



IndianOil



IndianOil

Investor Presentation
February 2013

IOCL – An Overview

Oil Industry In India

IOCL's Core Operations

Strategic Initiatives

Financial Performance

Nine Months Snapshot

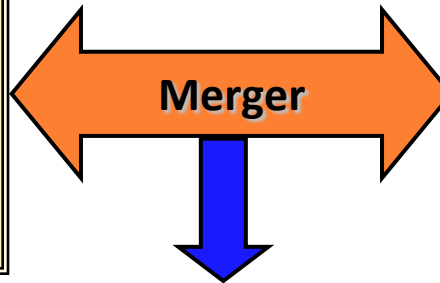
Ongoing Projects

Company Overview - Corporate History



IndianOil

Indian Refineries Ltd.
1958



Indian Oil Company Ltd.
1959

Indian Oil Corporation Ltd. **1964**



Integrated Refining and Marketing company in PSU domain



Assam Oil Company
1981



IOBL
2006

आई.ओ.बी.एल.



IBP Co. Ltd
2007



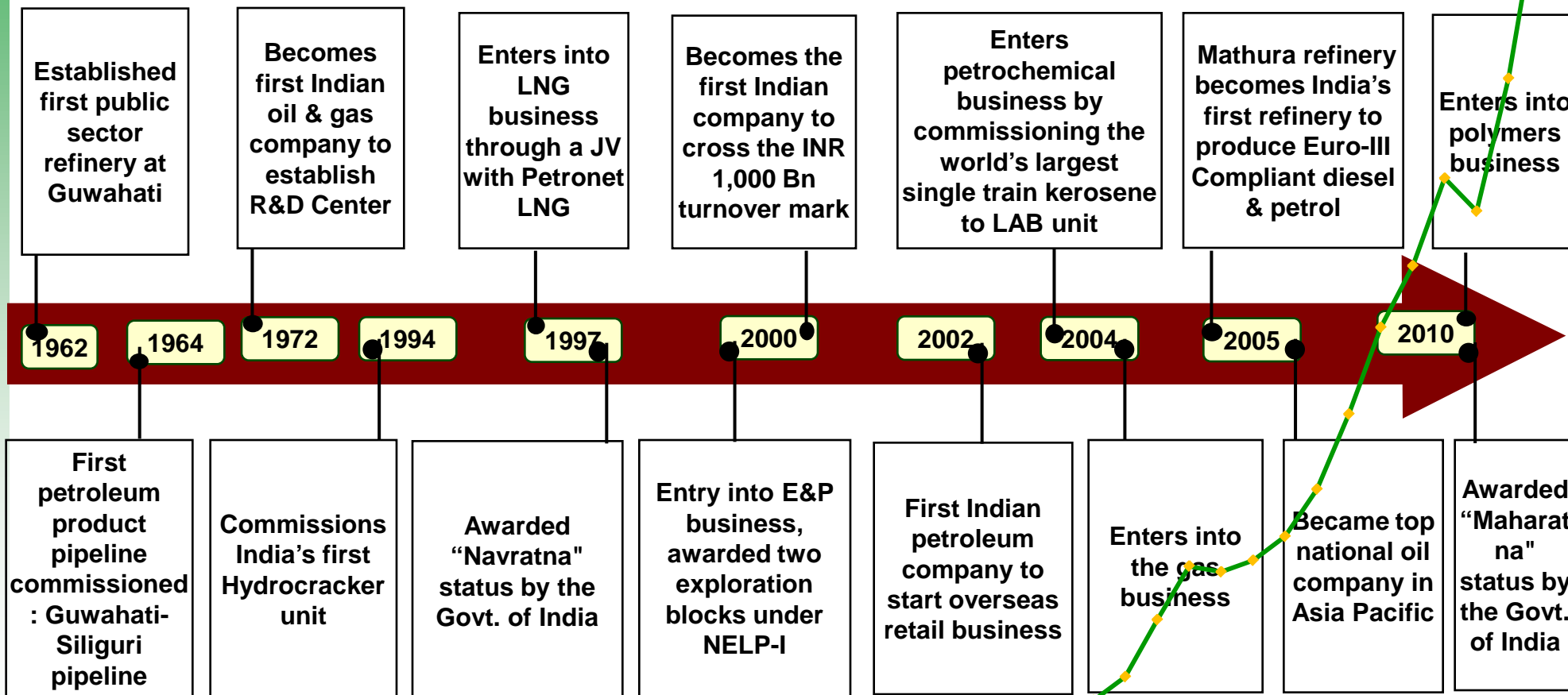
BRPL
2009

Corporate Journey



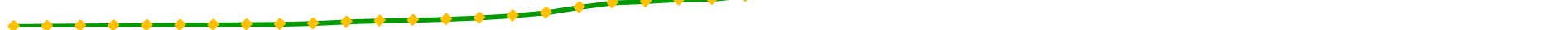
IndianOil

2011-12
Rs. 4,09,957 cr



Turnover

1964-65
Rs.78 cr



IndianOil – Quick Facts

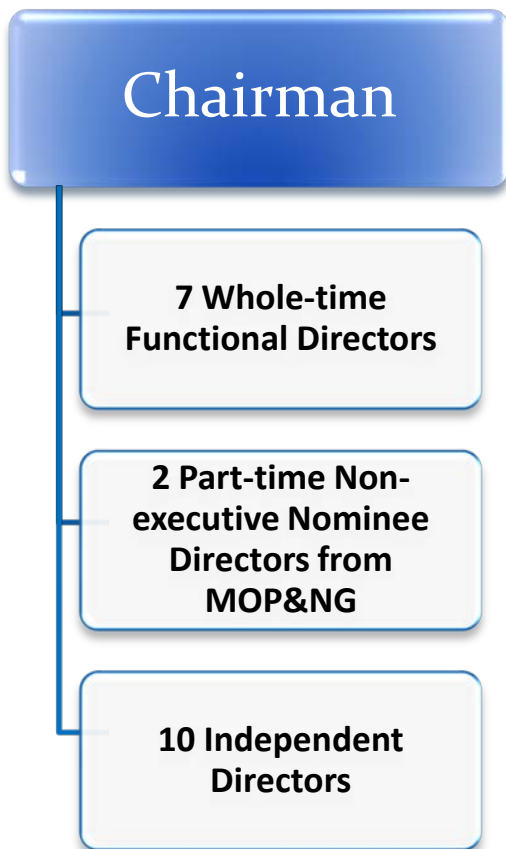


- ◆ India's largest commercial enterprise and flagship national oil company and downstream petroleum major
- ◆ First Ranked Indian corporate in Fortune Global 500 – moved up 15 steps from 98th position last year to 83rd position in 2012
- ◆ “Maharatna” status – another jewel in the crown
- ◆ Contribution to Exchequer Rs.78,885 crore for FY 2011-12
- ◆ Major supplier to core sector
 - Supplier of fuel to Government organizations i.e. railways, state road transport, army, air force & navy
 - Key sectors like fertilizer, power & aviation are largely supplied by IOCL
- ◆ Credit Profile
 - International:
 - Baa3 : by Moody's
 - BBB- : by Fitch
 - Domestic
 - Long Term: AAA by CRISIL, ICRA & FITCH
 - Short Term: A1+ by CRISIL & ICRA

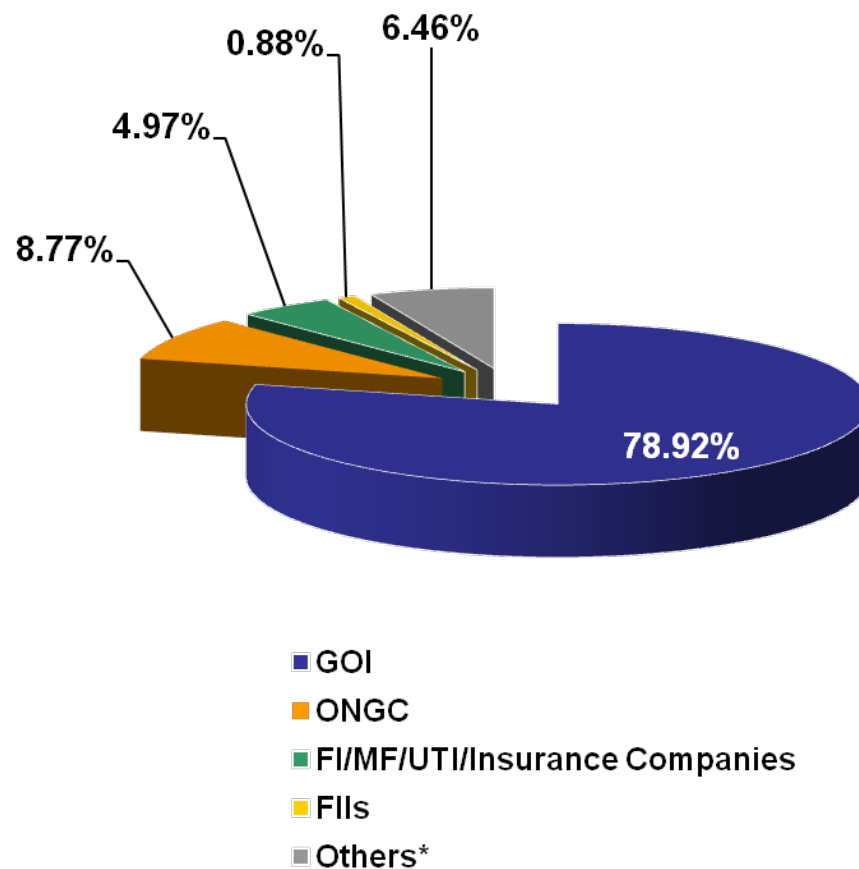
Corporate Structure



Board Structure



Shareholding Pattern

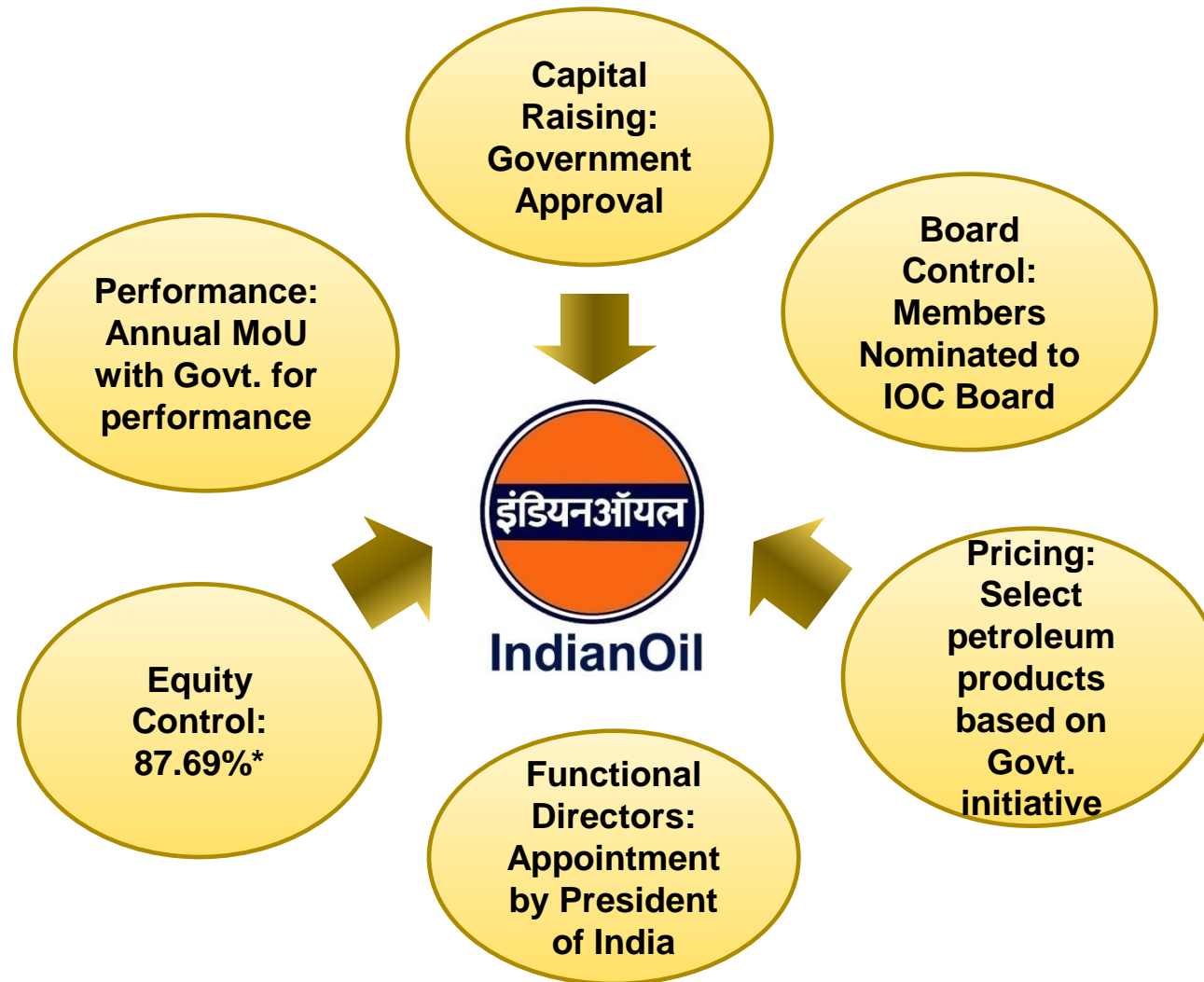


* Others include individuals & trusts etc

Notes

Shareholding pattern as on 31st March 2012

Government Of India's Ownership & Support



Government Ownership and support in all spheres of the Company's operations

* Total equity ownership including equity stake directly held by the Government (78.92%) and that held indirectly through ONGC (8.77%)

