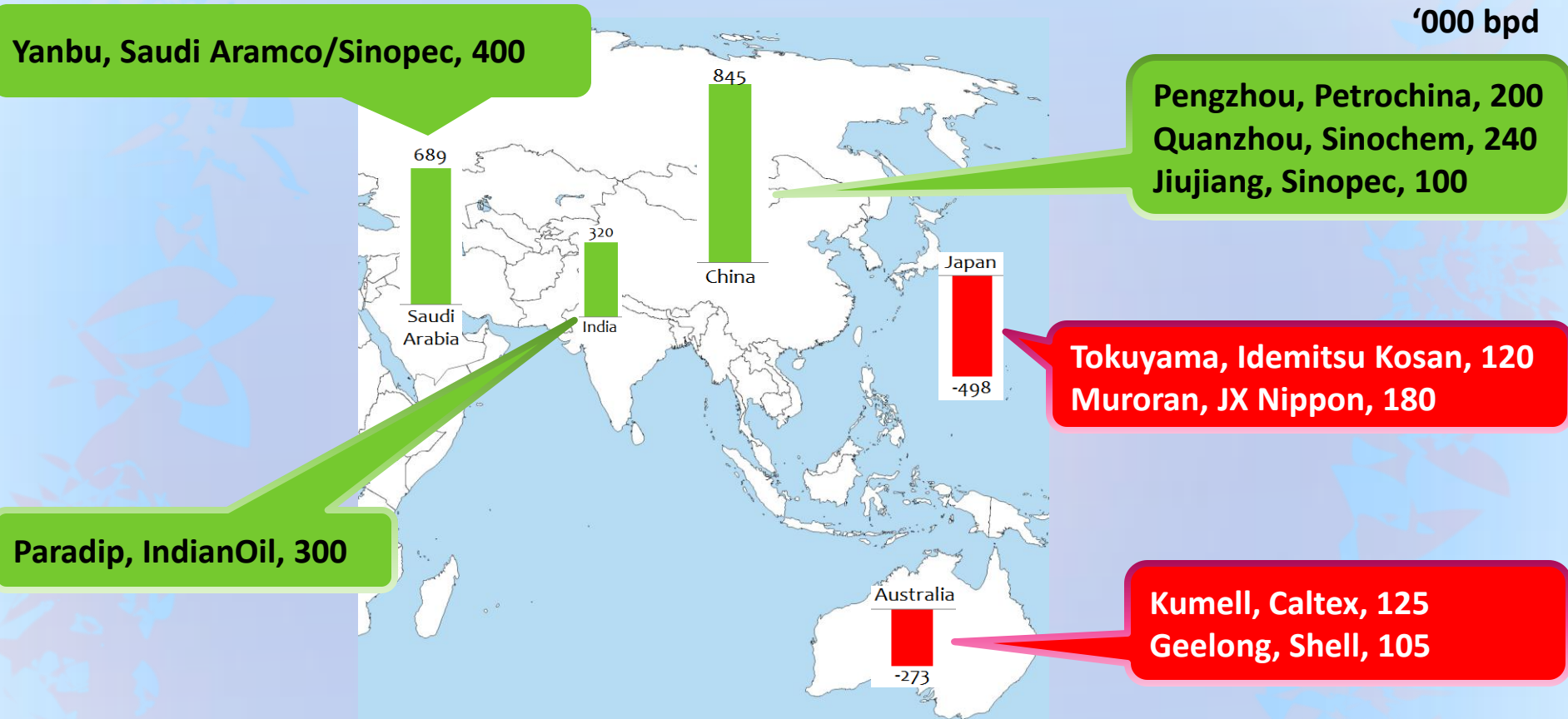
Advantage lost due to Rupee depreciation

Product Cracks - Dubai



Margins under pressure

Major Global Refinery Expansions - 2014



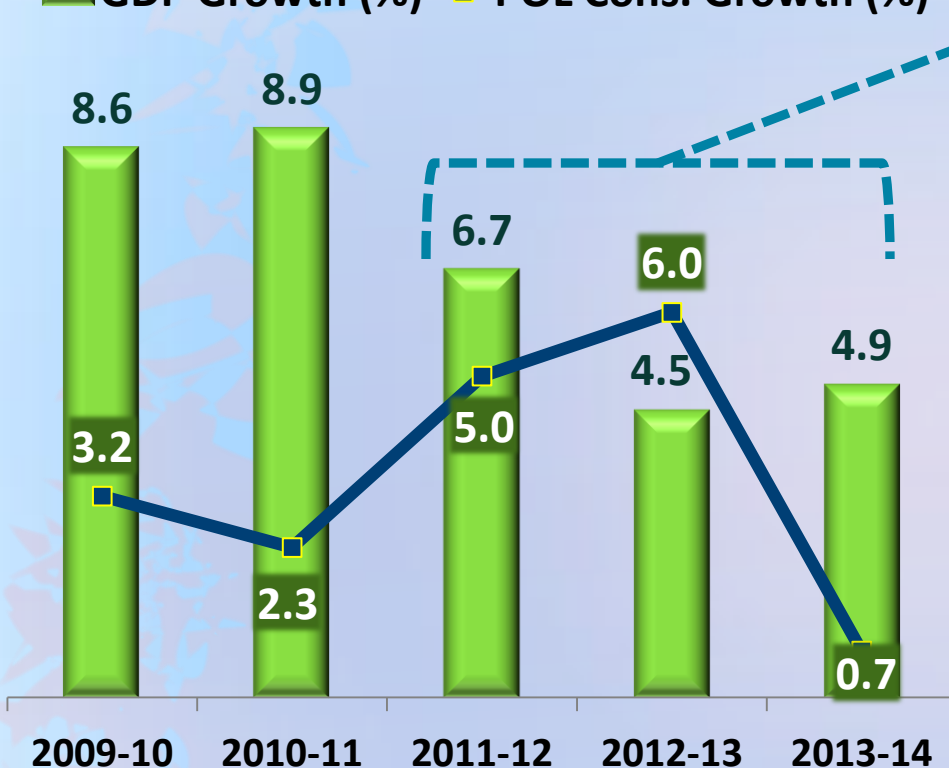
Source: JBC Refining Outlook, Jan'14

- Net planned CDU capacity expansion: 880,000 b/d in 2014
 - ✓ Additions - mainly in East of Suez (Saudi Arabia, China, India)
 - ✓ Europe and OECD Asia – intentions of further outages

Capacity additions to exceed incremental product demand in near term

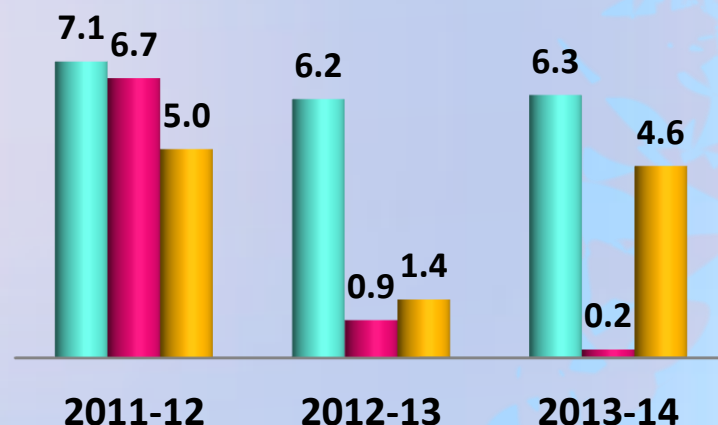
Domestic Economy vis-à-vis POL Demand

■ GDP Growth (%) ■ POL Cons. Growth (%)



Segment-wise Growth (%)

