ANNUAL PRESS CONFERENCE

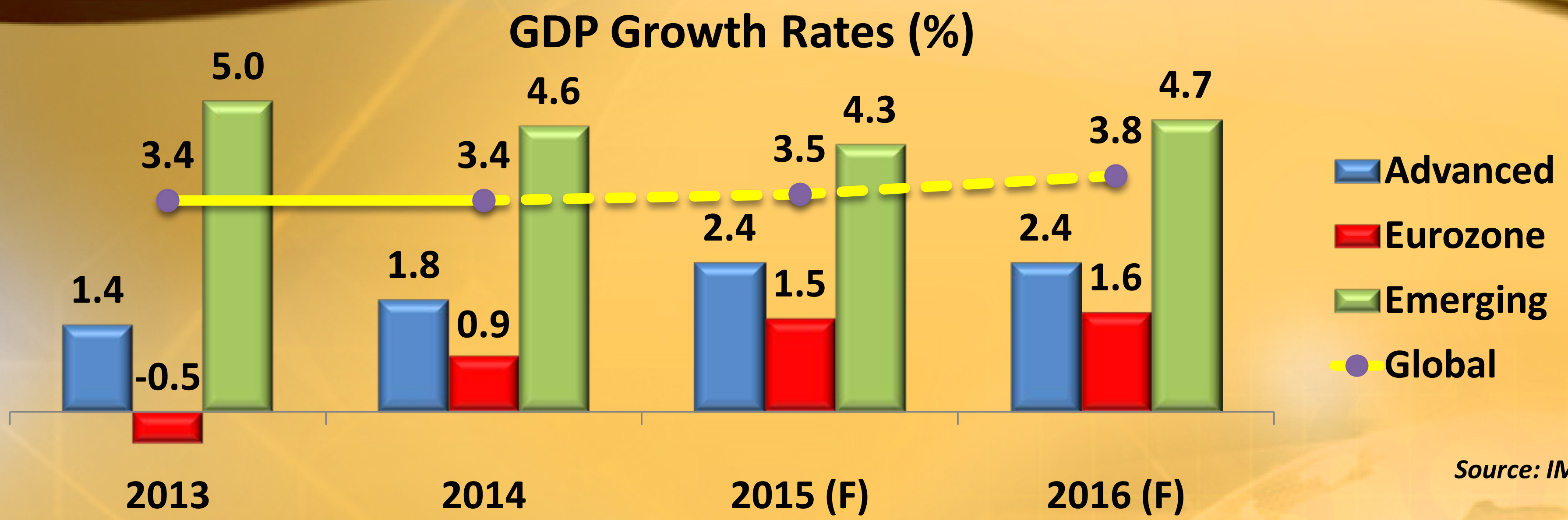
29th May, 2015
New Delhi

Structure of the Presentation

- Economy and Industry
- 2014-15: Game Changers
- 2014-15: Achievements
- 2014-15: Financials

Economy and Industry

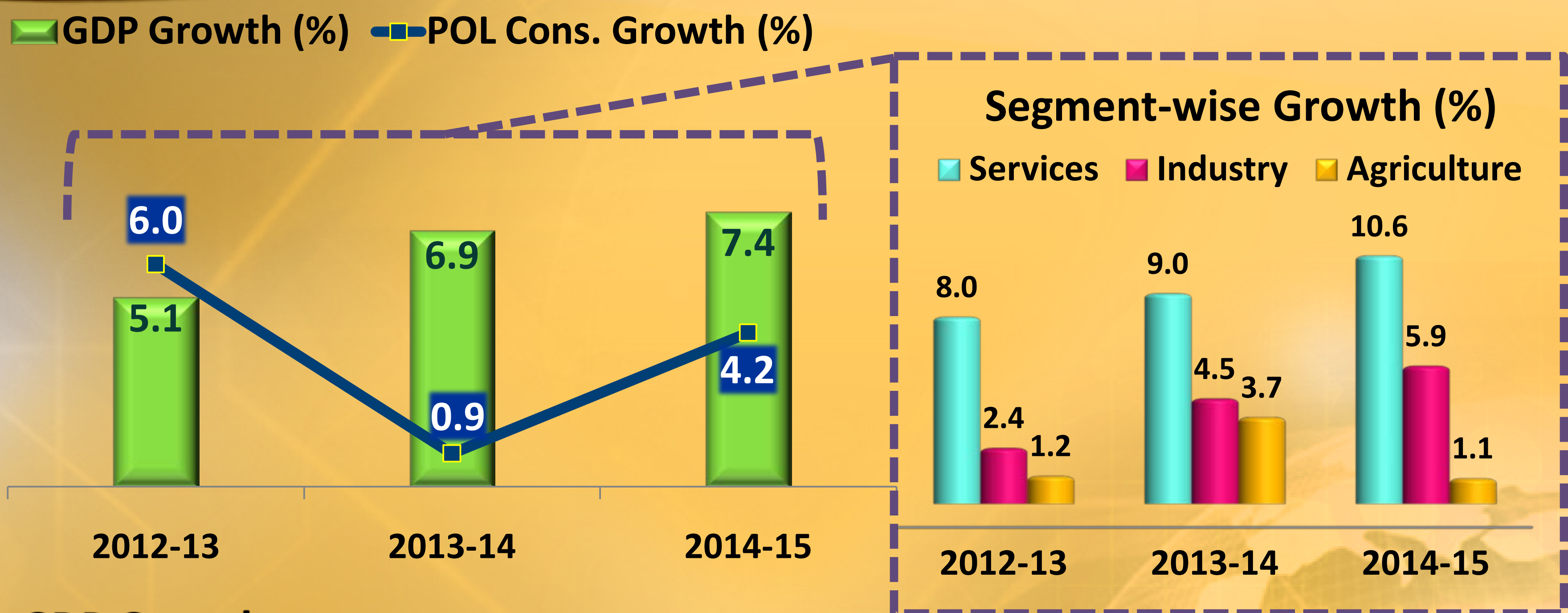
Global Economy



Source: IMF

- **Global Economy**
  - Advanced economies: US economy an ace performer
- **Emerging Economies**
  - China: Slipping of Chinese growth rate was a major push factor
  - India: “Rare bright spot on a cloudy global horizon”- Christine Lagarde , MD of IMF