Operating Structure



Downstream & Petrochemical Operations



Refining



Pipeline
Transportation



Fuel
Marketing



Research &
Development



Petrochemicals

... also diversified into E&P, Gas, Wind, Solar, Nuclear Power and Bio-fuels

Business Space



IndianOil

- 10 out of 22 refineries in the country
- 65.7 MMTPA capacity (31%)

Group Refining



- 37,000 Touch Points (52%)
- 66.8 million LPG customers

Marketing



- Over 10,900 Km length
- 77 MMTPA capacity

Pipelines



- Lube formulations
- In-house technologies
- Patents (215)

R&D



- Operate world scale Naphtha Cracker unit
- Major player in petrochemicals in India
- Export to 20 countries

Petrochemicals



- Domestic:14 Blocks NELP(12),CBM(2)
- Over Seas: 9 blocks Libya (3), Iran (1), Yemen (2), Nigeria (1), Gabon (1) & Venezuela (1)

Exploration & Production



- Co-promoter in M/s PLL
- LNG at Doorstep
- CGD
- Gas infrastructure (Storage / Transportation)

Gas



- **Biofuel** : Captive plantation
- **Wind** : 37.8 MW capacity
- **Nuclear** : Equity partnership
- **Solar**: Grid-connected 5 MW PV solar power plant , Solarization of Ros (103)

Renewable



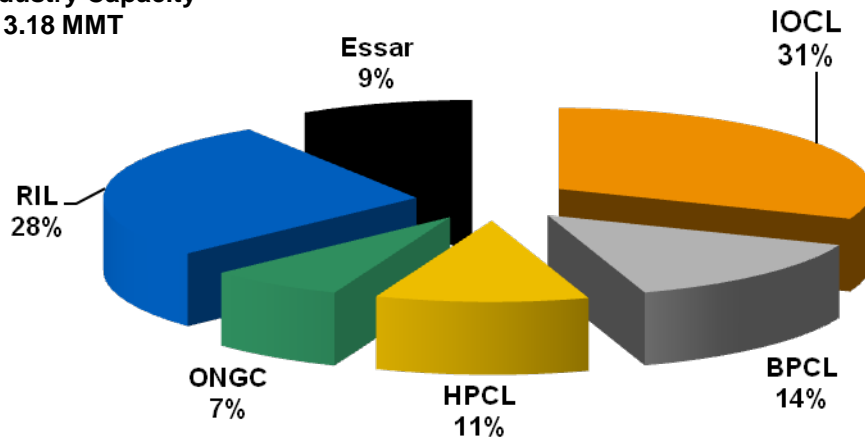
IOCL's Dominance in Downstream Oil sector



IndianOil

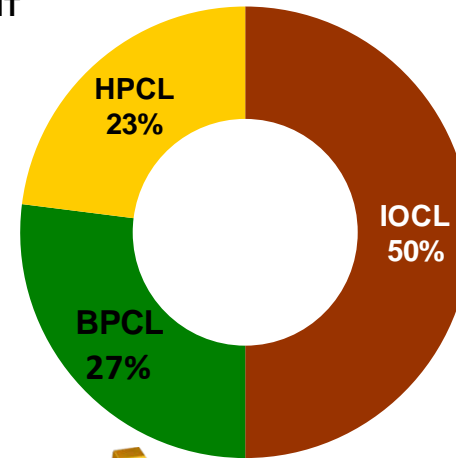
Refining Share

Industry Capacity – 213.18 MMT

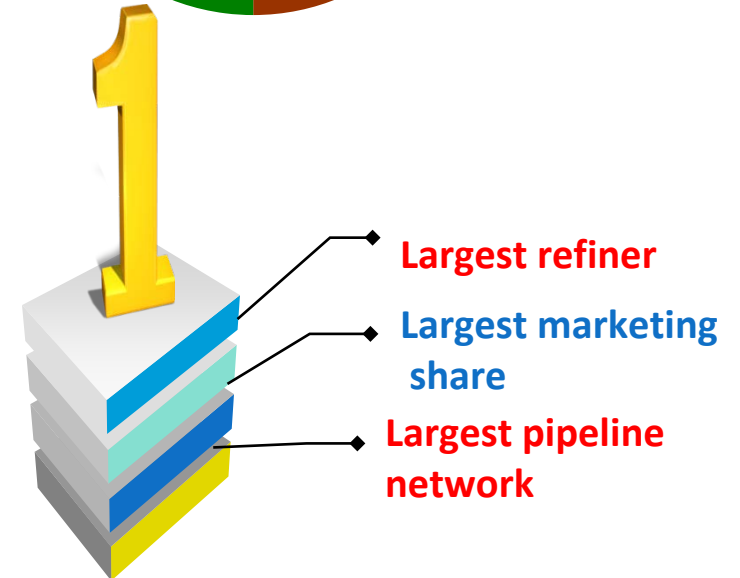
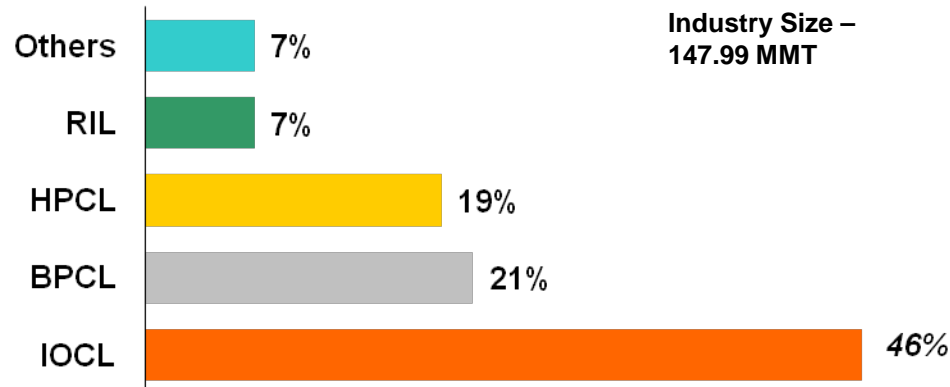


Products Pipelines Share

Downstream Industry Capacity – 70.35 MMT



Petroleum Products Market Share

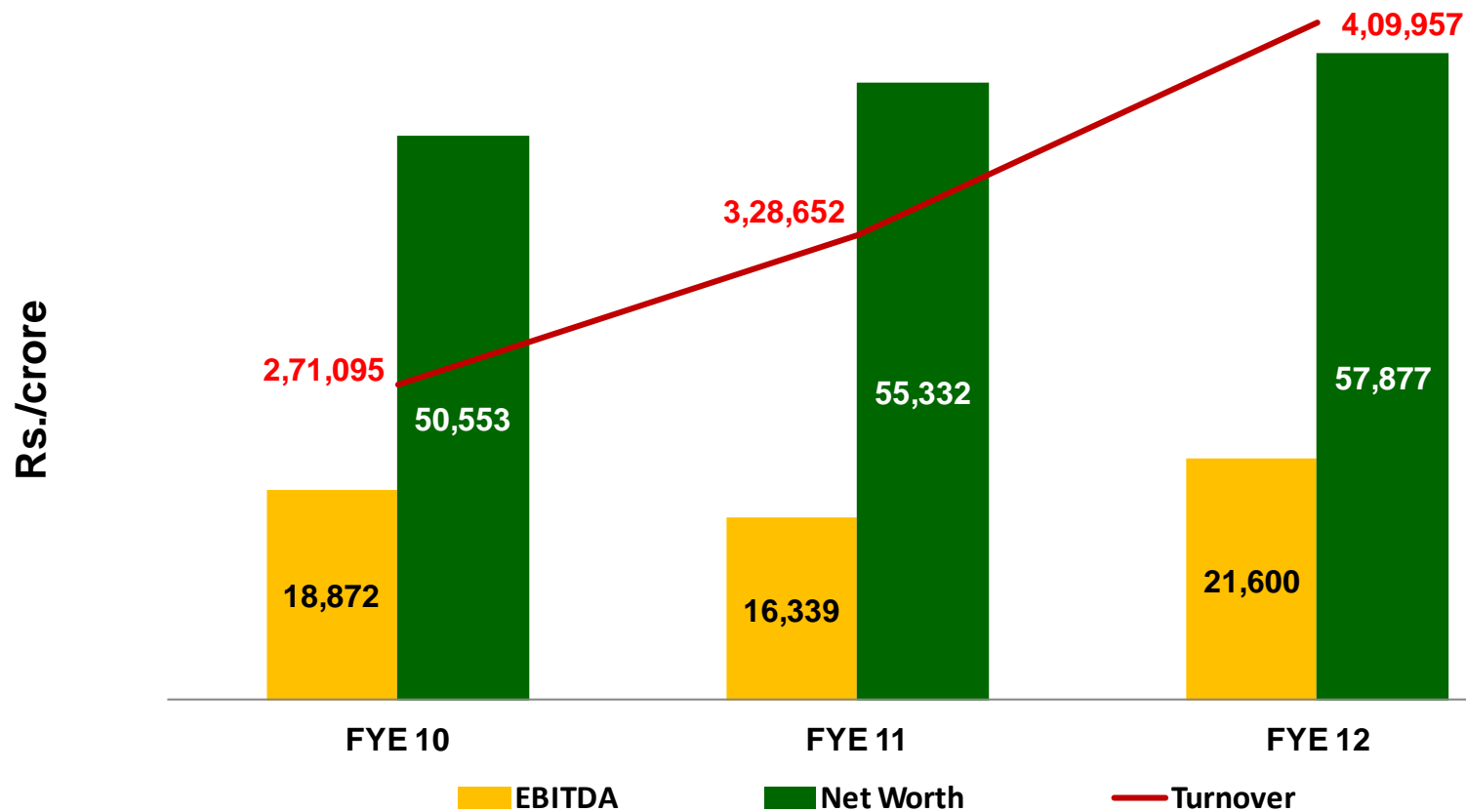


Source: Petroleum Planning & Analysis Cell, IOCL; All figures for FYE 2012

Petroleum Product Market Share is provisional

Key: BPCL – Bharat Petroleum Corporation Limited Group; HPCL – Hindustan Petroleum Corporation Limited; ONGC – Oil and Natural Gas Corporation Limited; RIL – Reliance Industries Limited;

Financial Overview



- ◆ Turnover surpassed Rs.4,00,000 crore mark in 2011-12
- ◆ Highest ever EBITDA of Rs.21,600 crore in 2011-12