■ Services ■ Industry ■ Agriculture



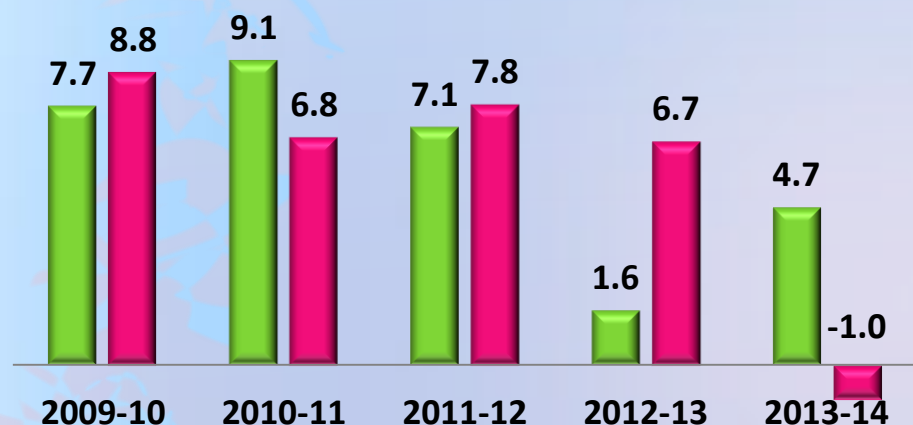
Source: PPAC/ MoSPI

- GDP growth – dominated by agriculture and services
- POL growth – lowest in five years, in line with the lowest growth in industry, de-growth in vehicle sales and reducing power deficit

POL Consumption – Major Products

Growth Rate (%)

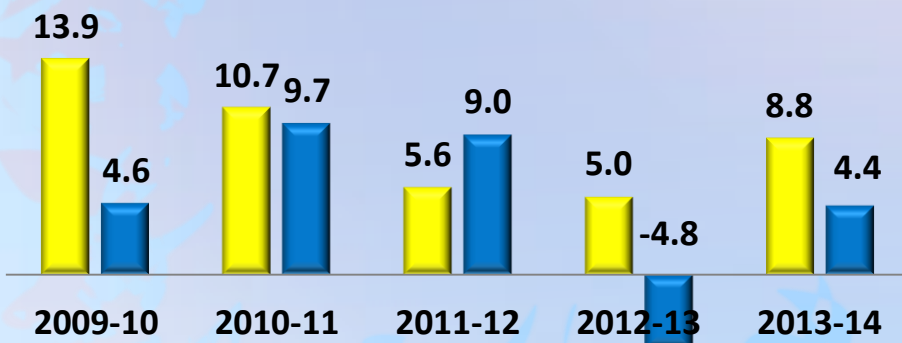
■ LPG ■ HSD



Controlled Products

- Significant growth in LPG
 - ✓ Increase in cap on cylinders
- Negative growth in HSD in 2013-14, 1st time in the last decade
 - ✓ Commercial vehicle growth: (-) 18.7%, lowest since 2009-10

■ MS ■ ATF



Free Products

- Growth of MS during 2013-14: highest in the last 3 years
 - ✓ Increase in 2-wheelers sales
- ATF shifted from negative to positive
 - ✓ Air traffic grew at 3.9% in 2013-14 vs. (-)4.3% in 2012-13



LOWERING ACTIVITY
SPREAD 5, PBPPL PROJECT

2013-14 Highlights



2013-14 – Operations Par Excellence



Naphtha Cracker, Panipat

Diversifying Feedstock

- Introduced 26 new crudes
- Widened crude basket to 168

Refining Operations

- Notwithstanding increased heavy crude processing, achieved 78.1% Distillate Yield
- F&L reduced to 9.0% (LY 9.1%)
- Energy consumption: 55.8 MBN (LY 56.3 MBN)

Supply Chain Optimization

- Utilization of time charter VLCC vessels is about 97% (International Standard: 80-90%)

Naphtha Cracker Utilization

- Achieved 94.5% capacity utilization
- Highest-ever Polymer and MEG production



Tanker at SPM III, Paradip

Highest ranked Indian company in “*Fortune Global 500*”- **88th position in 2013**

2013-14 – Defining Growth

Refineries

- Revamp of FCC at Mathura refinery
- 15 MMTPA Paradip refinery at completion stage

Petrochemicals

- SBR, BDEU and Butene-1 commissioned at Panipat

Marketing

- 1717 ROs (inc. 764 KSKs) commissioned – highest in the industry
- Automation of over 6000 ROs (cumulative)

E&P

- Acquisition of 10% interest in Pacific North West LNG, Canada

Capital Expenditure

- Invested over Rs. 16,660 crore during the year



Paradip Refinery



A Fully Automated RO



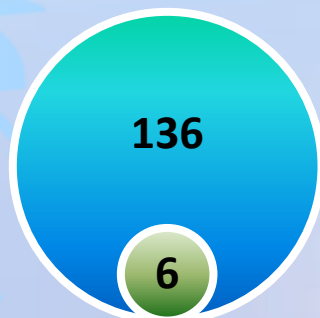
IndianOil, 2013-14: The Bygone year...



Crude Mix

Total Crude Basket
(Additions)

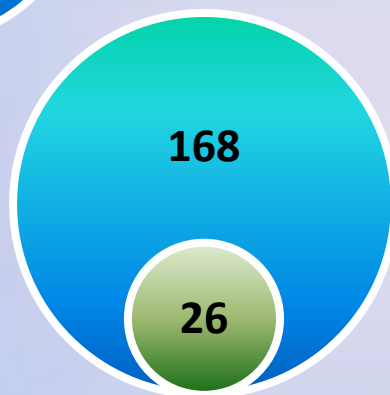
2011-12



2012-13

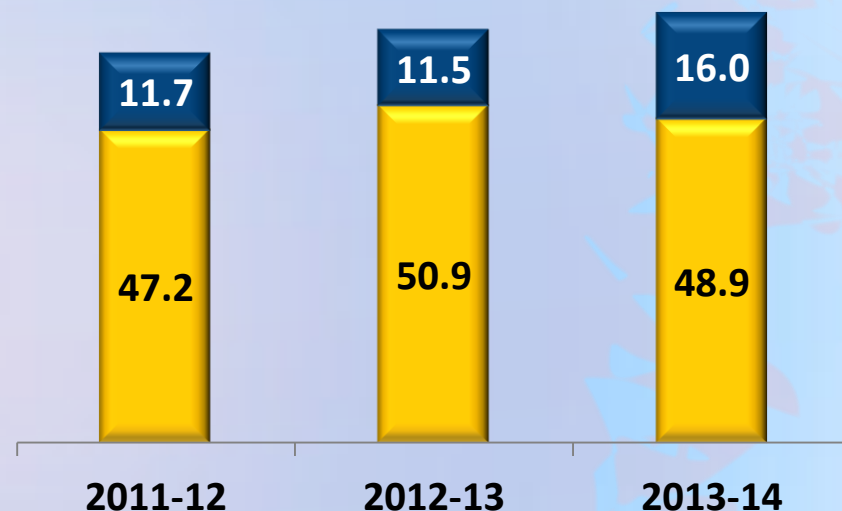


2013-14



Crude Mix (%)

■ HS (%) ■ Heavy/ High TAN (%)