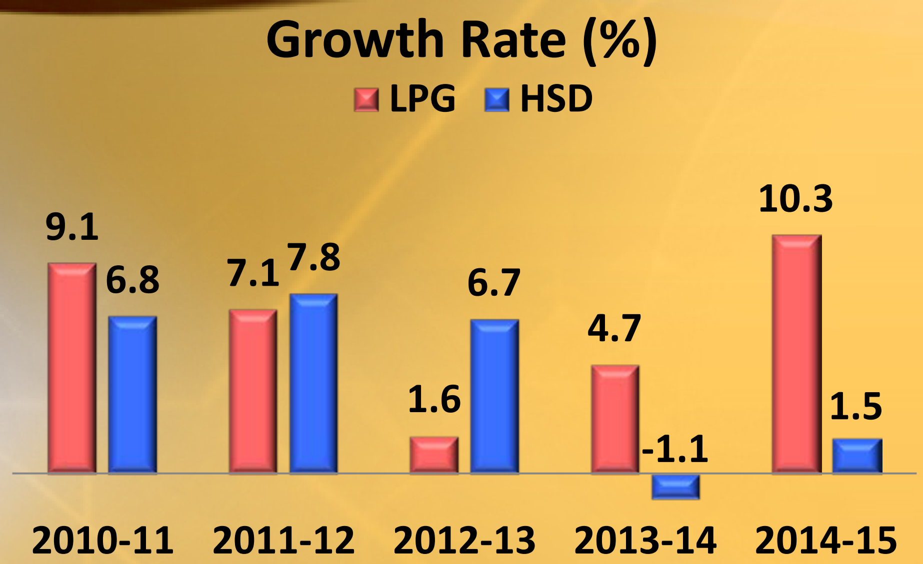
Indian Economy & POL Demand



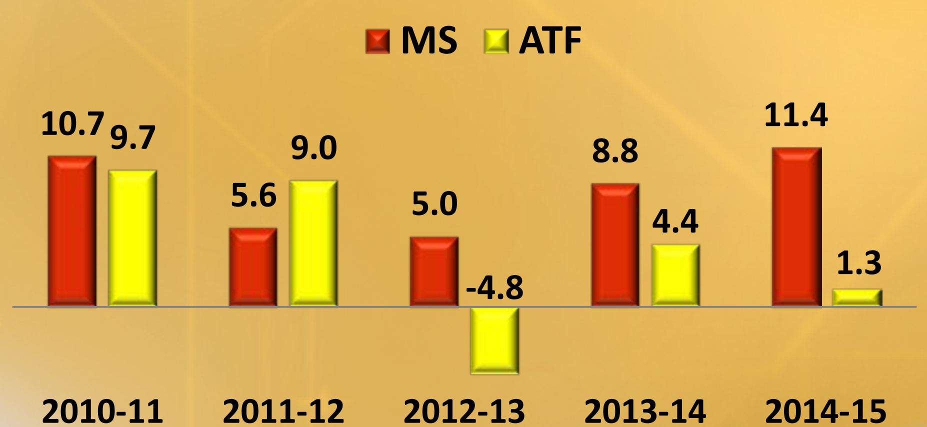
Source: PPAC/ MoSPI

- **GDP Growth**
  - **Picked-up in 2014-15 on account of accelerated growth in Services and Industry**
- **POL Growth:**
  - **Turnaround in HSD growth**
  - **Supported by price cuts and improved Industrial performance**

POL Growth – Major Products



Source: PPAC



Controlled Products

- **Significant growth in LPG**
  - Release of new connections
  - 12 cylinders cap through the year

Deregulated in 2014-15

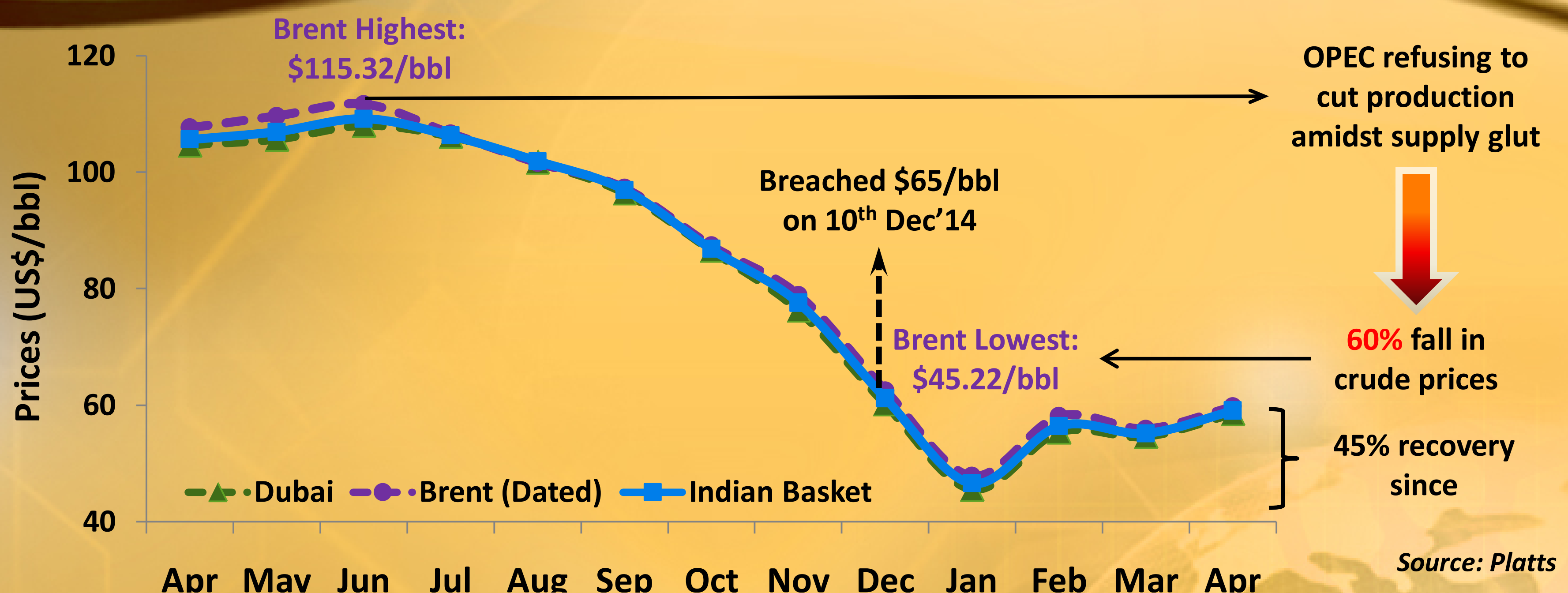
- **Recovery but slow growth in HSD**
  - Monthly increments till Oct'14 (Retail)
  - Slide in HSD prices afterwards
  - Declining Commercial vehicle sales

Free Products

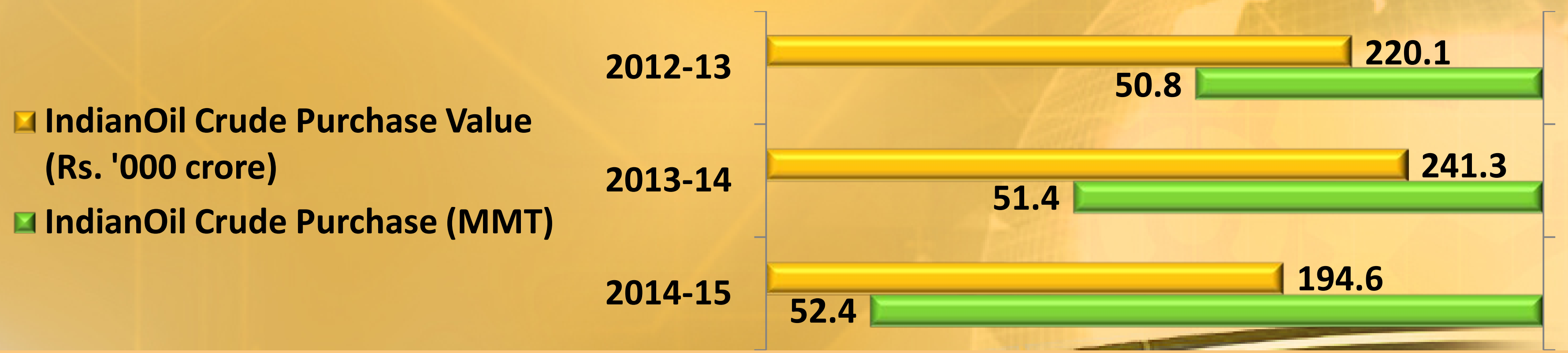
- **MS growth highest in last 5 years**
  - 2-wheelers sales increased by 8%
  - Retail HSD deregulation narrowed MS-HSD spread; boosting MS sales