IOCL – An Overview

Oil Industry In India

IOCL's Core Operations

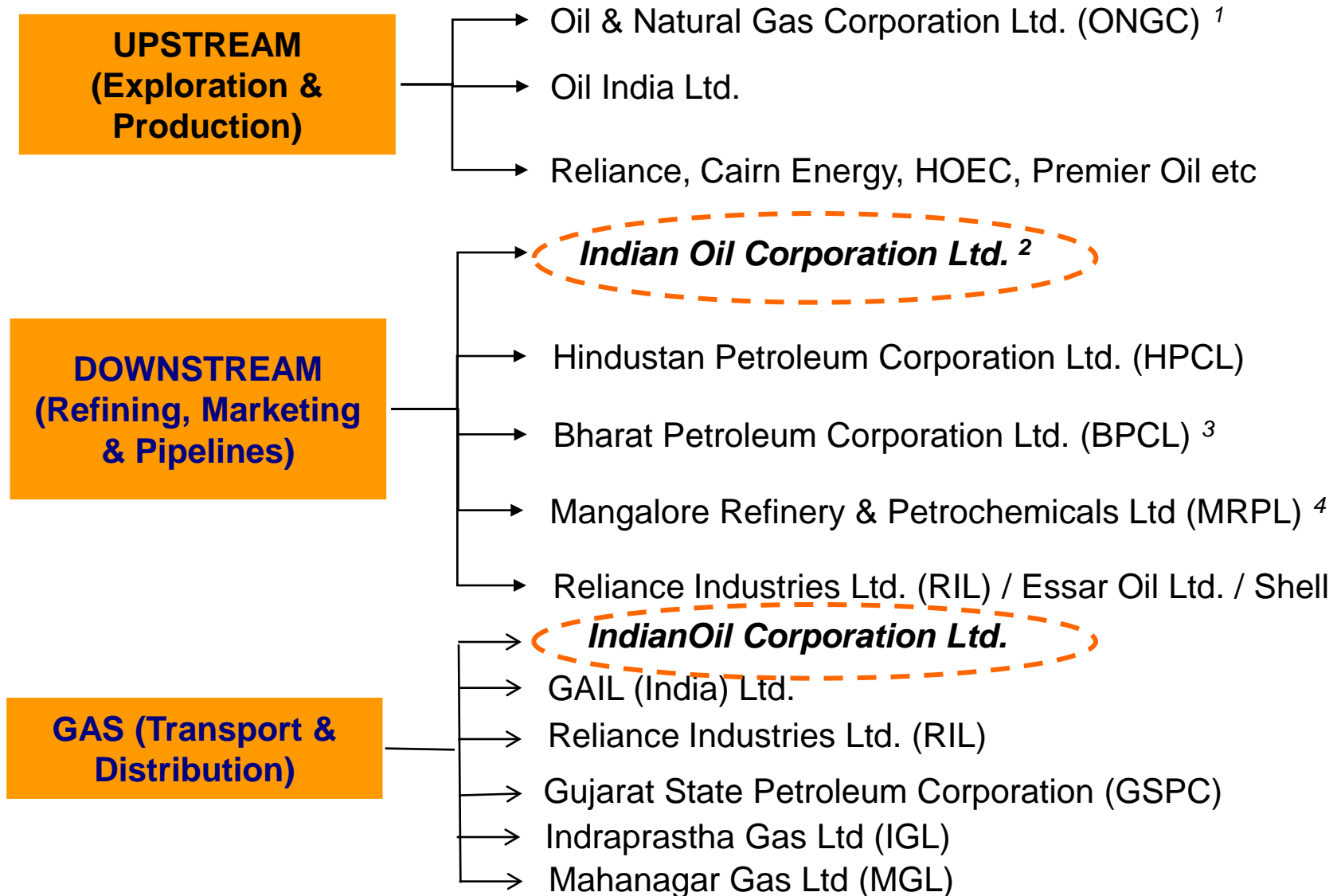
Strategic Initiatives

Financial Performance

Nine Months Snapshot

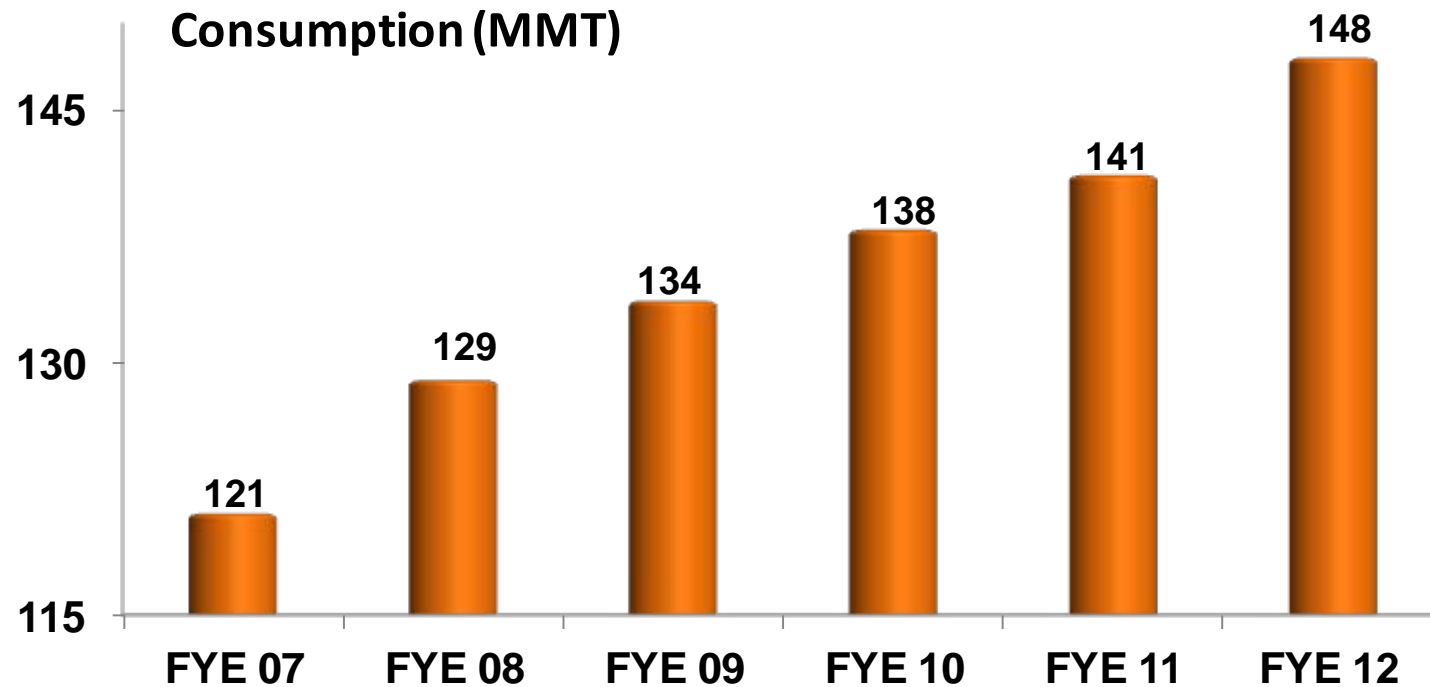
Ongoing Projects

Oil Industry in India – An Overview



1 – includes subsidiary ONGC Videsh Ltd (OVL); 2 – includes subsidiary Chennai Petroleum Corporation Ltd. (CPCL);
3 – includes subsidiary Numaligarh Refinery Ltd.; 4 – a subsidiary of ONGC Ltd.

Large Potential in India



Consumption of petroleum products grew at CAGR of 4.1% in last five years

Source: Petroleum Planning & Analysis Cell, Ministry of Petroleum & Natural Gas, Govt. of India

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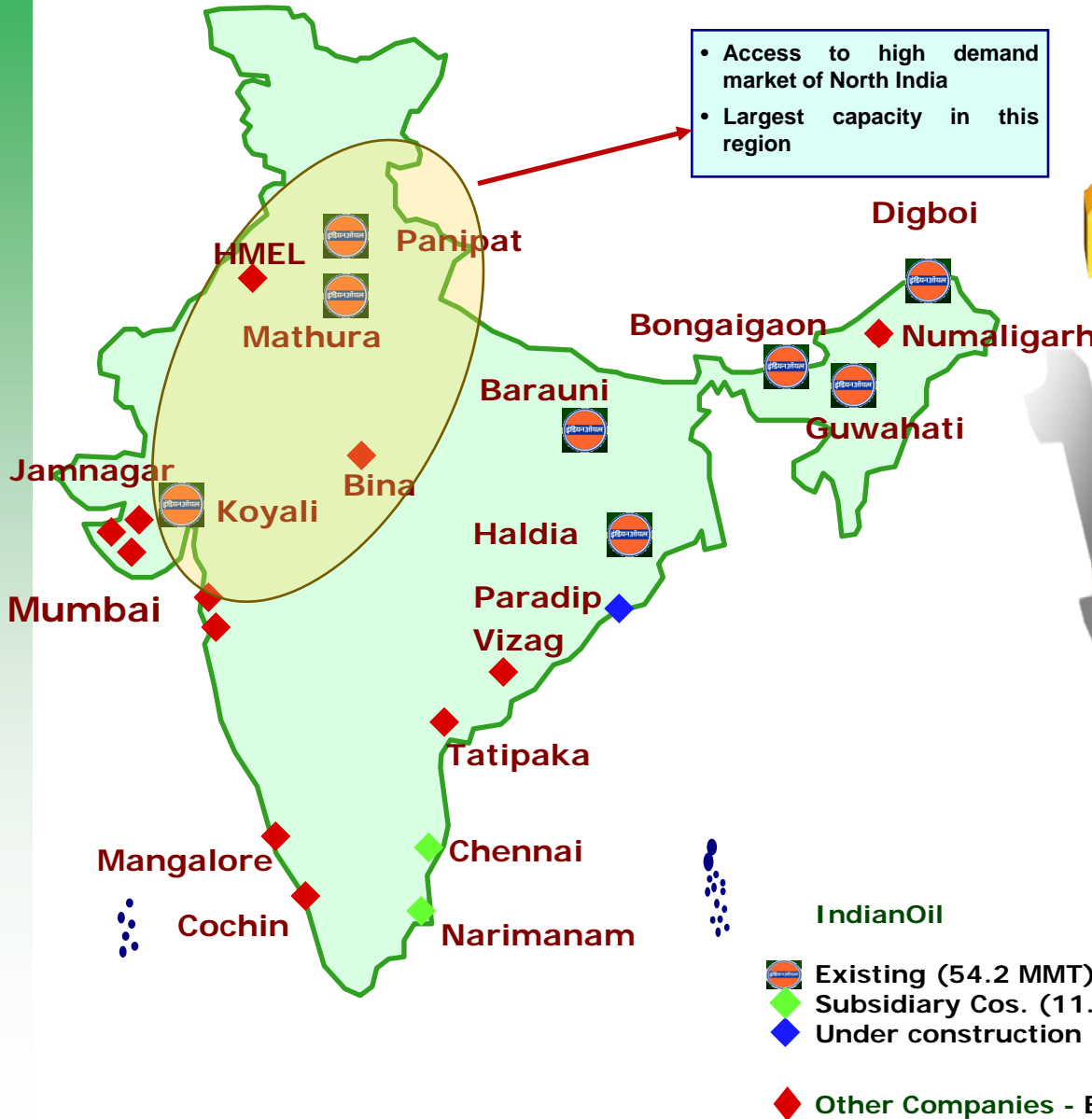
Nine Months Snapshot

Ongoing Projects

Refining – Portfolio



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- ◆ Controls 10 refineries spread across the country (65.70 MMT – 31% of Industry)

Refining Industry Capacity	213.18 MMTPA
IOCL's share of Total Capacity	31%
IOCL's share among PSUs	49%