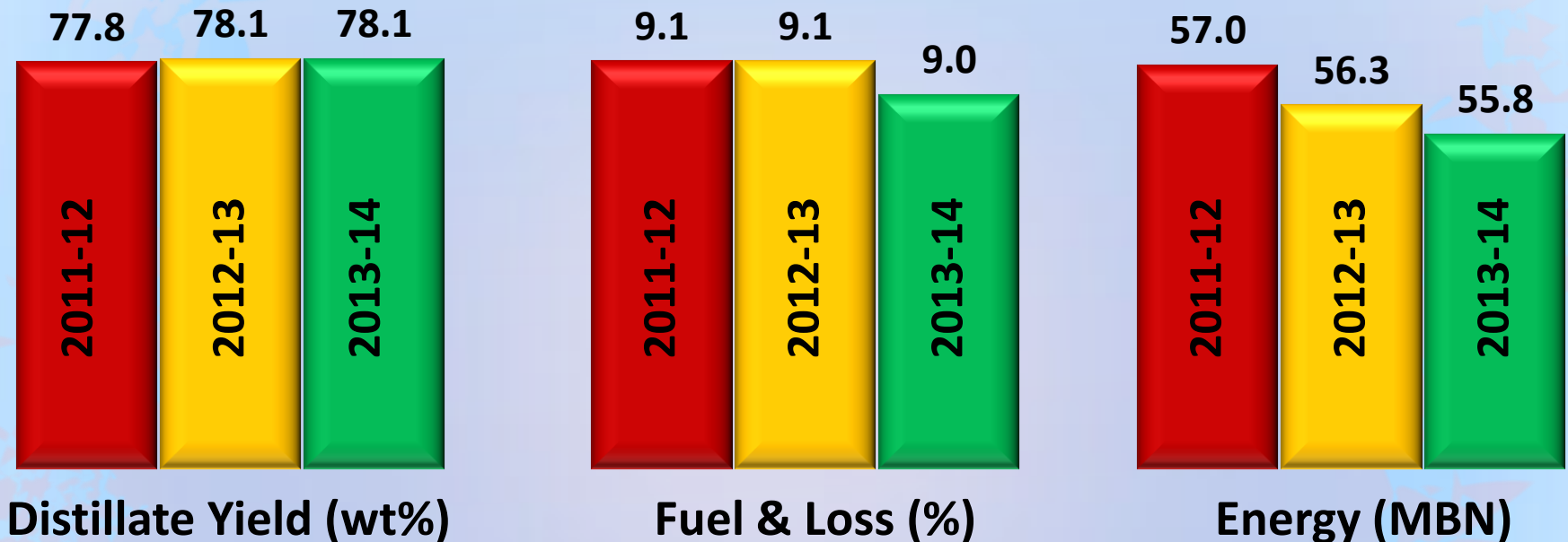


Widened crude basket for de-risking supply sources and margin improvement

- 9 new crudes (including 2 high TAN - Marlim & Dalia): processed 1st time
- 26 new crudes included in trial basket (LS: 7, HS: 3, Heavy: 6, Condensates: 10)
- Increased processing of Rajasthan crude from 1.32 MMTPA to 1.51 MMTPA

Widening crude basket and improved mix

Refineries – Setting Benchmarks



- Crude throughput - 53.1 MMT
- Lowest-ever specific energy consumption
- 4 refineries surpassed their previous best distillate yield and specific energy consumption - Baruani achieving 88% distillate yield (highest-ever)
- Benchmarking wrt global peers

Refinery Projects – Crossing Milestones

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 reliability and 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

Strengthening downstream integration

Refinery Projects – The Way Forward

Coker at Haldia Refinery

- Distillate Yield improvement project
- Approved: March 2014
- Cost: Rs. 3076 crore
- Benefits
 - Black Oil destruction
 - Distillate Yield improvement from 67.2% to 71.4%
 - High sulphur crude processing from 61.4% to 82.4%
 - Refinery capacity increase from 7.5 to 8.0 MMTPA

Polypropylene (PP) at Paradip

- Integration of refinery with petrochemicals
- Approved: March 2014
- Cost: Rs. 3150 crore
- Benefits
 - 700 TMTPA of PP using Propylene from Indmax (In-house developed technology) at Paradip

Paradip Refinery – From Aspirations to Reality

Capacity: 15 MMTPA; Approved Cost: Rs. 29,777 crore

One of the most modern refineries in the world

Crude Mix: 100% HS; 40% Heavy

- Ability to process toughest crudes

Distillate Yield: 81%

- Even with high % of heavy crudes

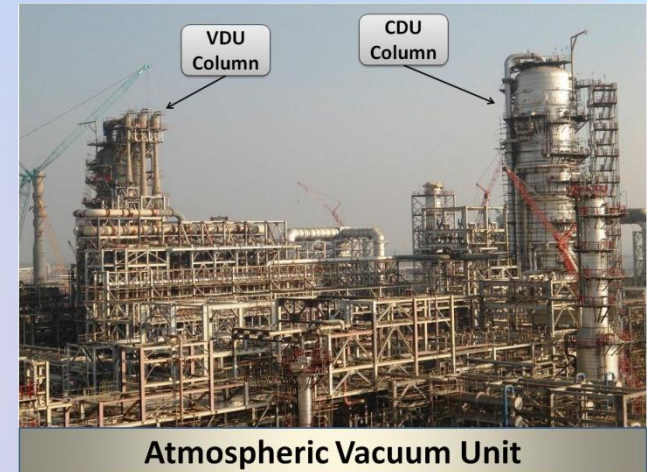
Complexity Factor: 12.2

- Superior secondary processing

Energy Consumption (MBN): 50

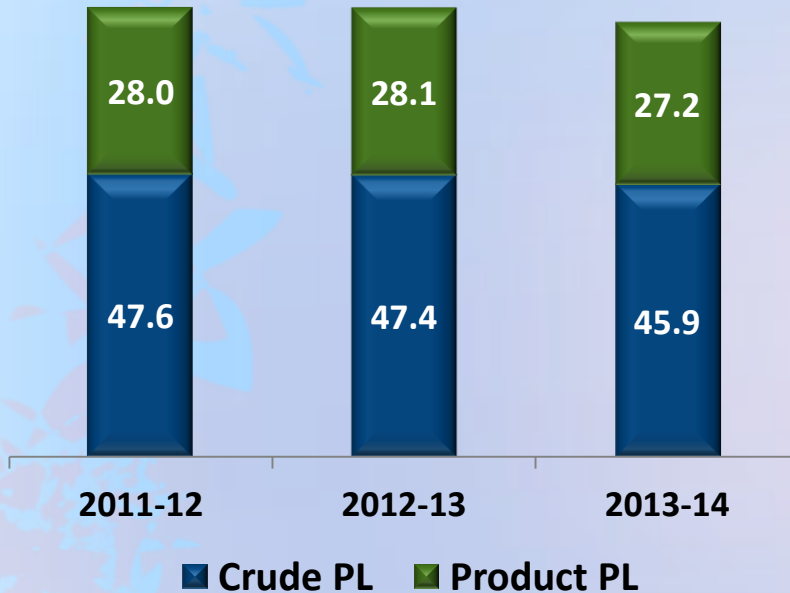
- Among the best in the Industry

On the verge of completion



Pipelines – Efficient Energy Transport

Pipeline Throughput, MMTPA



Spreading wings

- Ventured into EPC services as business development initiative
- Supported the refineries through heavy crude blending
- Added crude oil tankage of 425 TKL

Excellence in operating parameters

- Over 113% capacity utilization of Crude oil pipelines
- Handled 98 tankers at Paradip during 2013-14 – highest in a year at the East coast



A Pipeline Pumping Station

Pipeline Projects – Creating Competence

- **Emphasis on pipelines for transporting heavier crudes (25 cst to 40 cst)**
 - ✓ **Salaya-Mathura Pipeline**
augmentation from 21 to 25 MMTPA with increase in viscosity
 - ✓ **Paradip-Haldia-Barauni Pipeline**
augmentation from 11 to 15.2 MMTPA with increase in viscosity
- **LPG pipelines – top on agenda**
 - ✓ **Paradip-Haldia-Durgapur Pipeline**
 - ✓ **Ennore-Trichy-Madurai Pipeline**
- **13 projects under implementation**
 - ✓ **Cost > Rs. 6,800 crore**
 - ✓ **Capacity: 16 MMTPA**
 - ✓ **Length: 3,000 km**