2014-15:
Game Changers

Crude Oil Price

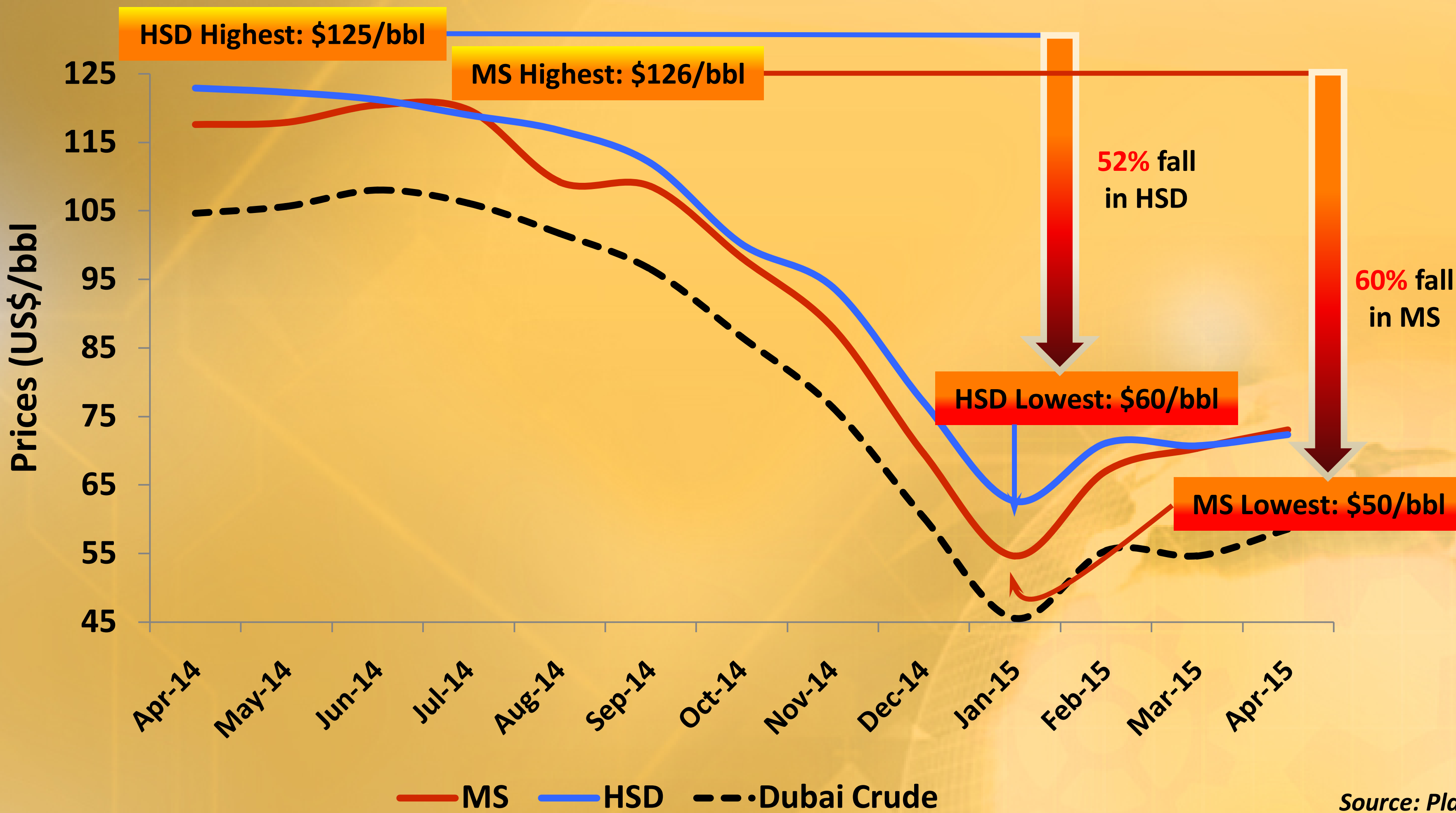


Source: Platts



Steep fall…

Petroleum Product Prices

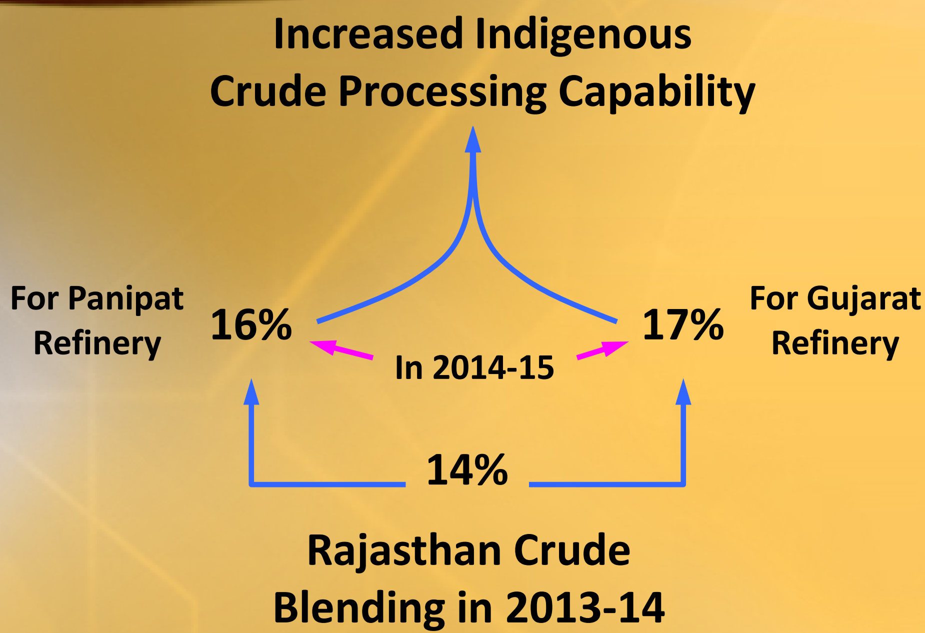


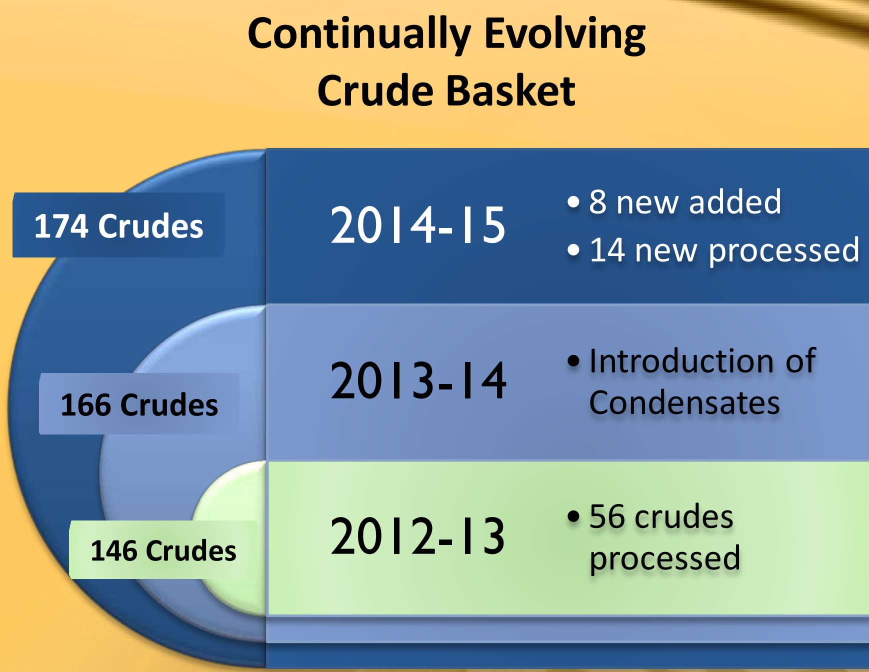
…similar fall -> Inventory Valuation

Addressing the Fundamentals - Operations

- IndianOil suffered huge inventory loss as a result..
- Balanced by
  - Improved physical performance
  - Fiscal prudence
  - Gains from diversified business
  - Change in depreciation policy

Addressing the Fundamentals - Crude Mix





- ➢ **Increasing heavy crude processing capability through blending infrastructure**
- ➢ **Mangla Crude Maximization across refineries**
- ➢ **Improving crude procurement practices**
- ➢ **Expanding crude basket**

Cost Management