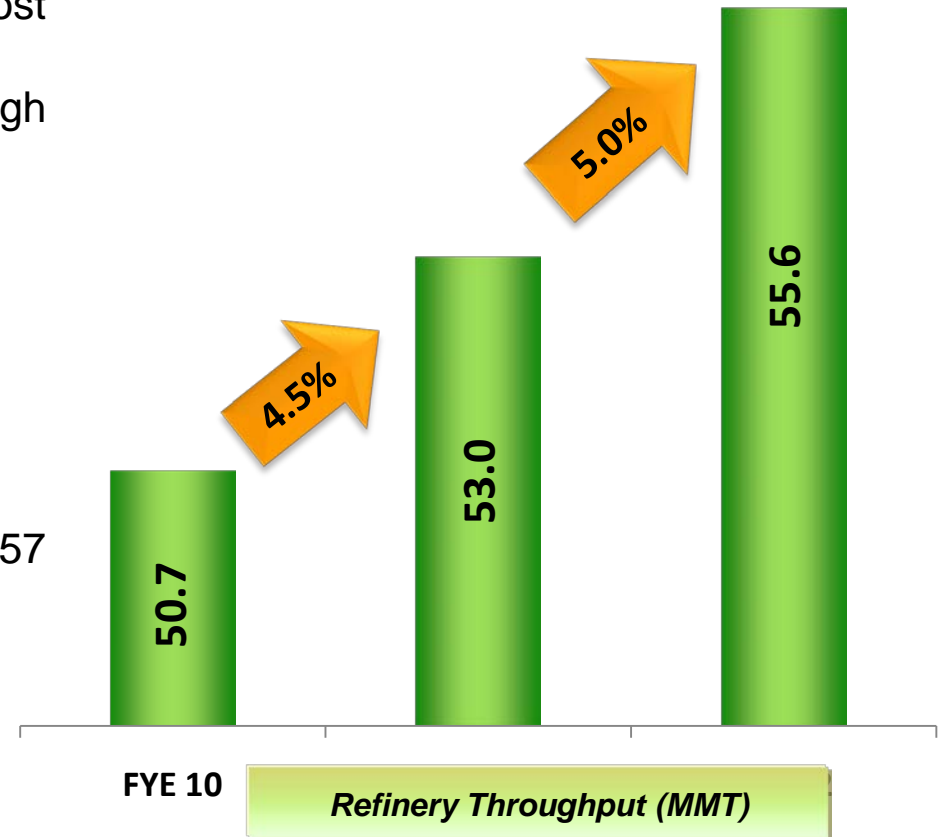
- ◆ Share to increase after commissioning of 15 MMTPA at Paradeep
- ◆ Three of the Refineries with maximum capacity are located in high consumption North / West Indian region

Figures as on FYE 12

Refining – Operating Highlights



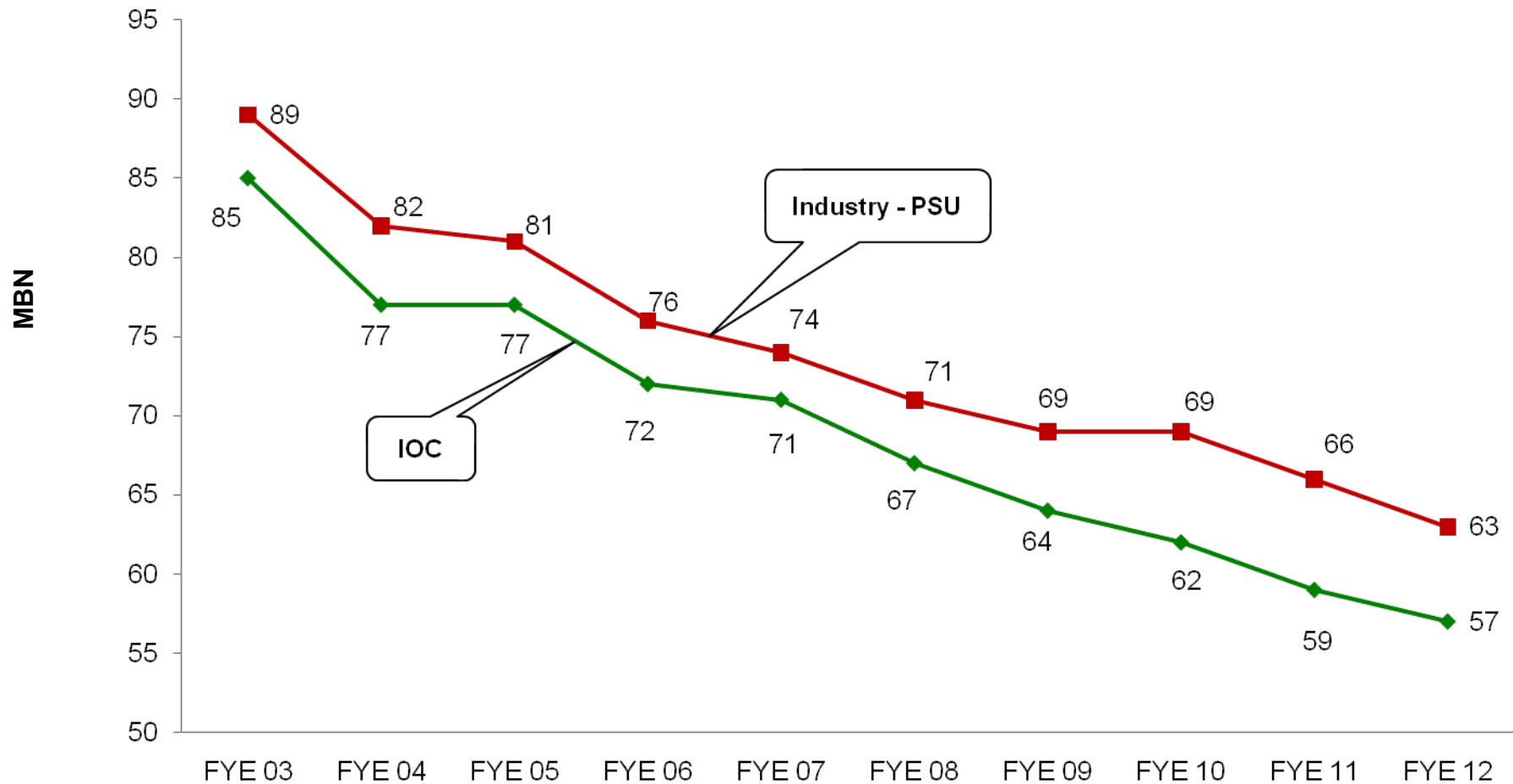
- ◆ Strategic inland refinery locations with most effective supply and evacuation system through pipelines
- ◆ Highest ever throughput of 55.6 MMT
- ◆ Highest ever distillate yield of 77.8%
- ◆ Lowest ever specific energy consumption at 57 MBN* against 59 MBN in FYE 2010-11
- ◆ All refineries are Euro III / IV compliant



Over 100% capacity utilization for 5th consecutive year

*An energy index defined as MBTU/BBL/NRGF

Refining – Energy Consumption



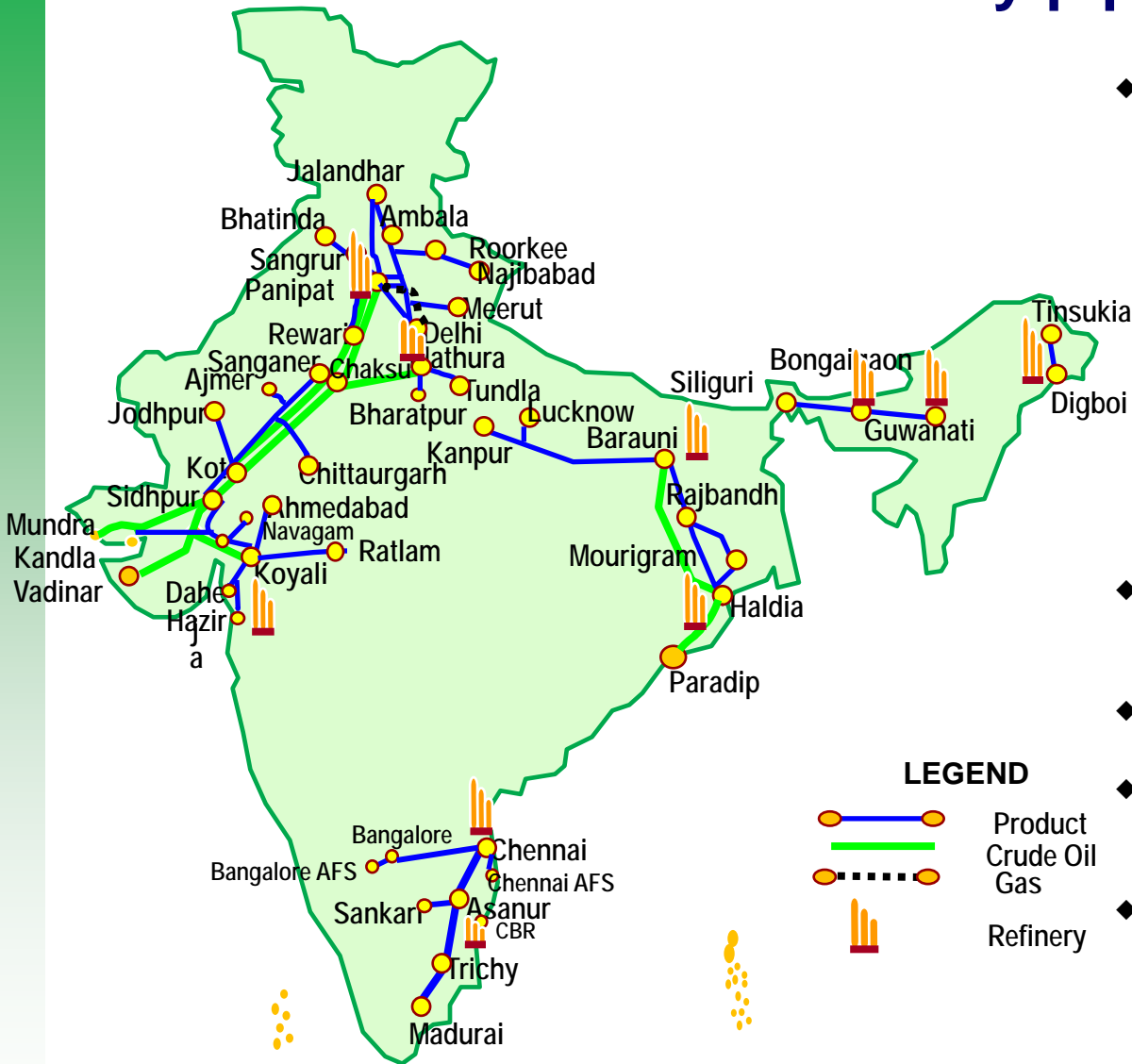
Overall MBN of IOC refineries always lower than PSU average by 5-6 units

*An energy index defined as MBTU/BBL/NRGF

Wide Network of Cross Country pipelines



IndianOil



LEGEND

- Product
- Crude Oil
- Gas
- Refinery

◆ Largest liquid pipeline network

	Length (KM)	Capacity (MMTPA)	Market Share Downstream
Crude Oil Pipelines	4,376	40.40	73%
Product Pipelines	6,401	35.36	50%
Total	10,777	75.76	60%