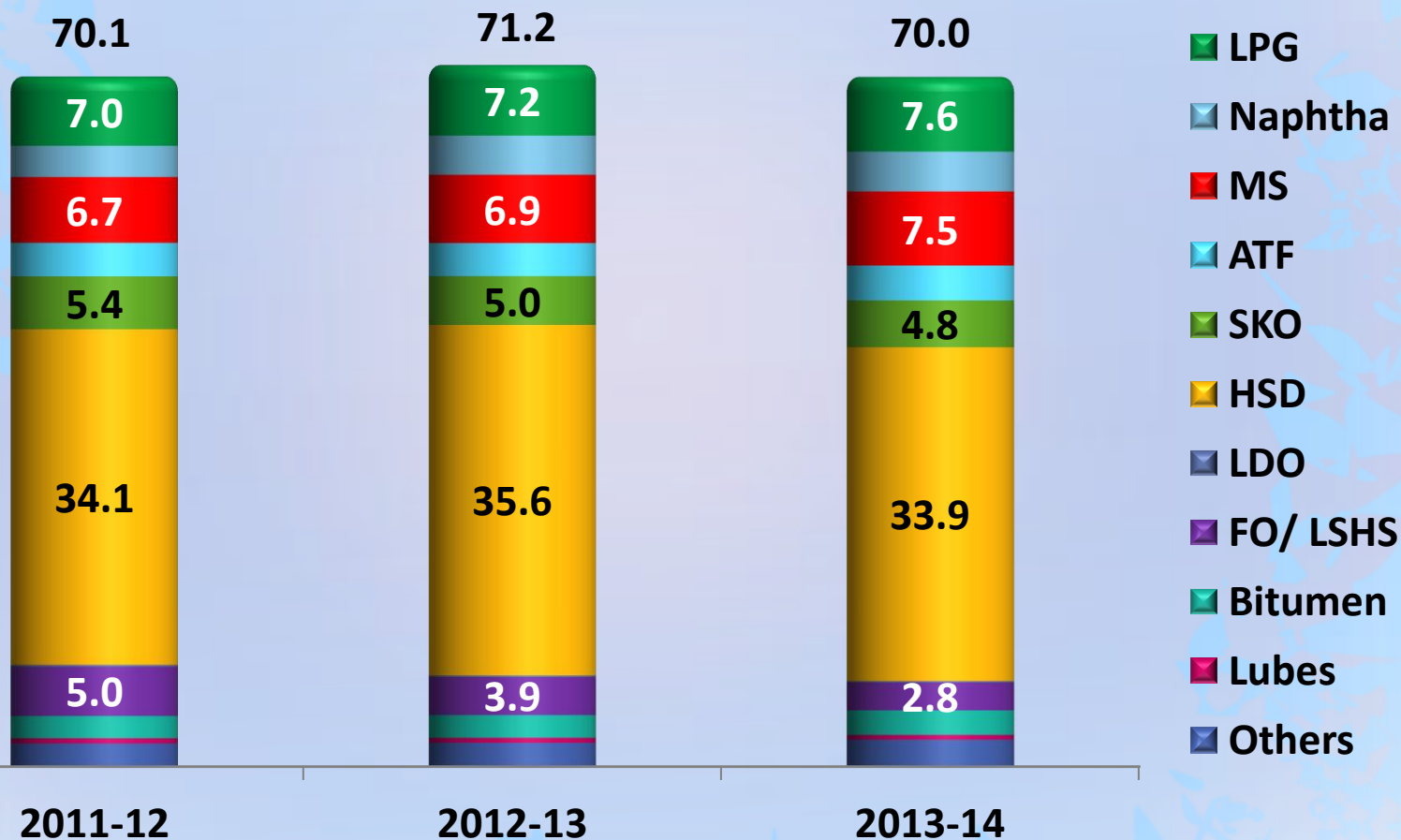


**Paradip-Raipur-Ranchi Pipeline
Construction**

IndianOil POL Sales



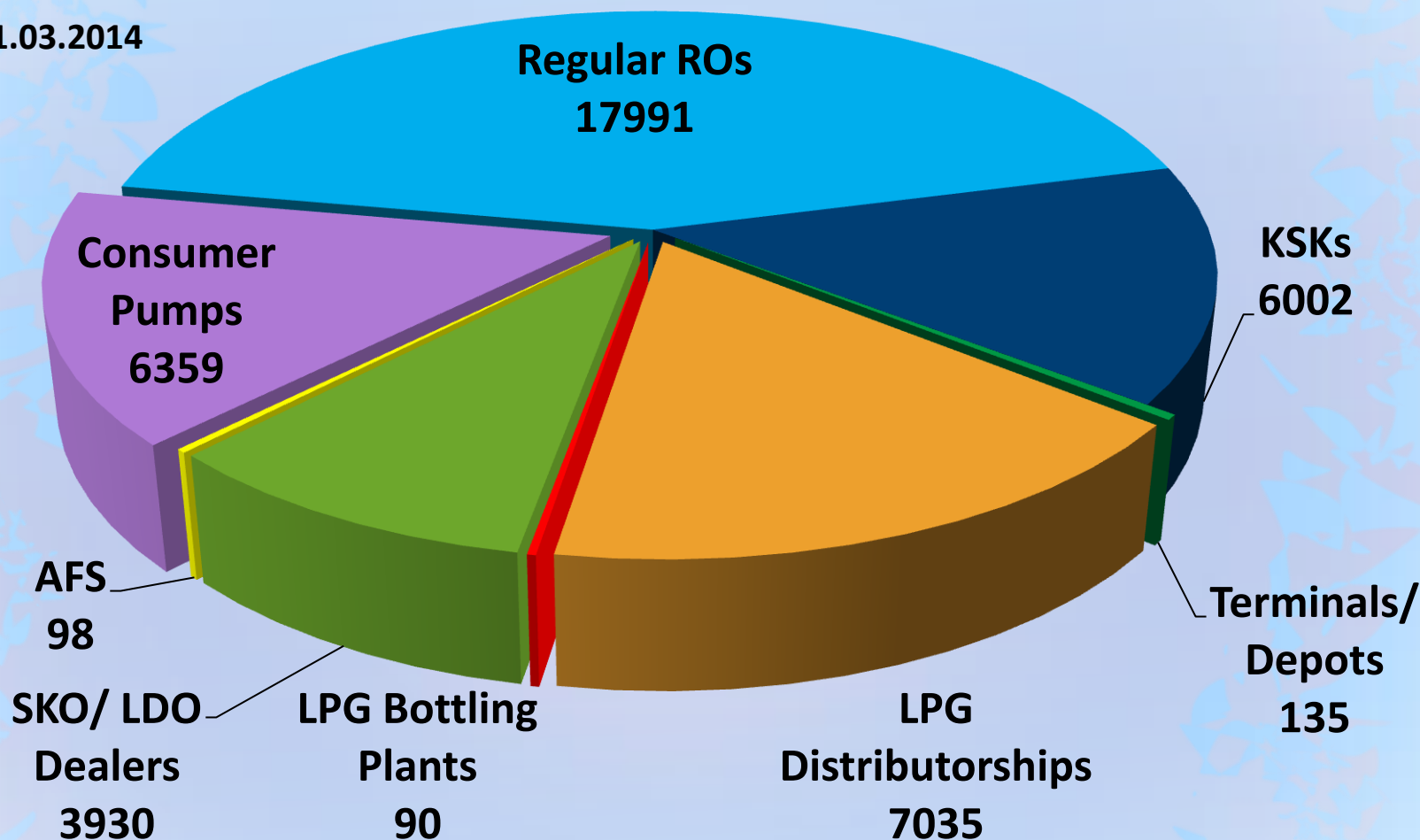
Domestic POL Sales (MMT)



Market leader with 47.1% market share

Touching a Billion Lives

As on 31.03.2014



Market leader with 51.5% infrastructure share
LPG customer base expanded by 84 lakh to 8.18 crore

Leveraging Technology

- 1700 ROs automated during the year
- NANF (No Automation, No Fuelling) extended by 1170 to 4195 ROs
- Networked 687 ROs under the Highway RO Networking initiative
- Commissioned two AFS at Gaya and Gondia
- Enhanced technology to ensure higher productivity and customer experience through *m-Power*, *X-Sparsh* and *X-Snehash*



mPower: 1st and only Mobile App for Field Officers in the industry



X-Sparsh: Only Mobile App for Retail Channel in India - improves productivity of Dealers & FOs



X-Snehash: 1st Mobile App for Retail Fuel Customers

Customer delight through technology

R&D – Pioneering Innovation

OCTAMAX

- Upgradation of C4 hydrocarbons from LPG stream to high-octane (RON>100) gasoline blending stock