Emerging Market Dynamics

Spreading PAHAL to the masses

HSD Deregulation

PAHAL

- World's largest Direct Benefit Transfer Scheme
- 82% customers CTC by 31st March 2015
- Faster subsidy compensation to company

HSD Deregulation

- Retail HSD deregulated from 19th Oct'14
- Gradual revival of Pvt. network

Gas Markets

- Spot prices lower than long term contracts
- Initiation of Australian LNG exports

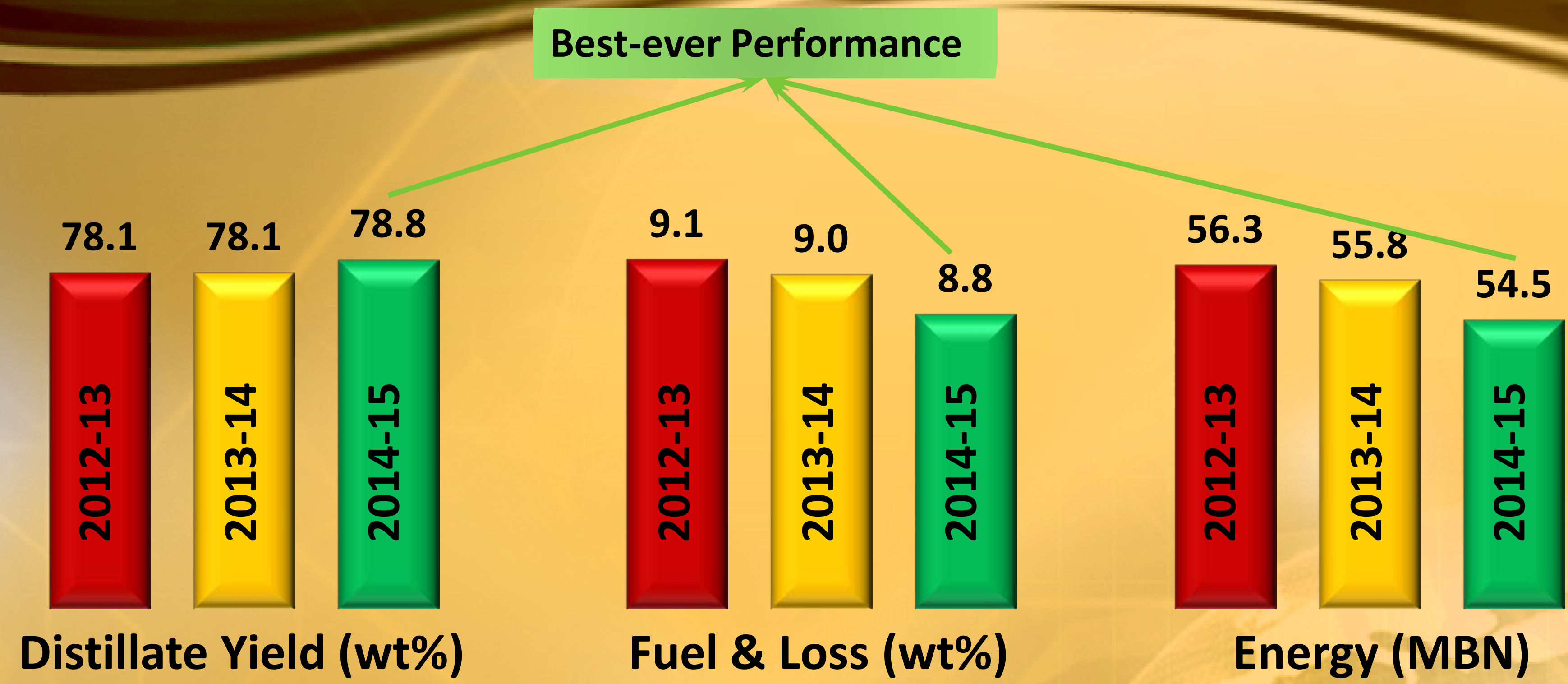
Common User Facilities

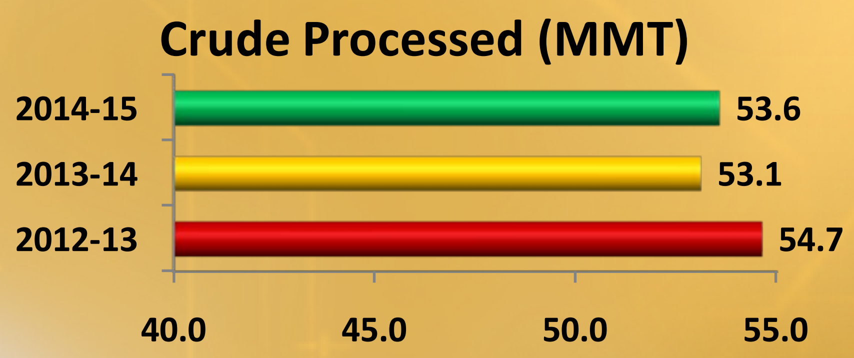
- Storage infrastructure

Structural Change

IndianOil 2014-15: Achievements

Refinery Operations – Creating Benchmarks





- 99% capacity utilization
- 2 refineries achieved Highest-ever Distillate Yield
- 3 refineries achieved best-ever F&L
- 6 refineries achieved best-ever MBN