◆ 132 km of gas pipeline with a capacity of 10 MMSCMD

◆ Provides low cost of transportation

◆ Completed 217 Km long Viramgam – Kandla product pipeline

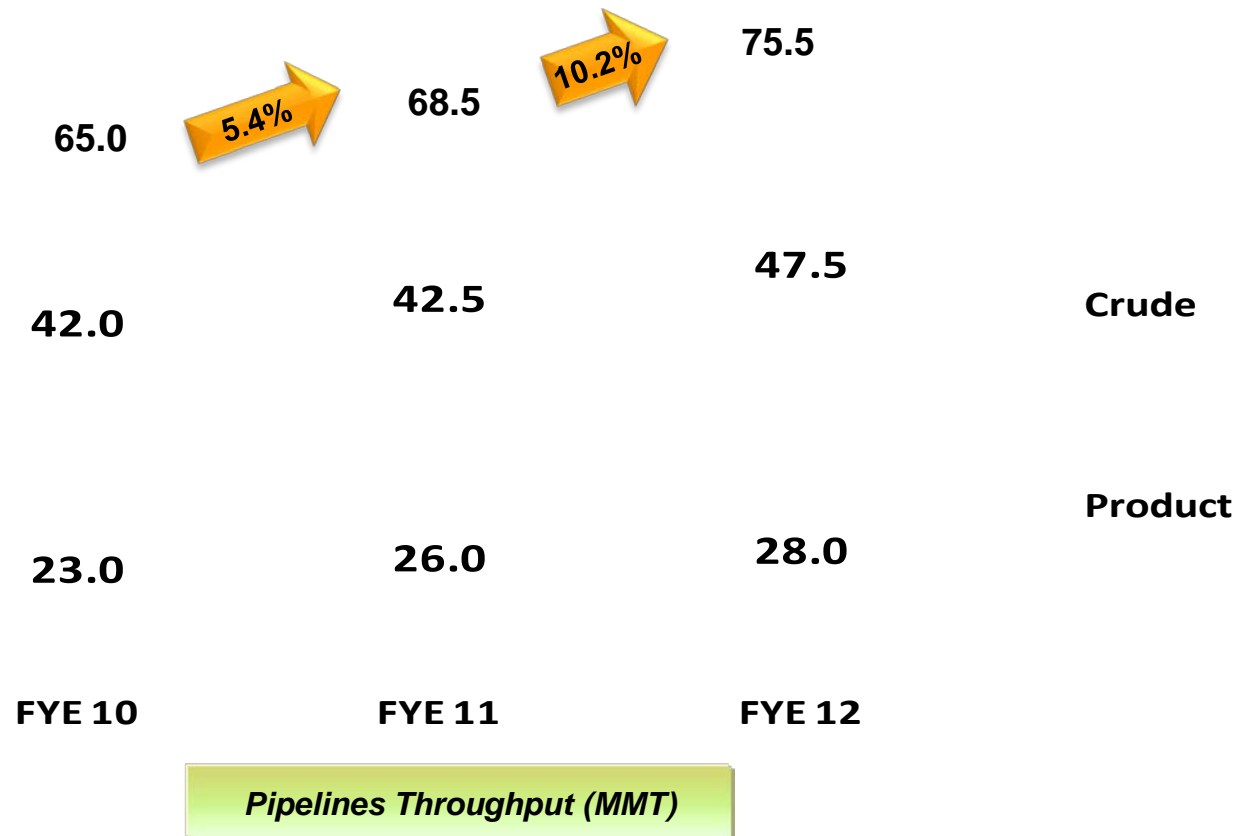
◆ Capacity augmentation:

Chennai-Trichi-Madurai pipeline: from 1.8 to 2.3 MMTPA

Chennai-Bengaluru pipeline: from 1.45 to 2.45 MMTPA

Figures of IOC Group including Gas

Pipelines Operating highlights



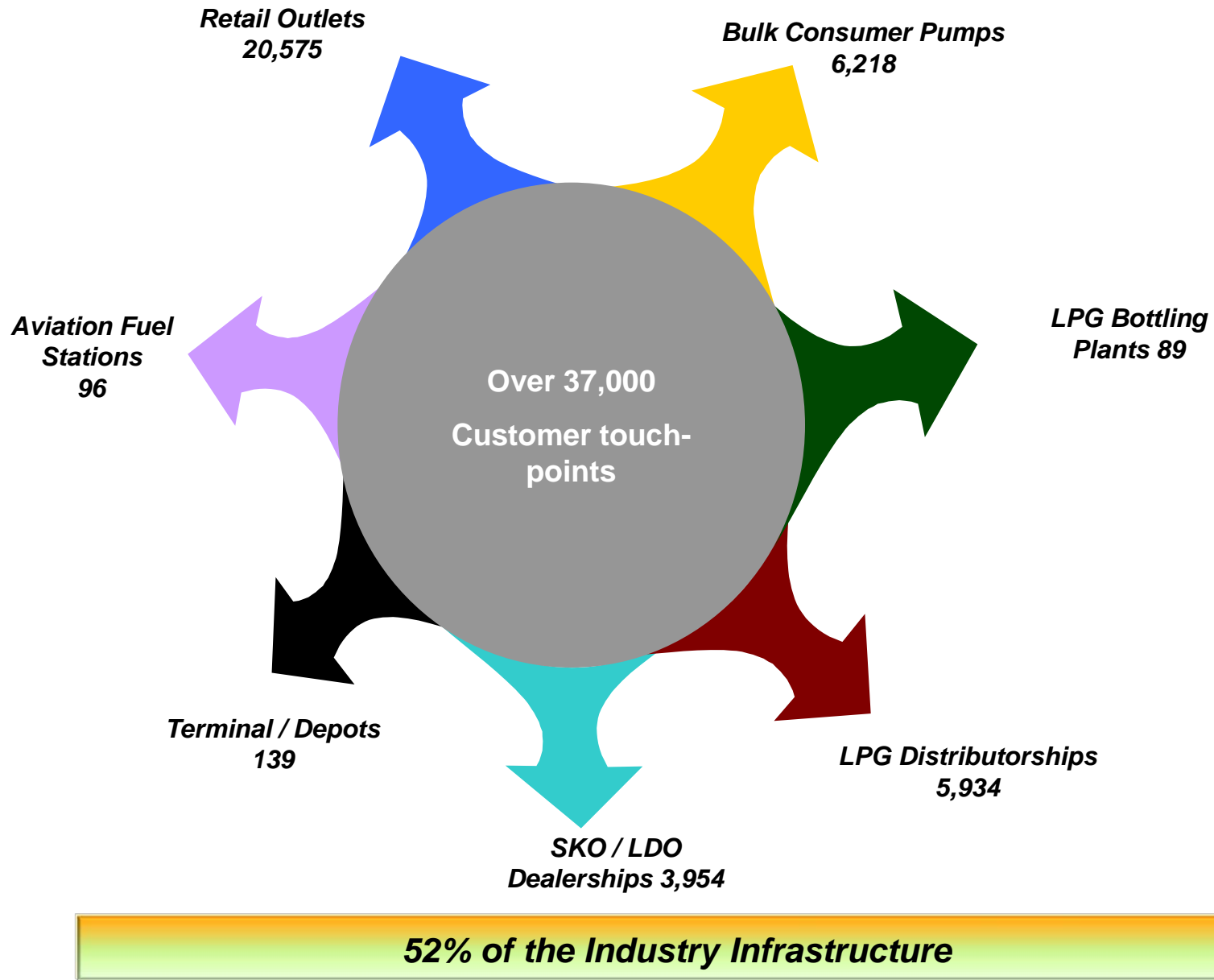
◆ Surpassing performance continues

- ◆ Highest ever throughput of 75.5 MMT achieved by IOCL's pipelines in FYE 12
- ◆ Highest ever capacity utilization of 118% for crude oil pipelines

Marketing – Reaching out, Touching Lives



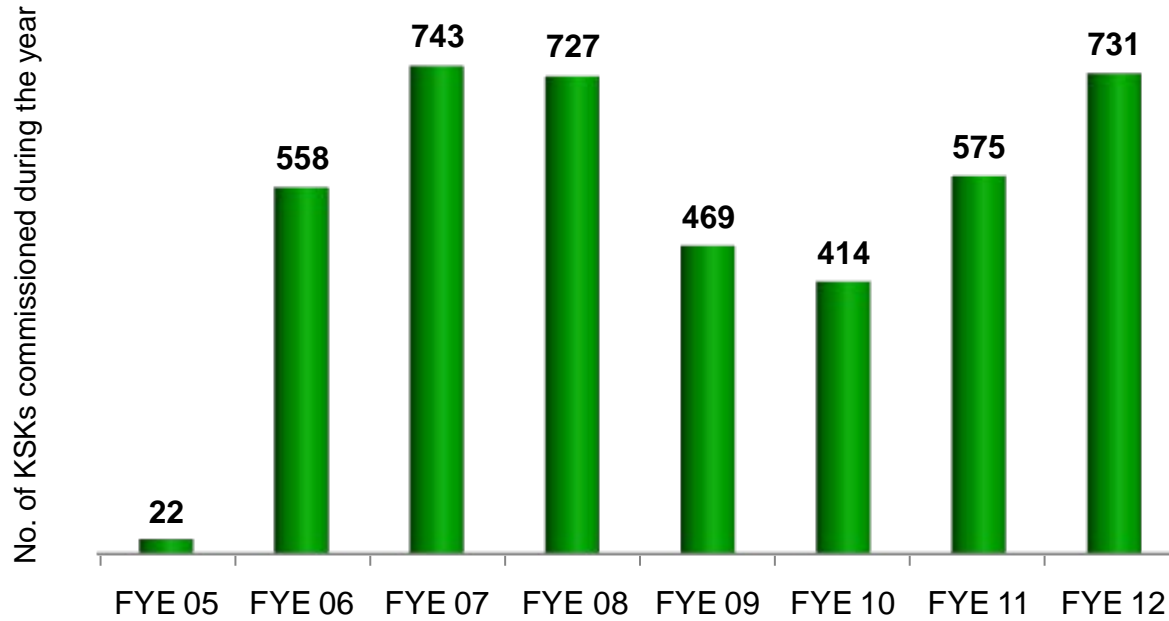
IndianOil



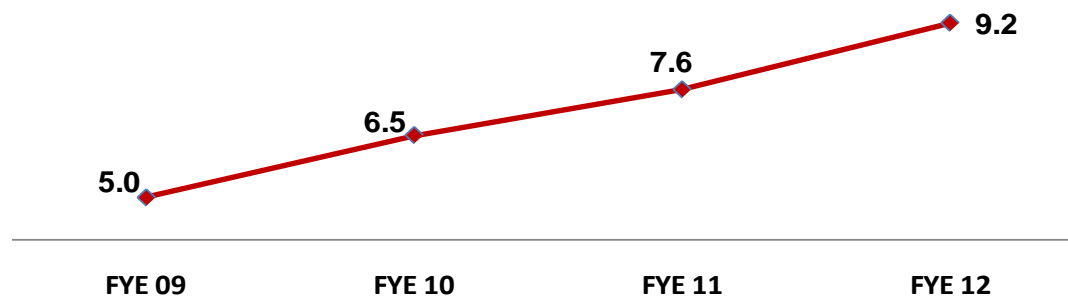
Source: Industry Data of IOCL;
All figures as on FYE 2012

Marketing - Sales

Rural Penetration : Contributing towards inclusive growth



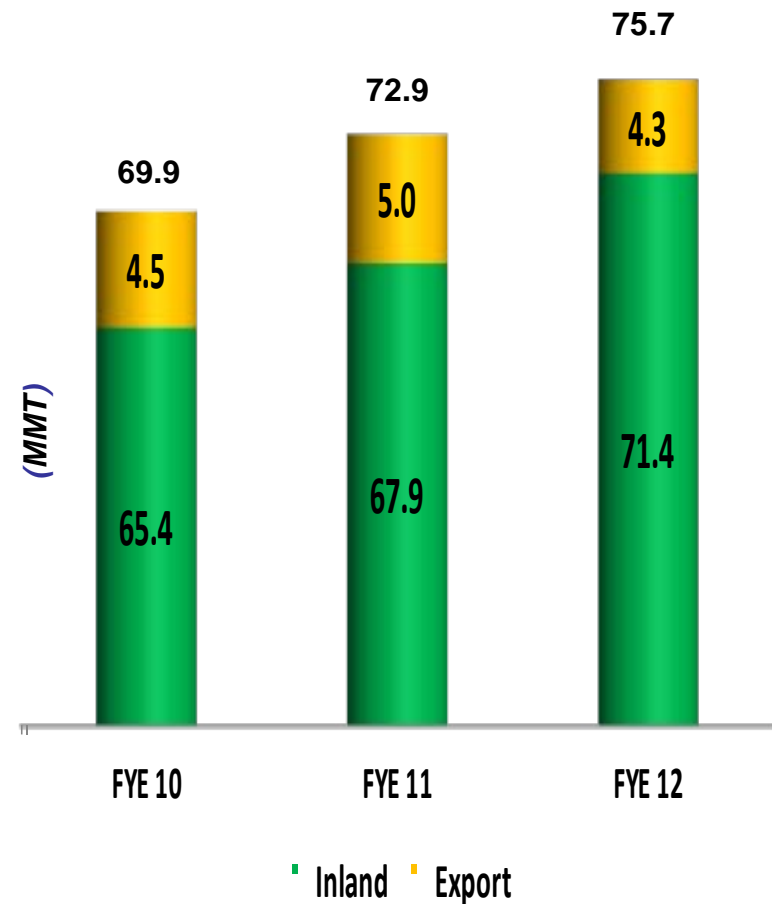
KSK Sales (MS & HSD) - % of total IOC's Sales (MS & HSD)