INDMAX

- Improvement in propylene yield, achieving more than 26 wt% from hydrotreated VGO feedstock
- Currently under active consideration by an Indian refinery

Pipelines

- Developed indigenous corrosion inhibitor: improved performance and cost effective

OEM Approval

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

Carbon Nano-tubes

- Successful production from Naphtha: lighter and stronger than steel; conducts heat and electricity better than copper
- Enormous potential for commercialization

Breakthrough In-house technologies

R&D – Setting Technical Standards

- **Lubricants**

- ✓ 130 formulations developed
- ✓ 48 Original Equipment Manufacturer (OEM)/ Customer/ Defense approvals and re-certifications

- **Patents**

- ✓ Applied for a record 54 patents: 11 granted

- **Status of Patents:**

India	USA	Others	Total
140	65	87	292

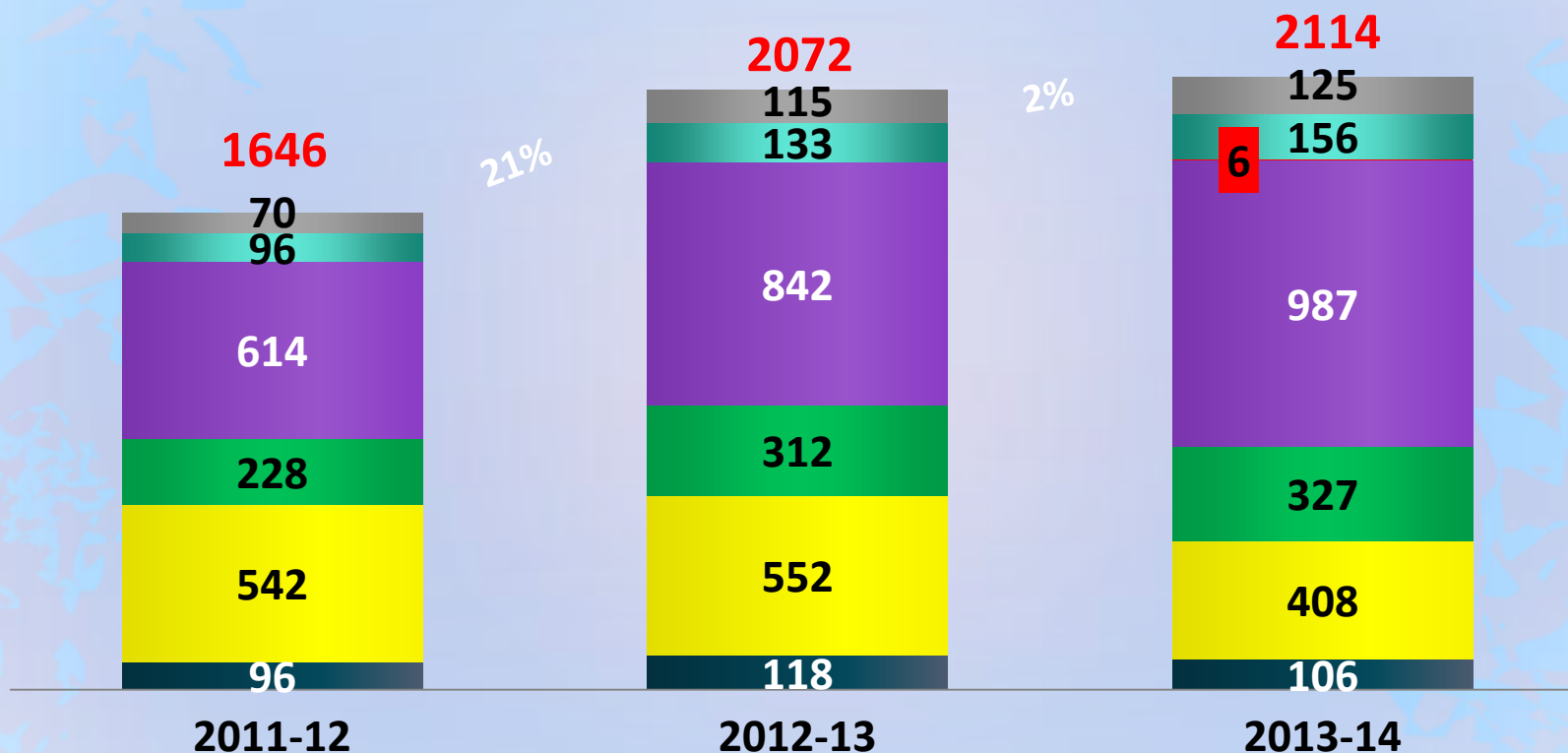
Lubes	Refineries	Others	Total
28	167	97	292