Paradip Refinery – From Aspiration to Reality

Capacity: 15 MMTPA; Approved Cost: Rs. 34,555 crore

One of the most modern refineries in the world

Crude Mix: 100% HS /upto 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

Commissioning Milestones

- **Crude Oil Intake:** 12th March 2015
- **Raw Water Received:** 31st March 2015
- **Flare Pilot Lit-up:** 9th April 2015
- **Furnace Pilot Lit-up:** 10th April 2015
- **AVU Commissioned:** 26th April 2015

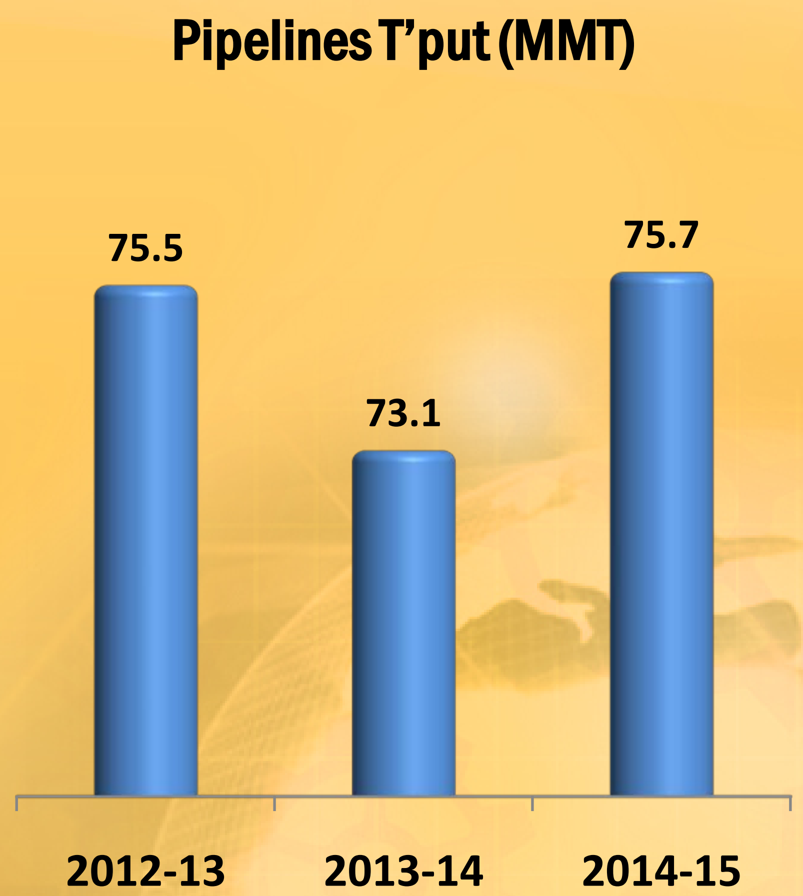
Pipelines – Operational Backbone

Benchmark Performance

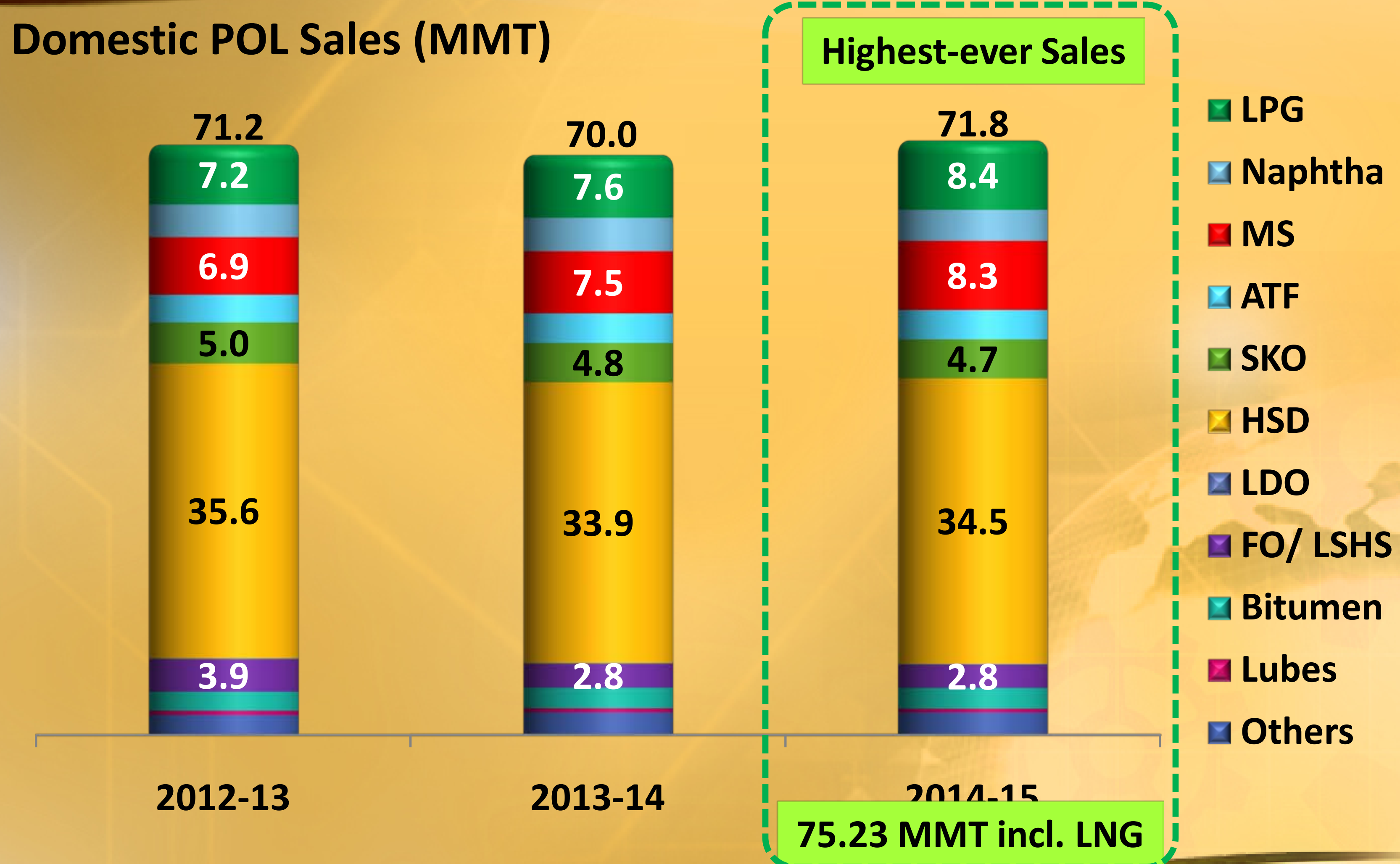
- Crude pipelines utilization over 118%
- Highest-ever t'put of 75.7 MMT
- Pipeline System Availability of over 107%

New Initiative

- Crude blending facilities for Paradip-Haldia-Barauni crude PL upgraded at Paradip for heavier crude processing