Marketing – Touching Billion Hearts



- ◆ Market leader with 46% market share and 52% market share in terms of infrastructure
- ◆ 45% of the total volume from retail sales; highway RO business accounts for more than 50% of the retail business
- ◆ Sales through KSK network registered 32% growth in MS and 28% in HSD – contribution of KSK outlets to total sales increased to 7.9% in MS and 9.1% in HSD
- ◆ IndianOil's share in the highly competitive lube market increased to 30.8%
- ◆ With the launch of brand Servo in Bahrain, the brand has now presence in 20 countries
- ◆ IndianOil Aviation Service, with 61.8% market share, maintained its leadership position in the business



Highest ever sales of 75.7 MMT

Source: Industry Data of IOCL;

Diversified Customer Base & Product Suite



Diversified Customer Base

- ◆ Diversified range of core sector customers
 - ❑ Railways
 - ❑ Power House
 - ❑ Fertiliser Plants
 - ❑ Defence
 - ❑ Aviation
 - ❑ Coal
 - ❑ Transport
- ◆ The turnover growth is insulated from the cyclical demand fluctuations due to diversified customer base



Retail Outlet at Boat house

Diversified Products & Brands

- ◆ Branded Products
 - ❑ Xtra Premium Petrol
 - ❑ Xtra Mile Diesel
 - ❑ Indane LPG
 - ❑ *SERVO* Lubricants
- ◆ Branded Services
 - ❑ Kisan Seva Kendra
 - ❑ Xtra Care Outlets



Kisan Seva Kendra outlets for extending rural reach

“ *SERVO* – India’s No. 1 lubricant brand “

R&D Providing The Cutting Edge



- ◆ Commercialization of technologies
 - INDMAX :For maximisation of LPG & light distillates from Refinery Residue.
 - Marine Oils : One of six companies to have developed “Original Equipment Manufacturer Approved Marine Technology Equipment”
 - Needle Coke :One of three companies in world that possess technology to make high value needle coke
 - Diesel Hydrotreating (DHDT) and Light Naphtha Isomerisation units commissioned at Bongaigaon Refinery to produce Bharat Stage IV complaint Diesel & Euro III/IV MS
- ◆ Widening horizons
 - New petrochemical and polymer labs fully functional
 - MOU with the Department of Bio-Technology to set up “Advanced Bio-energy Research Centre”
 - Commissioned fluidized bed gasification pilot

R&D Providing The Cutting Edge



◆ Lubricants

- 154 product formulations developed, 108 commercialized, 56 approvals obtained from user Industries / OEMs
- In a first overseas business gain, Mauritius Shipping Corporation adopted indigenously developed Servo Marine grades

◆ Patents

- Six patents granted during the year
- Details of active patent

<i>India</i>	<i>USA</i>	<i>Others</i>	<i>Total</i>
119	46	50	215

<i>Lubes</i>	<i>Refinery</i>	<i>Others</i>	<i>Total</i>
42	101	72	215

◆ Central Development Center at Faridabad

All figures as on FYE 2012

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Ongoing Projects

Spreading our Wings – Petrochemicals



Forward Integration into Petrochemicals

1539

Sales (KT)

◆ 120 TMTPA capacity LAB plant commissioned at Gujarat in August 2004

Polymers

938

2004

Glycols

652

239

◆ 553 TMTPA capacity PX/PTA at Panipat in June 2006

151

PX/PTA

528

447

542

◆ 857 TMTPA Ethylene and 650 TMTPA Propylene capacity commissioned at Panipat in 2010

LAB

124

124

100

FYE 10

FYE 11

FYE 12

Turnover (Rs./crore)

3,734

6,087

11,839

2nd largest petrochemicals capacity share in the country

Key: LAB: Linear Alkyl Benzene; PTA: Purified Terephthalic Acid; NELP: New Exploration Licensing Policy; MEG: Monoethylene Glycol; DEG : Diethylene Glycol

Spreading our Wings – E&P



Backward Integration into E&P

Domestic Exploration Blocks

- ◆ NELP – 14 blocks with ONGC / OIL / GAIL / GSPC / Petrogas / HPCL / HOEC / AWEL (15-100% participating interest)
 - Coal Bed Methane – 2 blocks with ONGC (20% participating interest)

International Exploration Blocks

- ◆ Total 10 blocks- Libya(3), Iran (1), Yemen(2) , Nigera(1), Gabon (1) & Venezuela (1), USA (1)



Key: NELP: New Exploration Licensing Policy

Diversification to Other Energy Sources



- ◆ Gas sales of 1.72 MMT in FYE 2012, Turnover grew by 4.9% against previous year
- ◆ Operating City Gas Distribution (CGD) network with JV company Green Gas Ltd in Agra & Lucknow
- ◆ Consortium with Adani Gas Ltd to develop CGD network on pan India basis
- ◆ Setting up 5 MMTPA LNG regasification and storage terminal at Ennore
- ◆ Formed a consortium with Gujarat State Petronet Ltd, BPCL & HPCL to build three cross-country pipeline through a joint venture; IOC's share at 26%



- ◆ On 6th April 2011 formed JV with Nuclear Power Corporation of India to establish (700*2) MW nuclear plant at Rawatbhatta, Rajasthan. IOC's Share 26% (Rs.961 crore)

Diversification to Other Energy Sources

Wind Power, Biofuels & Solar Energy



- ◆ Commissioned 21MW plant at Kachchh, Gujarat in Jan 09
- ◆ Second plant of 48.3 MW capacity consisting of 23 windmills under implementation in Andhra Pradesh; out of 23, 8 windmills commissioned in March'12



- ◆ Chhattisgarh Project: Subsidiary with Chhattisgarh Renewable Development Authority for plantation of Jatropha in 30,000 hectare wasteland
- ◆ Madhya Pradesh Project: IOC allotted 2,000 hectare wasteland for Jatropha plantation
- ◆ UP Project: Formed LLP with Ruchi Soya Industries Limited with objective of Jatropha plantation on 50,000 hectare wasteland



- ◆ Commissioned 5 MW solar plant in Rajasthan
- ◆ Solar plants at Retail Outlets / PLHO
- ◆ Solar Lanterns launched in IOC's state offices

Overseas Presence



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

- Aviation, terminaling and retail
- Leader in aviation
- 24,000 Metric Ton capacity storage Terminal at Port Louis
- 18 retail outlets



**Lanka IOC
Ltd.**
(75.1%)

- Storage, terminaling and retail business
- 157 retail outlets
- 1/3rd share in Ceylon Petroleum Storage Terminals Ltd
- Listed on Colombo Stock Exchange



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

- Marketing of *SERVO* lube & petroleum products in Middle East, Africa and CIS countries.
- Exports finished lubes to Oman, Yemen, Bahrain, UAE and Nepal.



Overseas Downstream Marketing: Leveraging core competence

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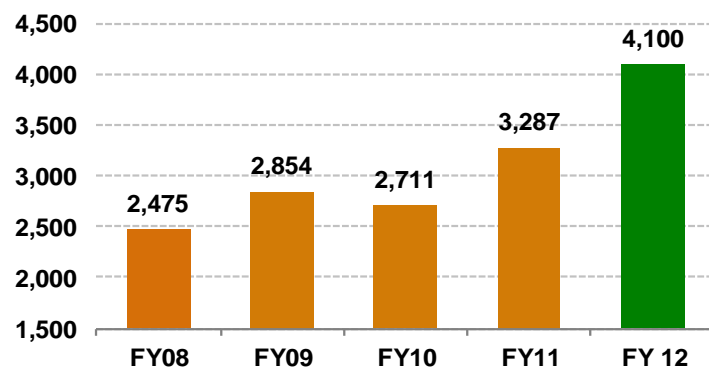
Ongoing Projects

Financial Performance



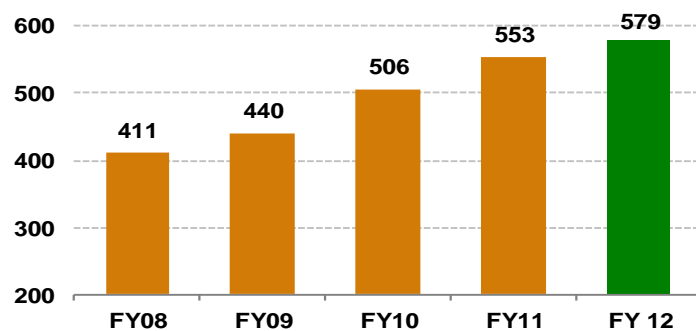
Turnover

(INR / bn)



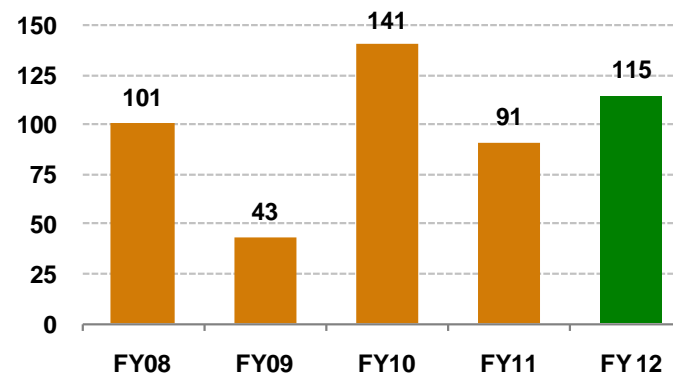
Net Worth

(INR / bn)



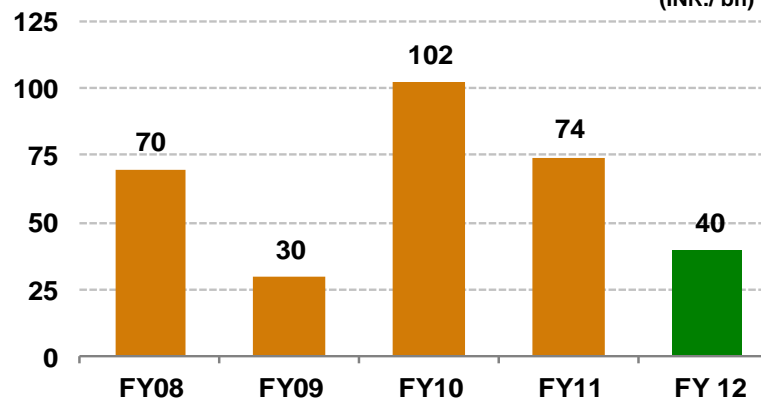
PBT Before Exceptional Items⁽¹⁾

(INR / bn)



Net Profit

(INR./ bn)



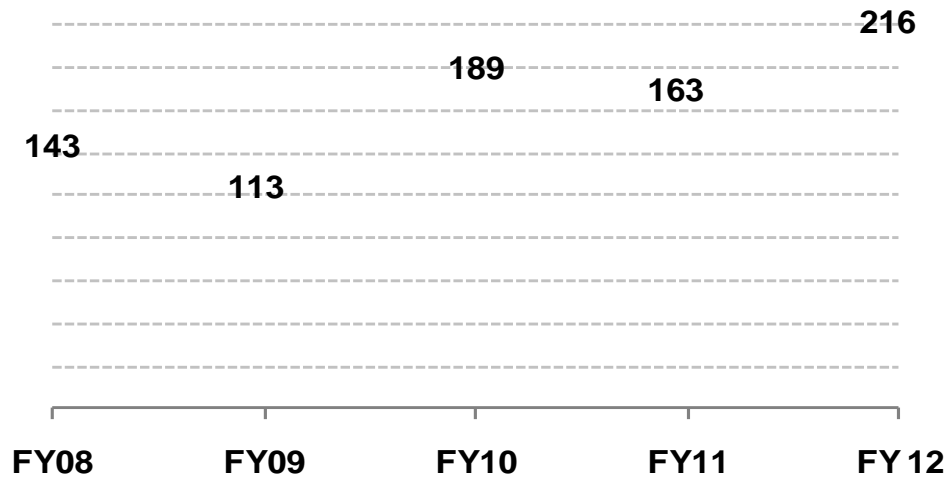
⁽¹⁾ Before Entry Tax amounting to Rs.7708 crore in FY'12