One of the most modern R&D center

Petrochemicals - Consolidating Integration

Petrochemicals Sales – Domestic and Exports, KTA

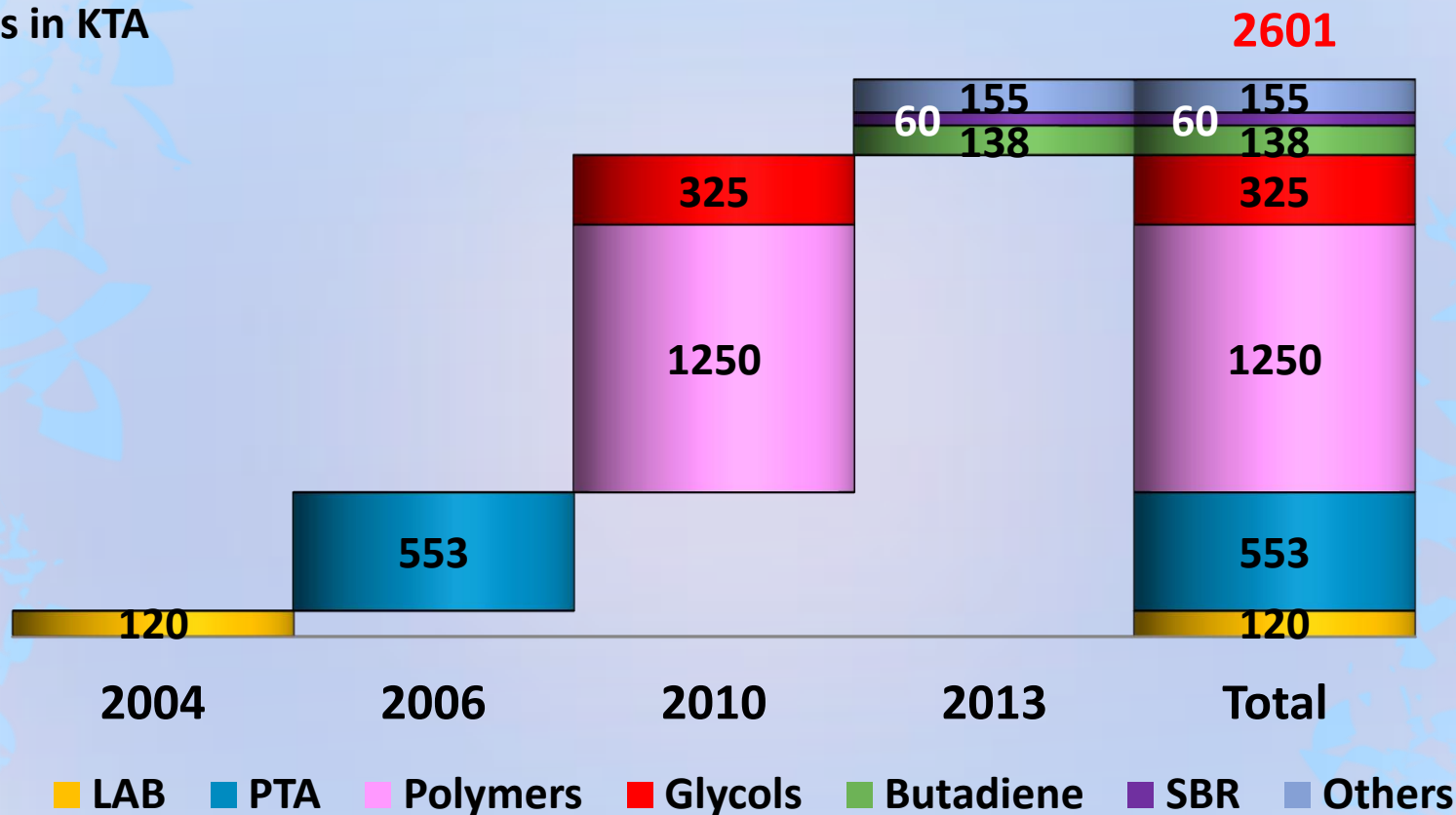


LAB PX/PTA Glycols Polymers Butadiene Benzene Exports

Highest-ever Petrochemicals sales

Petrochemicals Capacity Growth

Figures in KTA



2nd largest petrochemicals player in the country

Capacity share: LAB – 24%; PTA - 14%; Polymers – 18% and Glycols – 25%

India's 1st SBR Plant

Petrochemicals – Achievements

- Product basket increased to 36 polymers
- Consolidated market share rose to 19.4% from 18.6%
- 9 OEM approvals obtained for Polymer products
- Highest-ever export of 125 TMT to 46 countries
- 21 new export destinations
- 1st ever overseas customer meet held in Lahore, Pakistan



**Panipat Petrochemicals
Marketing Complex**

Gas Sales – Unleashing Potential



30% share in imported gas segment

Gas – Stepping on the Pedal

RLNG Capacity

- Additional 1.50 MMTPA regasification capacity in Dahej expansion

Cross-Country Pipelines

- Design & engineering completed
- ROU and land acquisition in progress

Ennore LNG Import Terminal

- Received “Environmental & CRZ Clearance”
- Lease of 130 acres land approved

City Gas Distribution (CGD)

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

LNG at Doorstep

- 30 TMT in 2013-14 from 26 TMT in 2012-13
- HoA for additional supply of 14 TMT



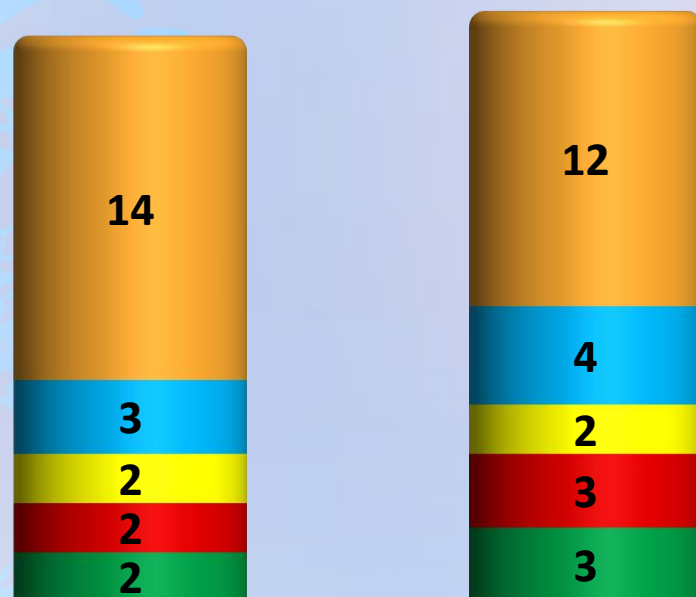
IndianOil's CNG Pump



Customer site facilities for IndianOil's “LNG at Doorstep”

E&P – Exploring Energy Vistas

IndianOil's Portfolio



2012-13

2013-14

Blocks' Location, 2013-14

Domestic
Blocks (13)



Overseas
Blocks (11)



Cumulative investment over Rs. 9000 crore

Overseas Producing Blocks

Pacific NorthWest LNG, Canada

Acquired in 2013

Potential Reserves: 51.6 Tcf

2P Reserves: 8.35 Tcf

1P Reserves: 2.69 Tcf

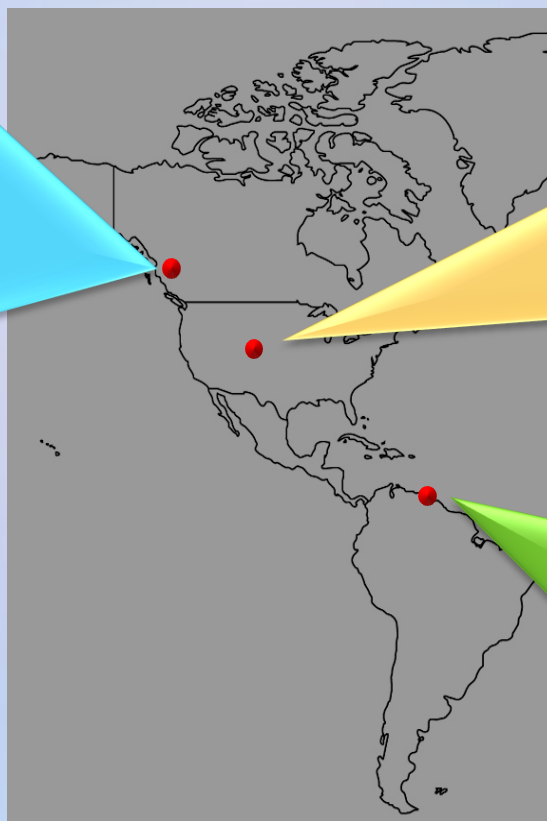
Initial IndianOil Investment:
US\$ 1 billion

IndianOil Stake:

Reserves 10% - 5.2 Tcf

LNG Terminal Offtake:

1.2 MMTPA – exports by
2019



Niobrara Shale Asset, USA

Acquired in 2012

IndianOil Share:

10% (10 MMboe)

Cumulative Production:

211,000 boe as on

31.3.2014

Revenue: US\$ 10.3 million

Carabobo Project-1, Venezuela

Acquired in 2010

IndianOil Share:

3.5% (106 MMboe)

Cumulative Production:

42,320 bbl as on 31.3.2014

Helping Build a Sustainable World

Green Energy initiatives

Grid-Connected

- Wind – 63 MW
- Solar – 5 MW
- Net generation – 140 GWh in 2013-14

Off-grid Solar

- 19 Buildings and 1266 ROs solarised
- Net Generation - 5.56 GWh/annum



A RO with Rooftop Solar Panels



Other Sustainability Initiatives

- Carbon and Water foot-printing completed for all locations
- 352 rainwater harvesting systems installed, 57 during 2013-14

Investments – The Key to Growth

XII Plan CAPEX, Rs. crore	56,200
E&P	6,200
Refining & Marketing	41,456
Petrochemicals	8,544

XII Plan

- Budgeted Estimate (BE) of Rs. 56,200 crore in XII Plan
 - ✓ Rs. 26038 crore till March, 2014
 - ✓ Invested Rs. 16,661 crore during 2013-14, 77% more than 2012-13
 - ✓ BE of Rs. 11,995 crore in 2014-15

Five Year Plans

Rs. crore

XII Plan

BE

56,200

XI Plan

Actual

48,655

X Plan

Actual

17,930

IndianOil Companies – Creating Synergies



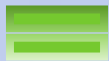
18 JVS in Aviation, Infrastructure, Catalysts, Petrochemicals, Lubes



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



1 LLP in Biofuels



26 IndianOil Companies

IndianOil Mauritius Ltd.

- Leader in Aviation segment (53.2% market share)
- 13.5% retail infrastructure share
- 25.23% market share in POL sales

Lanka IOC Ltd.