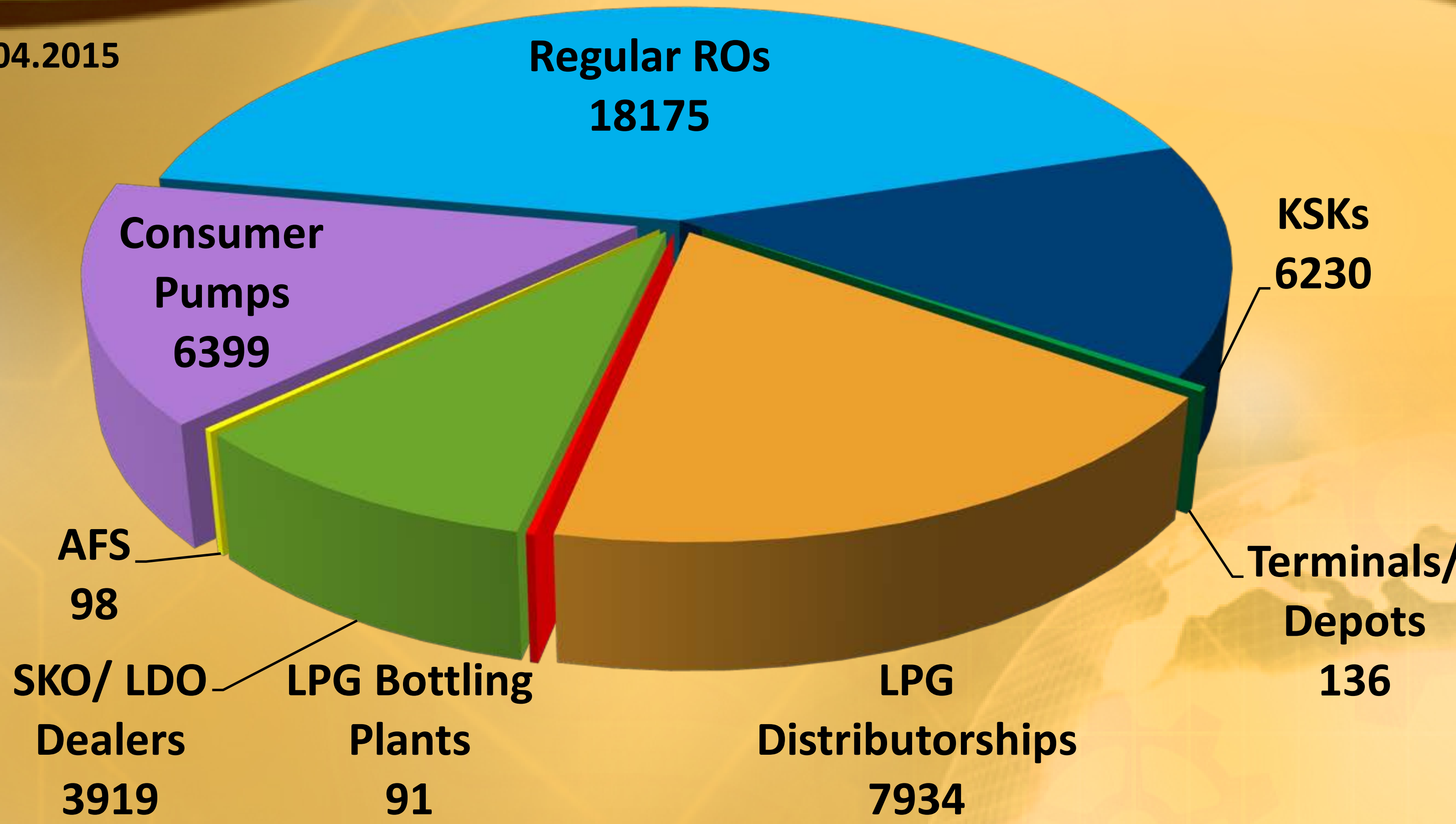
Improved POL Sales



Market leader with 46.7% market share

Expanding Marketing Infrastructure

As on 01.04.2015

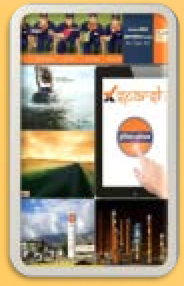


LPG Customers
8.88 crore

Marching Forward

- **Growth through KSKs – 12.9% total sales**
- **RO Automation**
  - **Over 1600 ROs Automated**
  - **25 cities 100% automated (30 cumulative)**
- **Project Chetna**
  - **Improving customer service**
  - **Over 83,000 customer attendants trained**
  - **Citation Winner of coveted ATD (formerly ASTD) Excellence in Practice Award - 2014**
- **Smart Terminal**
  - **Reducing human intervention**
  - **Improved efficiency**

Always in touch



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

Fuel @ IOC: 1st Mobile App for Retail Fuel Customers

Customer oriented path forward

R&D – Pioneering Innovation

Indane NANOCUT

- Hi-therm LPG based metal cutting gas
- Additized with proprietary additive formulation
- Safer, cheaper and operationally superior to oxy-acetylene

INDAdept

- Based on proprietary adsorbent for deep desulfurization for Euro-V MS
- Setting up a demonstration unit of 35 TPA at Guwahati refinery
- Environmental clearance obtained and HAZOP study completed

R&D – Technology Backbone

- **Developing Lubricants**
  - 125 formulations developed
  - 64 Original Equipment Manufacturer (OEM)/ Customer/ Defence approvals and re-certifications
- **Patents obtained**
  - Applied for a record 92 patents
  - 14 granted (India: 4, US: 4, Others: 6)
- **Patent Inventory:**