Financial Performance



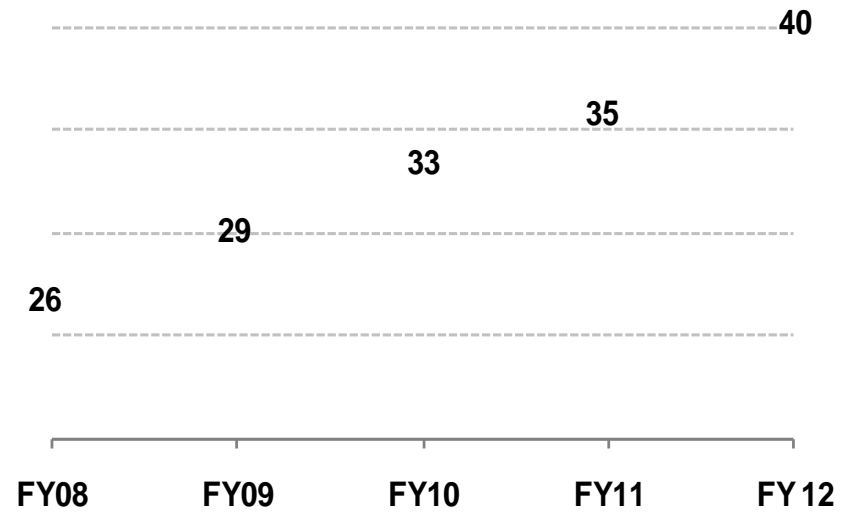
EBITDA

(INR / bn)

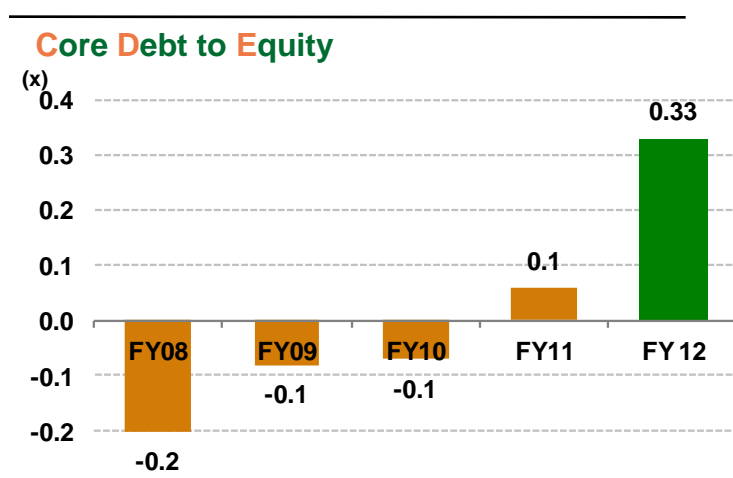
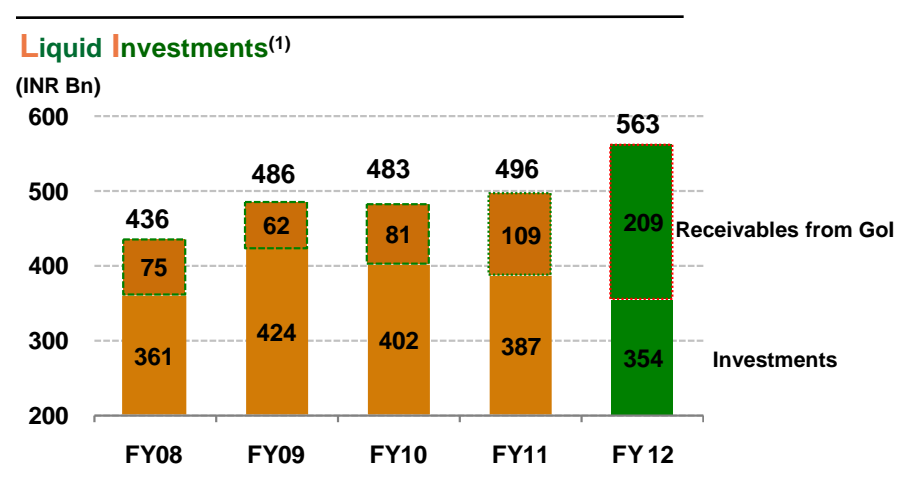
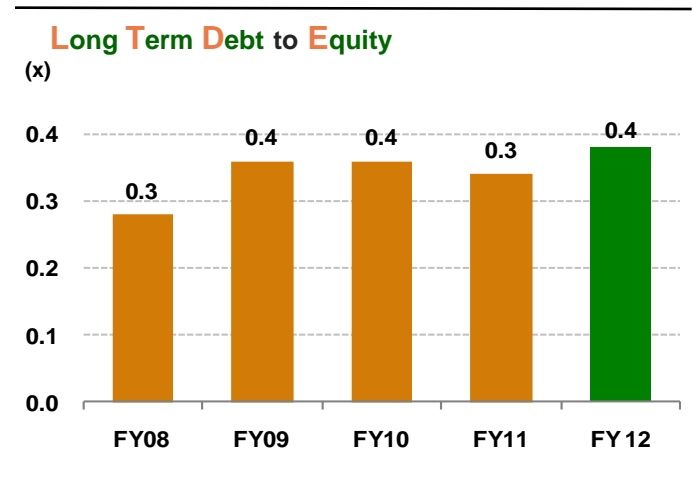
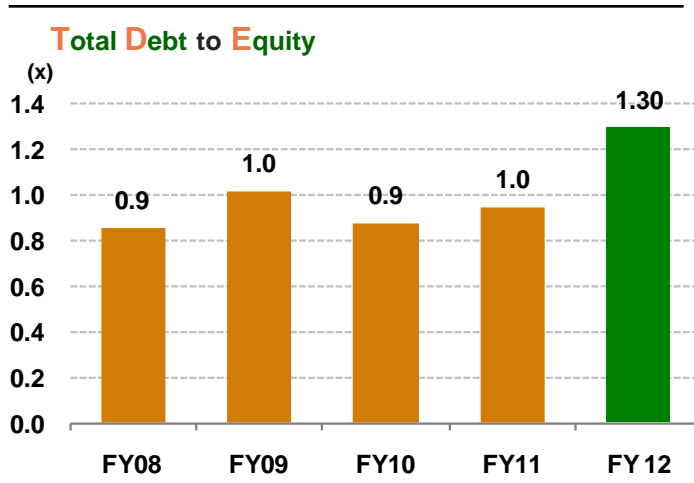


Pipelines EBITDA

(INR./ bn)



Financial Performance



Note
 (1) Liquid investments include Market Value of shares held in ONGC Ltd., GAIL (India) Ltd., OIL India Ltd., shares held in Trust formed for merger of IBP Co. Ltd. and Bongaigaon Refinery & Petrochemicals Ltd and Special Oil Bonds & receivables from Gol in the form of oil bonds till FY'09; thereafter cash subsidy

Compensation of Under Realization



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INR Crore

	FYE 08	FYE 09	FYE 10	FYE 11	FYE 12	Apr-Dec 12
Gross Under-realization	43,094	58,593	25,879	43,112	75,469	67,123
Upstream Discount	14,323	18,210	7,548	16,704	29,961	24,327
Oil Bonds	18,997	40,383	-	-	-	-
Cash Compensation	-	-	15,172	22,605	45,486	29,569
Net Under-realization	9,774 (23%)	0.0 (0%)	3,159 (12%)	3,803 (9%)	22 (0%)	13,227 (20%)

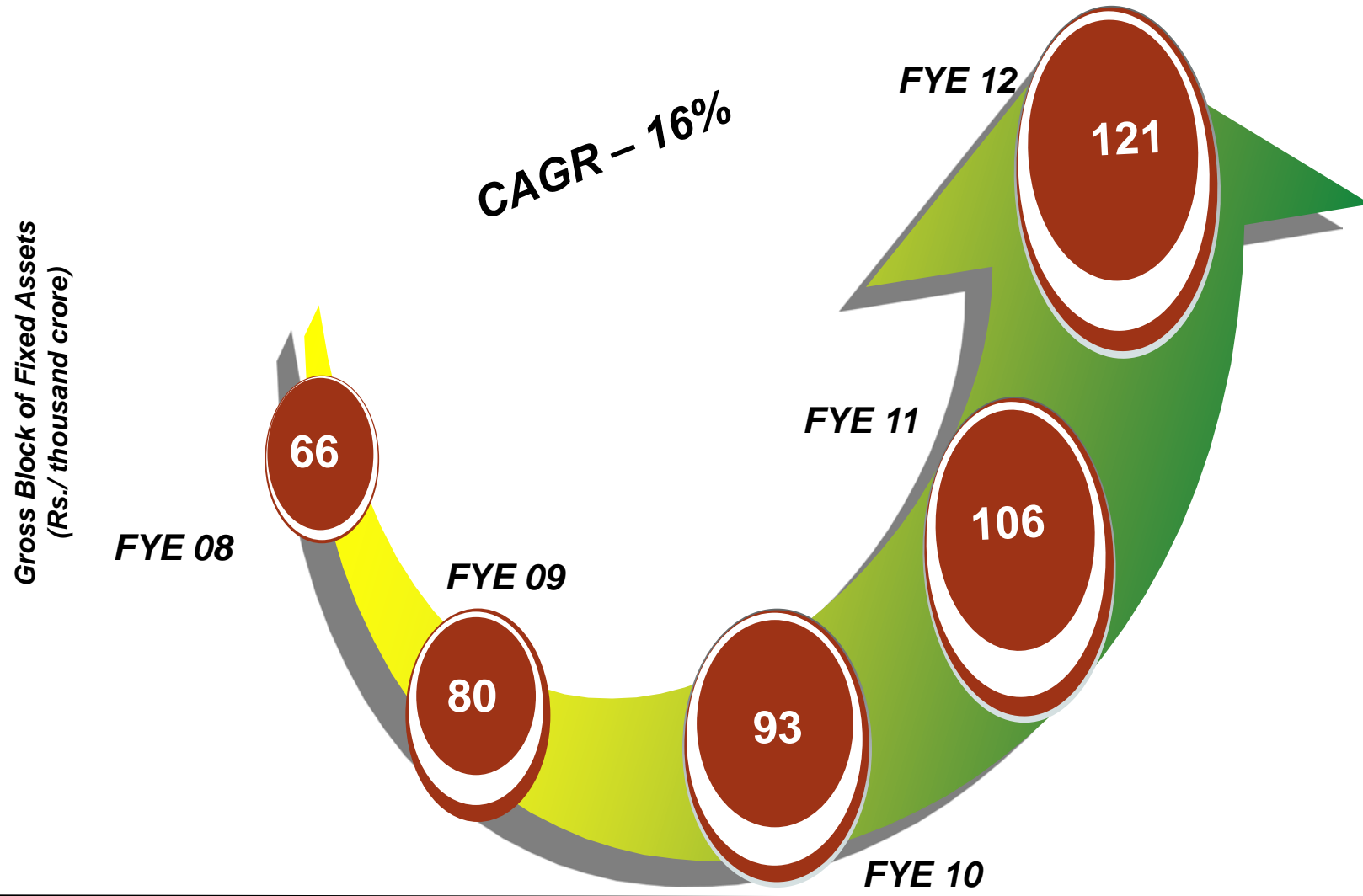


“Indian government has demonstrated a track record of adequately compensating IOC for under-recoveries and ensuring that the company achieves a reasonable level of profitability” – Moody’s