- 15.6 % retail infrastructure share
- Over 15% market share in MS
- 76% share in bunker fuels, 60% in bitumen

Other Overseas Subsidiaries

IOC Middle East FZE - Marketing of Lubricants and POL products

IOC Sweden AB, IOC (USA) Inc., IndOil Global BV & IndOil Montney Ltd. - Facilitating overseas upstream operations

CSR – Enabling Communities

IndianOil TATA Care Centre, Kolkata

- Rs. 10 crore contributed in 2013-14

Assam Oil School of Nursing, Digboi

- 20 girl students completed the 4-1/2 years course

IndianOil Education Scholarship

- 2600 merit-cum-means scholarship in 2013-14

Swarna Jayanti Samudaik Hospital, Mathura

- About 55,000 patients treated in OPD
- Total expenses of Rs. 2.6 crore in 2013-14

IndianOil Sachal Swasthya Seva

- 52 Mobile Medical Units (AP - 40; UP - 12)
- Patient Foot Fall: About 15 Lakh

Natural Calamities

- Contributed Rs. 2 crore to Uttarakhand and Rs. 1 crore to Odisha CM Relief Funds



Assam Oil School of Nursing, Digboi



Determined support to Indian Army during Uttarakhand floods



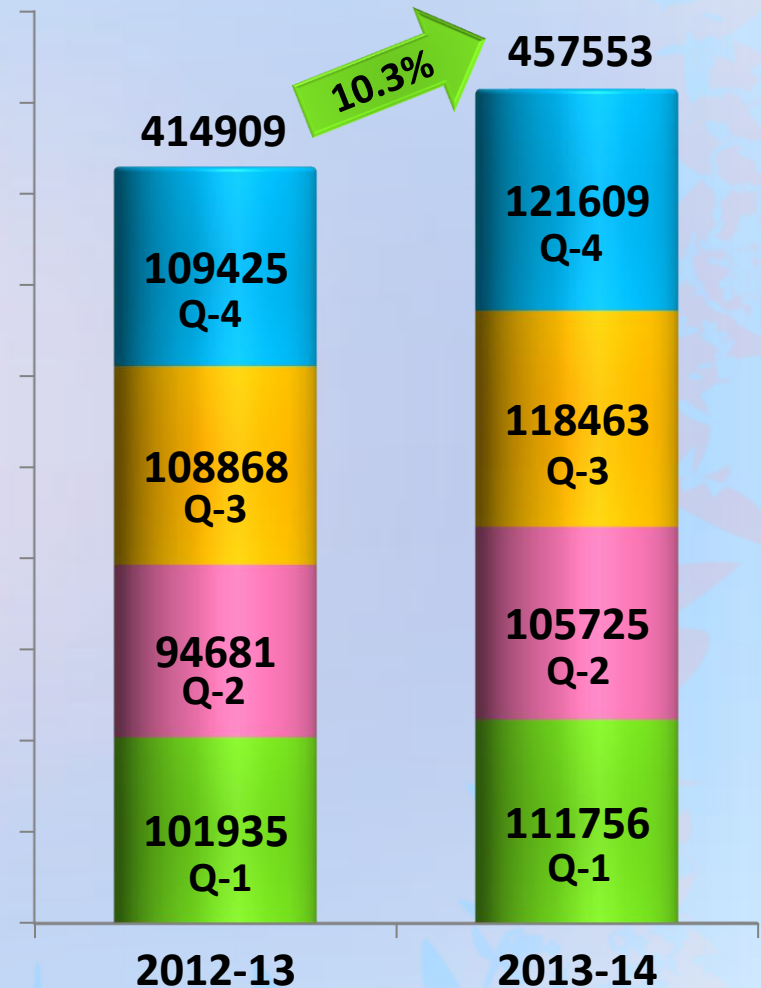
Financials



Turnover

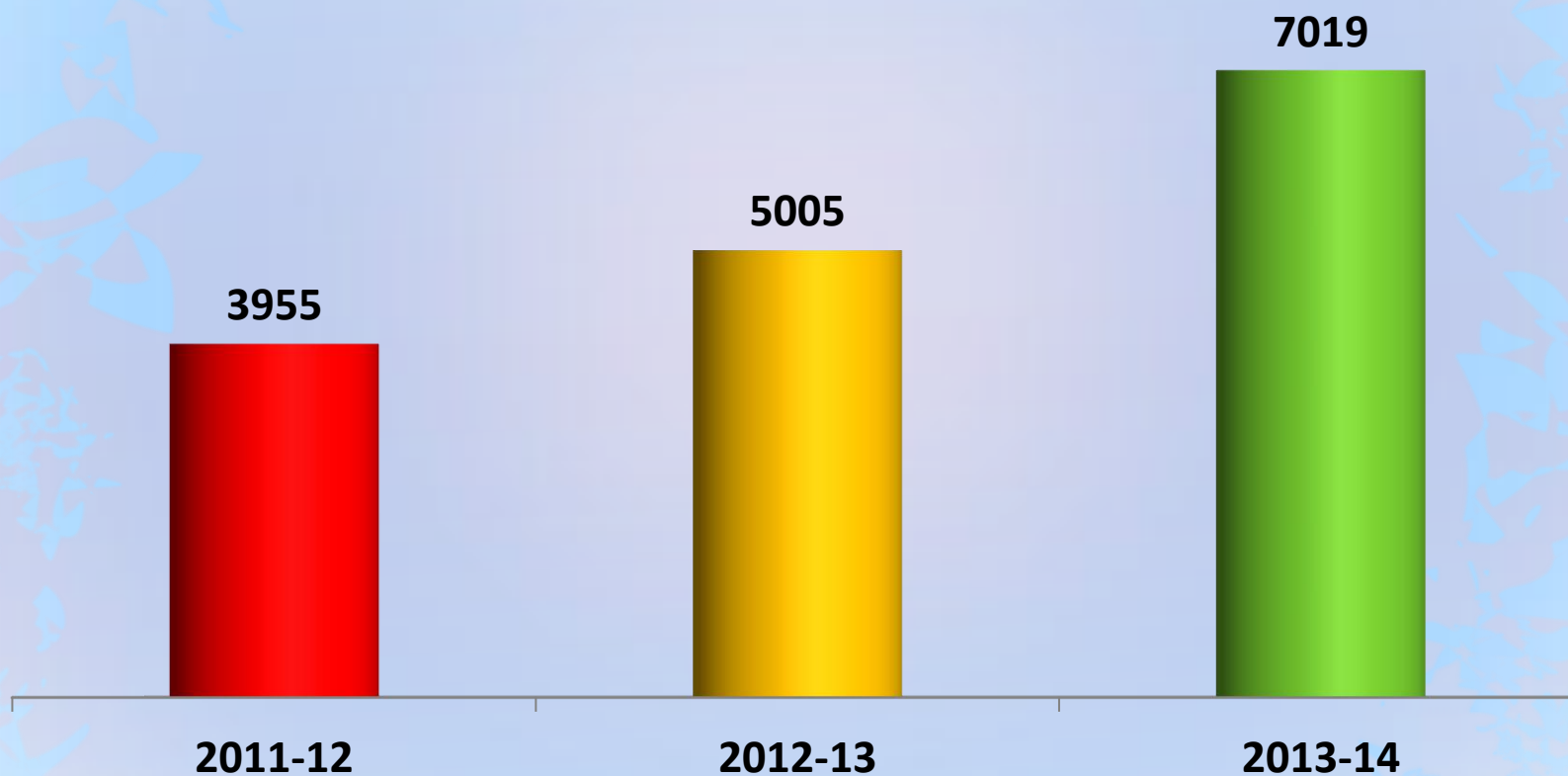
(in Rs. crore)

	2012-13	2013-14	Var. (%)
Inland Sales	326,686	361,234	10.6 %
Sales to OMCs	52,547	52,790	0.5 %
Petrochem.	16,742	19,471	16.3 %
Gas	6,263	8,927	42.5 %
Export	17,589	21,193	20.5 %
Sub-Total	419,827	463,615	10.4 %
Less: Discount	4,918	6,062	23.3 %
Turnover	414,909	457,553	10.3 %