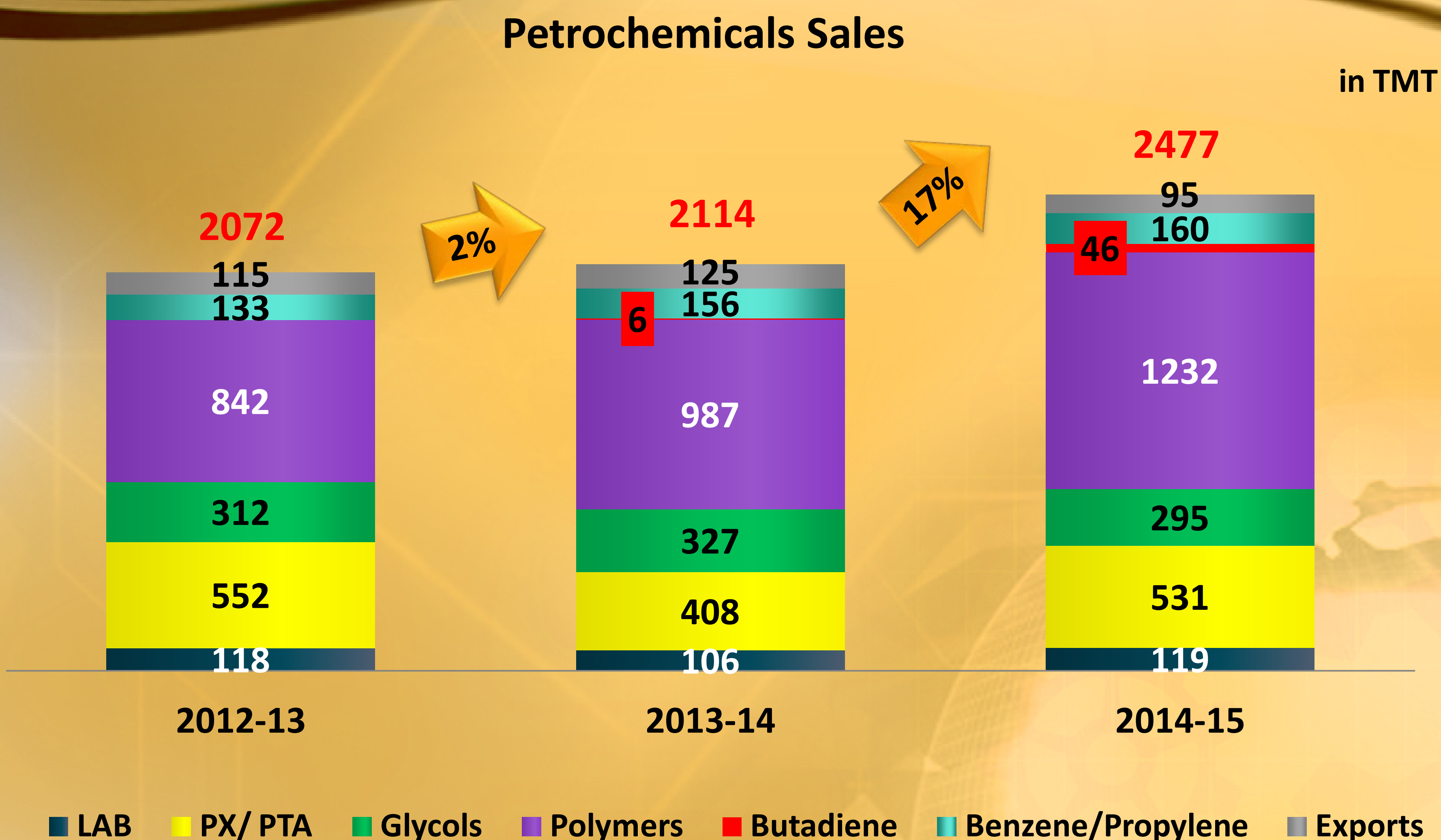
IndianOil R&D Centre

India	USA	Others	Total
151	83	150	384

Lubes	Refineries	Others	Total
34	198	152	384

As on 31.03.2015

Petrochemicals - Consolidating Integration



Highest-ever Petrochemicals Sales

Petrochemicals Milestones

- Merchant sales of Butadiene started
- Import substitution of SBR through JV (ISRL)
- 5 new polymer grades added to portfolio
- 30 OEM approvals obtained
- Export footprint expanded to 69 countries
- Polypropylene plant at Paradip – on track

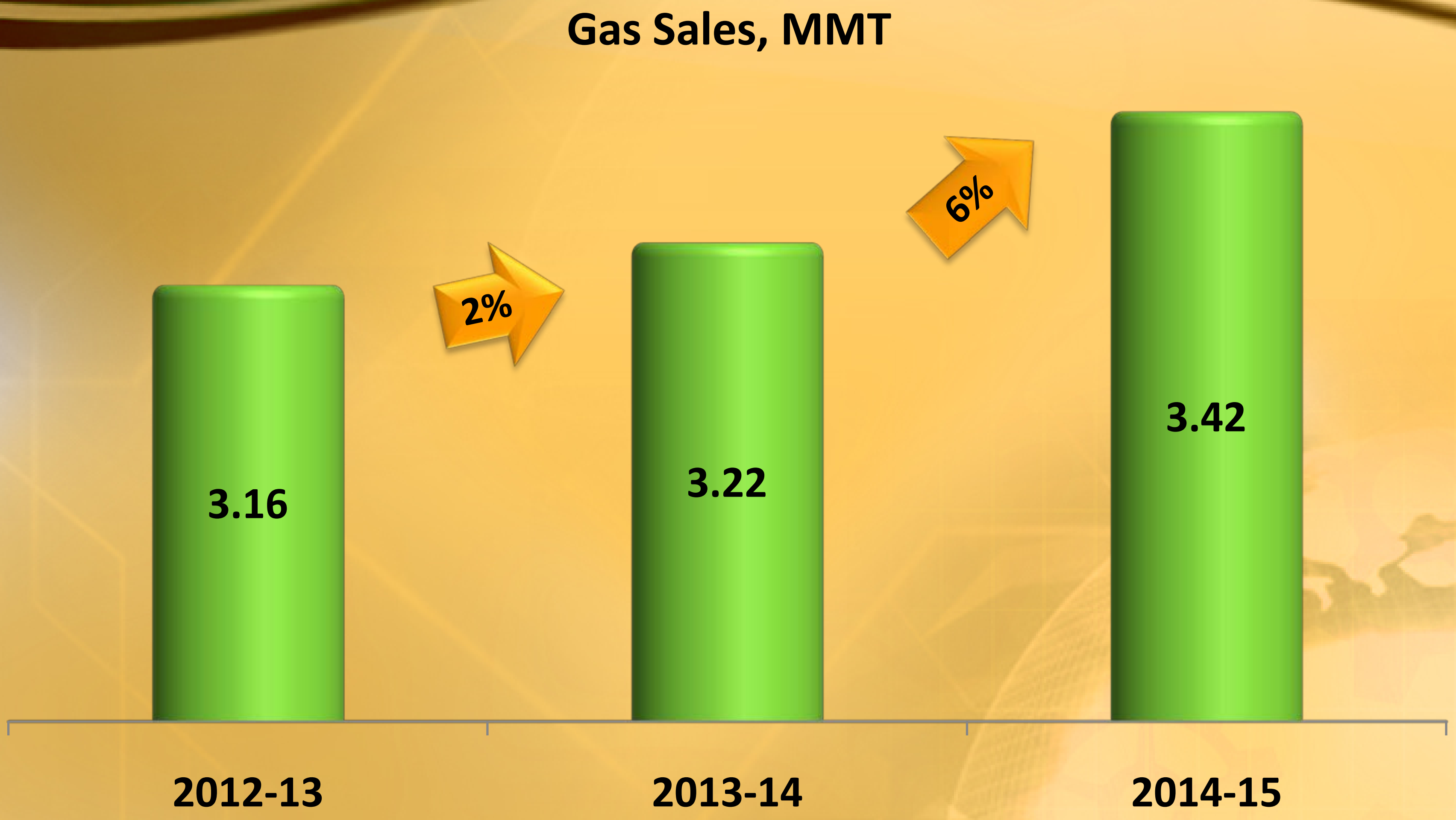
IndianOil PROPEL

100% TRUST. 100% VALUE.