Infrastructure Base – A Phenomenal Growth



IndianOil



Gross Fixed Assets includes Capital Work in Progress

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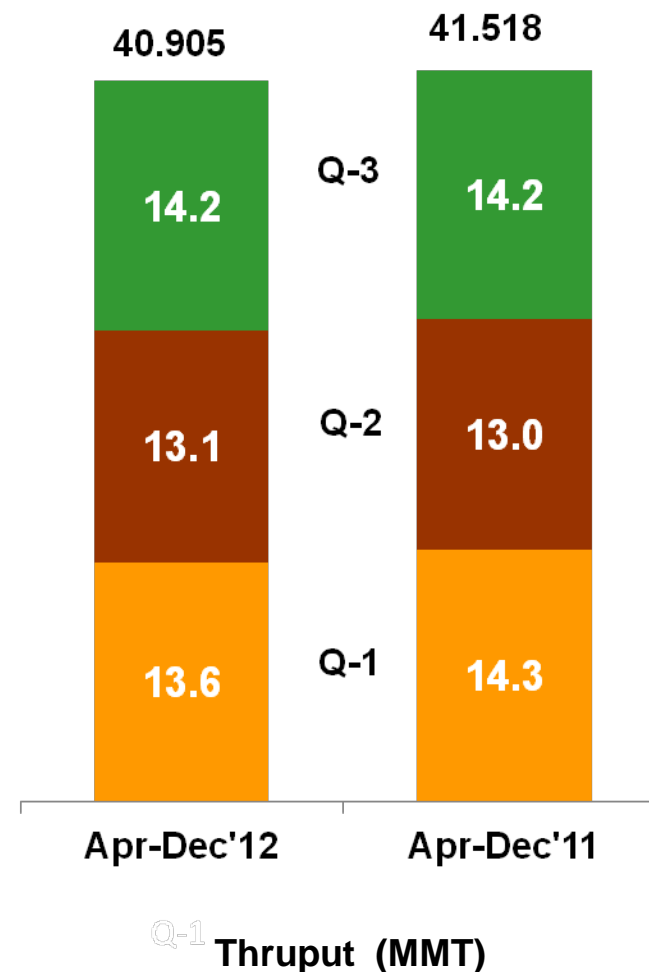
Nine Months Snapshot

Ongoing Projects

Refining Operating Highlights



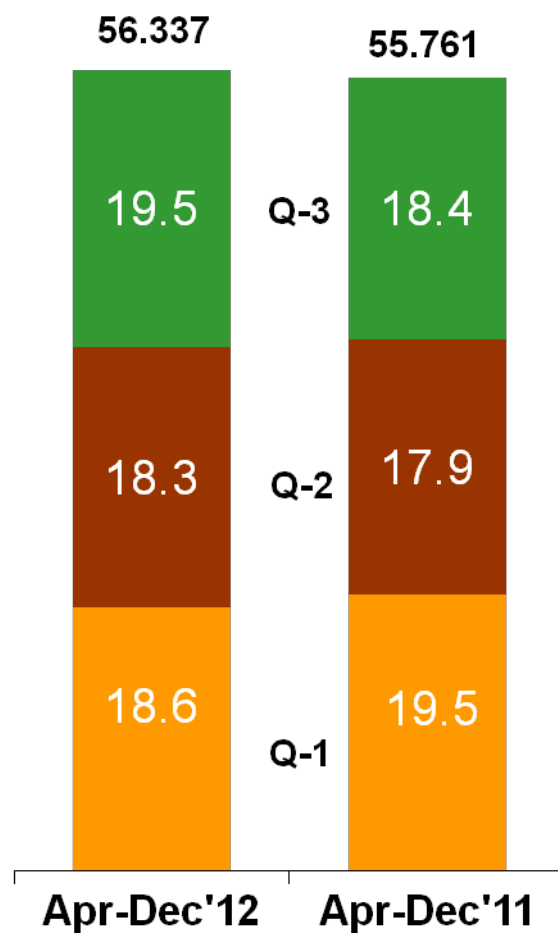
	Q3	Q2	Q1	Apr-Dec'12
Crude T'put (MMT)	14.2	13.1	13.6	40.9
Capacity Utilization (%)	103.4	96.3	100.8	100.2
Distillate Yield (%)	78.4	78.6	77.6	78.2
GRM (\$/bbl)	6.15	5.15	(4.81)	2.22



Pipelines Operating Highlights



	Q3	Q2	Q1	Apr-Dec'12
Crude: Thr'put	11.9	11.5	11.6	35.0
Capacity Utilisation	115.6%	111.4%	113.0%	113.3%
Product: Thr'put	7.5	6.8	7.0	21.3
Capacity Utilisation	71.7%	67.1%	69.4%	68.9%
Total: Thr'put	19.4	18.3	18.6	56.3
Capacity Utilisation	93.4%	89.2%	91.3%	91.1%



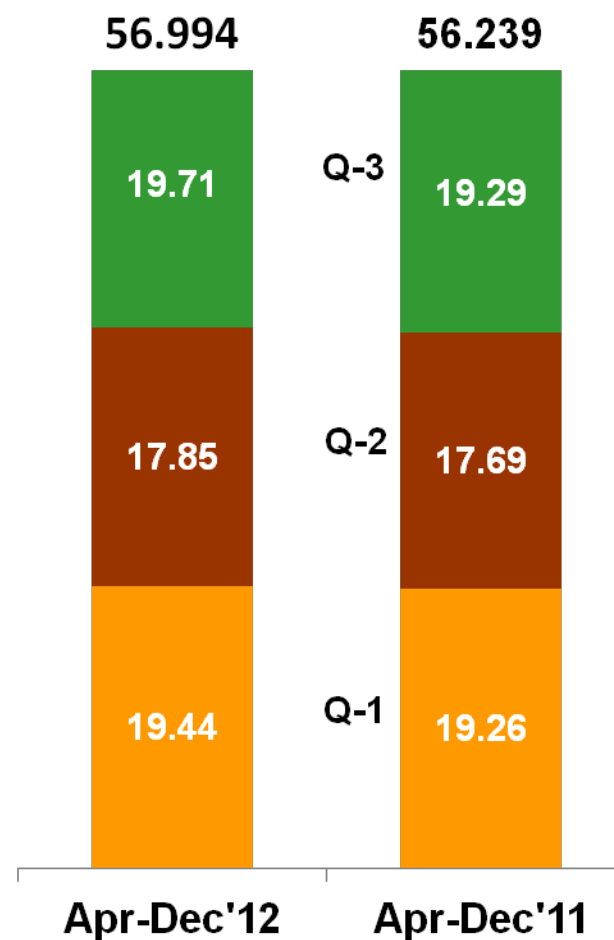
Thruput (MMT)

Marketing Operating Highlights



(MMT)

	Q3	Q2	Q1	Apr-Dec'12
Inland	17.626	16.162	17.712	51.500
Export	1.133	0.766	0.855	2.754
Gas	0.453	0.429	0.451	1.333
Petro-chemicals	0.472	0.470	0.405	1.347
Explosives	0.022	0.018	0.020	0.060
Total	19.706	17.845	19.443	56.994

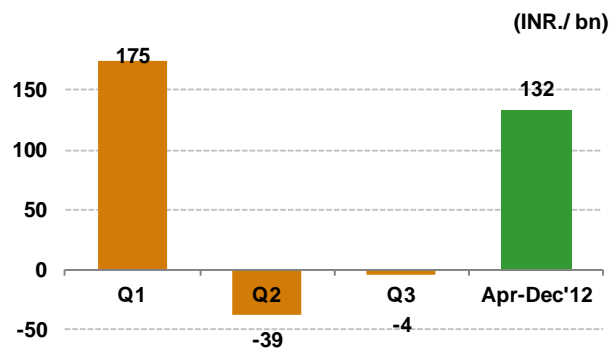


Sales (MMT)

Financial Highlights



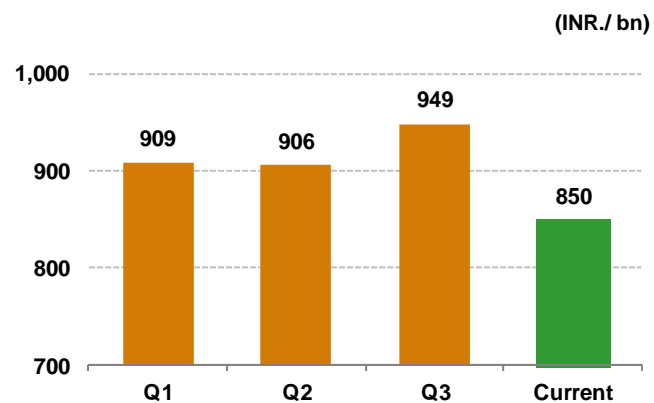
Net Under - Recovery



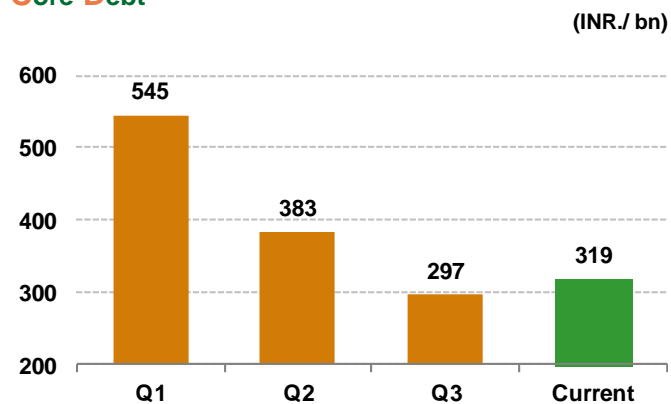
PBT



Borrowings



Core Debt



IOCL – An Overview

Oil Industry In India

IOCL's Core Operations

Strategic Initiatives

Financial Performance

Ongoing Projects

Nine Months Snapshot

Capex Outlay



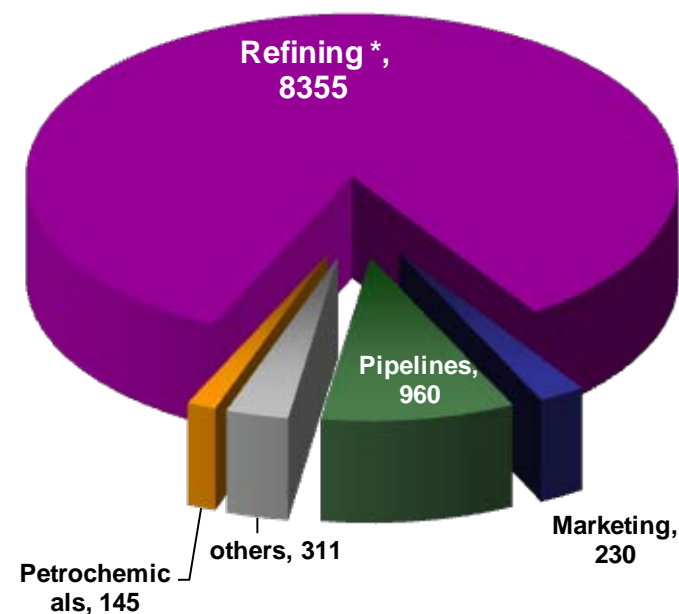
Capital Expenditure

INR crore

	2011-12	2012-13*
Plan Expenditure	11,073	10,000
Non Plan Expenditure	3,402	5,479
Total	14,475	15,479

* Budgeted Estimate

Plan Capex Outlay: 2012-13



TOTAL CAPEX Outlay :
Rs. 10,000 crore

* Includes refineries' capacity additions, yield & quality improvement

** Includes R&D and diversifications such as LNG and E&P etc.

Major ongoing projects



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Projects-Refinery	Anticipated Outlay (INR crore)	Objective	Anticipated Completion
Paradip Refinery	29,777	To meet domestic demand & export of surplus product	Sep-Nov '13
Fluidized Catalytic Cracking Unit at Mathura Refinery	1,000	To increase processing capacity of unit from 1.3 to 1.5 MMTPA & maximize production of value added propylene	July' 13
Butadiene Extraction Unit at Panipat	342	Designed to produce 138 MTPA of Butadiene to be used as feedstock for SBR project at Panipat	Feb'13
Total :	31,119		

Projects-Pipelines	Anticipated Outlay (INR crore)	Capacity	Anticipated Completion
Paradip-Sambalpur-Raipur-Ranchi pipeline	1,793	5 MMTPA	To be revised due to non-receipt of forest clearance
Debottlenecking of Salaya-Mathura crude pipeline	1,584	4 MMTPA	30 months after statutory clearance
Integrated crude handling facilities at Paradip*	1,492	37 MMTPA	Mar'13
Tanks and Blending facilities at Vadinar	267	425000 KL	Feb'13
Paradip-Haldia-Durgapur LPG pipeline	913	0.85 MMTPA	30 months after statutory clearance
Augmentation of Paradip-Haldia-Barauni Pipeline	586	4.2 MMTPA	
Total :	6,635		

* Included in the cost of Paradip Refinery



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Thank You