Quantity Variance: Rs. -207 crore
Price Variation: Rs. 42851 crore

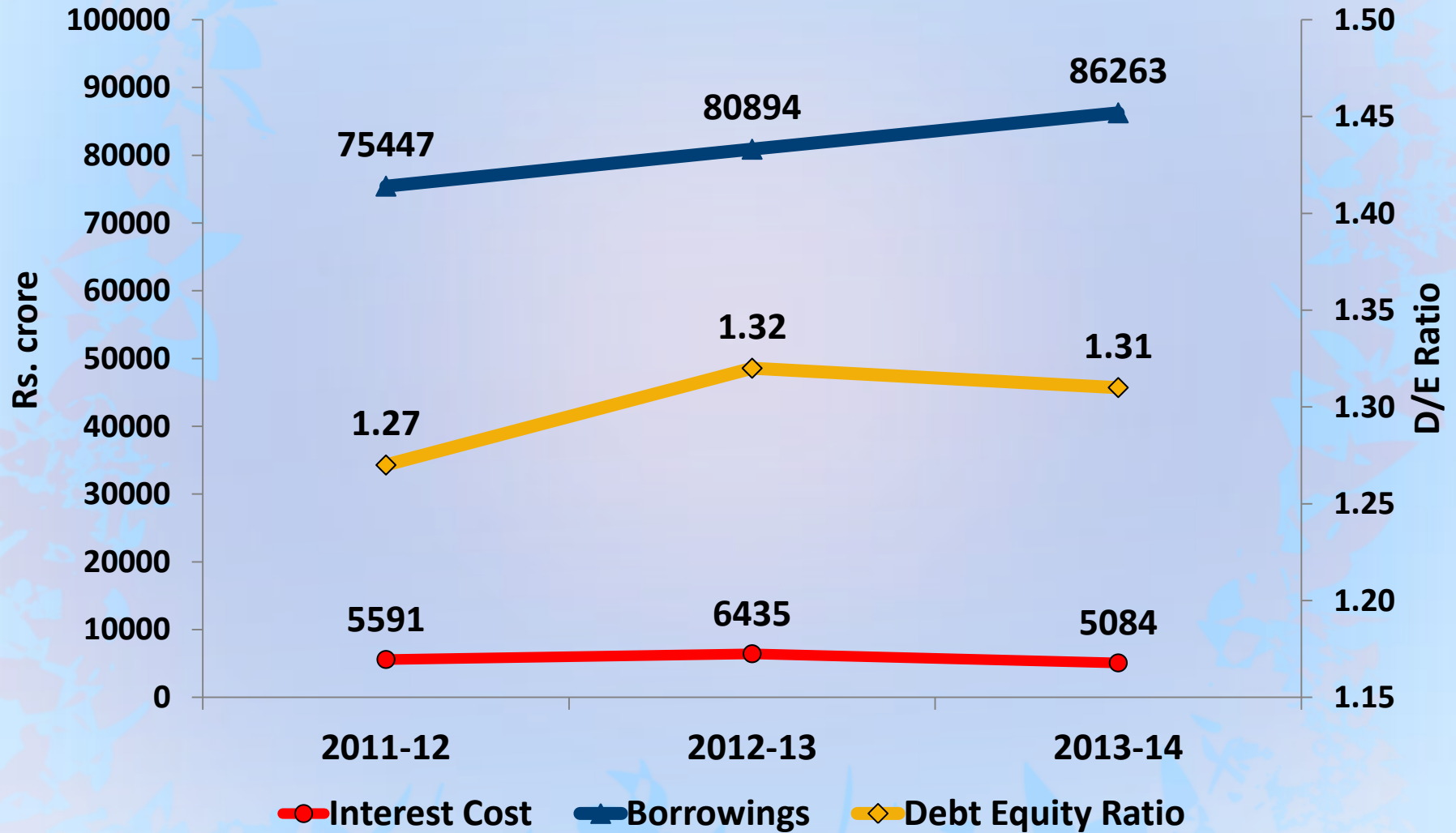
Profit After Tax (Rs. crore)



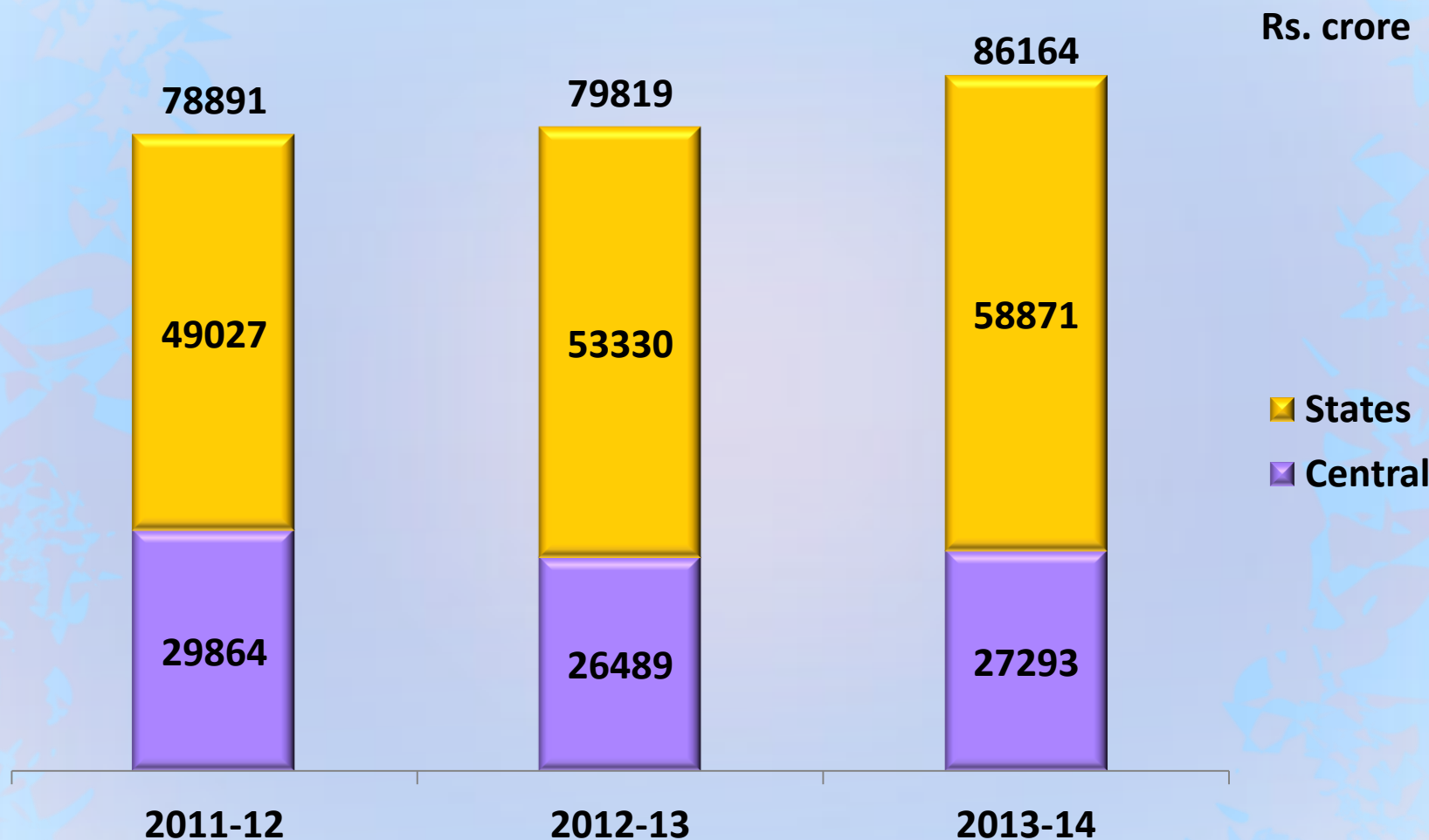
Under-Recoveries

	2012-13	2013-14
Gross Under-Recovery	85793	72938
Less: Compensation		
Discount from upstream companies	31967	34673
Budgetary support from Govt.	53278	37182
Total compensation	85245	71855
Unmet Under-Recovery	548	1083
Unmet U/R as % of Total U/R	0.64%	1.48%

Borrowings



Contribution to Exchequer



Open Forum