A range of world-class petrochemicals

Sh. Dharmendra Pradhan, MoS (I/c), P&NG laying the foundation stone for PP at Paradip

Gas – Unleashing Potential



30% share in R-LNG segment

Gas – Stepping on the Pedal

Creating infrastructure

- **LNG Import terminal at Ennore, Tamil Nadu**
  - 5 MMTPA capacity @ Rs. 5,151 crore

LNG Sourcing

- **Forays into independent LNG purchase**
  - Cargo from Excelerate (Jun'15 delivery)

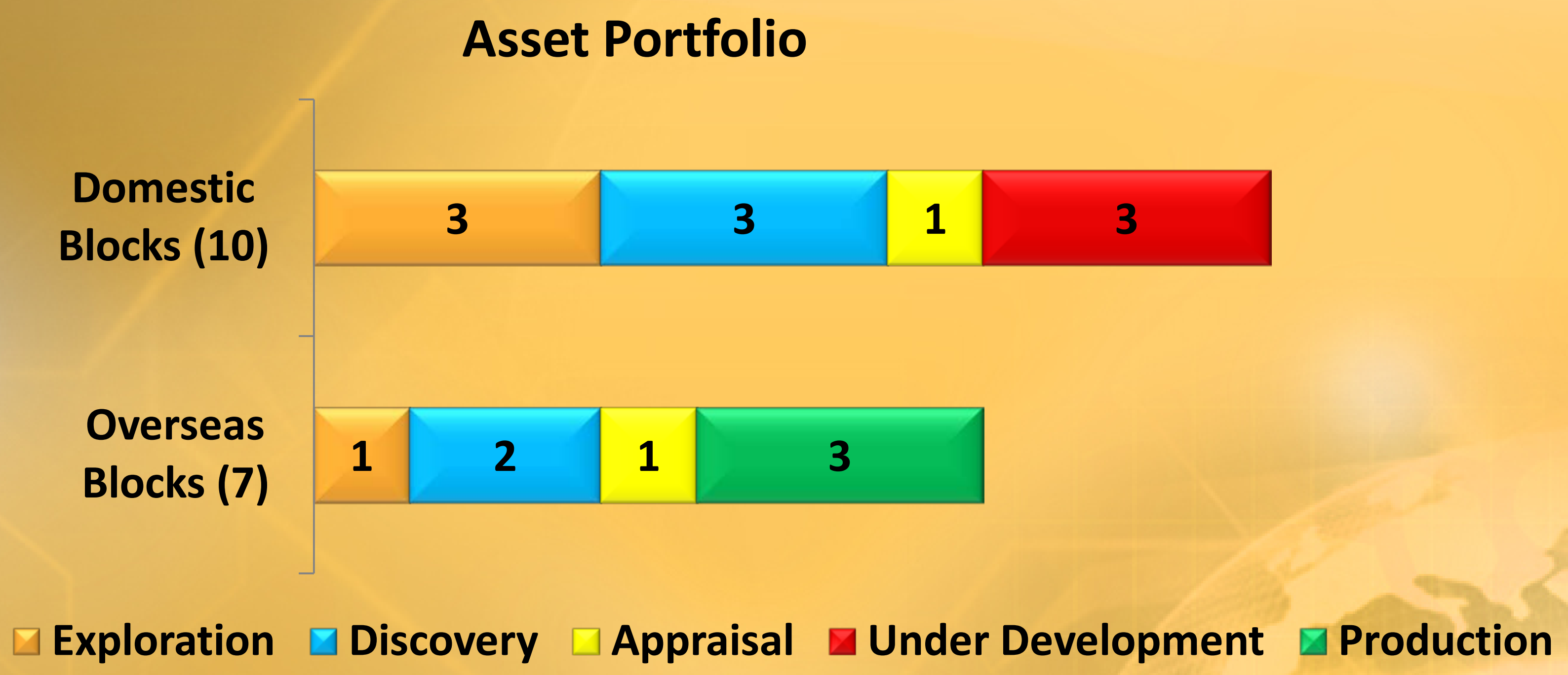
CGD

- **Network in 7 cities:**
  - Operational: Agra and Lucknow
  - Upcoming: Chandigarh and Allahabad
  - Awarded in 2014-15: Ernakulam, Daman and Panipat

Successfully Sourced 1st LNG cargo

CNG Pump at Lucknow

E&P – Towards Equity Oil



Over Rs. 10,700 crore invested in upstream activities till date

Building a Sustainable World

IndianOil RO with Rooftop Solar Panels

Sustainability Initiatives

- 437 rainwater harvesting systems installed, 67 during 2014-15
- Over 51,000 trees planted and 17 events made carbon-neutral

Green Energy initiatives

Grid-Connected

- Wind – 69.3 MW (6.3 MW added this year)
- Solar – 5 MW
- Net generation – 140 GWh

RO Solarization

- 1398 ROs solarized, total up to 2665
- 4.2 MW solar capacity added

Investments – The Key to Growth

Five Year Plans Rs. crore

XII Plan
BE
56,200

XI Plan
Actual
48,655

X Plan
Actual
17,930

XII Plan CAPEX, Rs. crore	56,200
Refining & Marketing	41,456 (74%)
Petrochemicals	8,544 (15%)
E&P	6,200 (11%)

XII Plan (2012-17)

- **Will meet XII Plan target of Rs. 56,200 crore**
  - Rs. 14,314 crore invested in 2014-15
  - Rs. 40,353 crore invested so far
  - Rs. 10,540 crore to be invested in 2015-16

Projects on the Anvil

Ongoing Projects	Cost (Rs. cr)
Paradip Refinery Project	34,555
Polypropylene Plant, Paradip	3,150
Distillate Yield Improvement Project (Coker), Haldia	3,076
Paradip-Raipur-Ranchi Products PL (1067 km, 5 MMTPA)	1,793
Debottlenecking of Salaya-Mathura Crude Oil PL	1,584
Paradip-Haldia-Durgapur LPG PL (670 km, 0.5/0.85 MMTPA)	913
Aug. of Paradip-Haldia-Barauni Crude PL (11 to 15.2 MMTPA)	586

Major Projects Approved in 2014-15	Cost (Rs. cr)
Ennore LNG Import Terminal	5,151
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
Augmentation of KSPL and Jaipur-Panipat Naphtha PL (340 km, 0.8 MMTPA)	887
LPG Import facility at Paradip	690

Impact of Projects

15 MMTPA Refining Capacity

22 MMTPA PL Capacity

6000 km PL Network

680 TMTPA PP Plant

5 MMTPA LNG Import Terminal

IndianOil Group Companies – Creating Synergy

20 JVS - Aviation, Infrastructure, Catalysts, Petrochemicals, Lubes

+

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

+

1 LLP in Biofuels

=

30 IndianOil Companies

Forays Beyond Boundaries

IndianOil Mauritius Ltd.

- Turnover: Rs. 884 crore
- Profit: Rs. 15.4 crore
- Leader in Aviation segment
- 32% POL market share
- 29% increase in POL sales

Lanka IOC Ltd.

- Turnover: Rs. 3727 crore
- Profit: Rs. 88 crore
- 2nd largest listed company in Sri Lanka
- Adjudged Winner in National Business Excellence Gold Award, 2014 in trading company category

CSR – Enabling Communities

Swachh Vidyalaya Abhiyan

- Providing over 2600 toilets in schools
- Covers Govt. schools in 15 states

Assam Oil School of Nursing, Digboi

- 354 girl students successfully employed so far

IndianOil Education Scholarship

- 2600 merit-cum-means scholarship awarded
- Scholarships of Rs. 10.27 crore disbursed

Sarve Santu Niramaya

- Free medical consultation - humans and livestock
- Nearly 1600 patients and 17000 cattle treated

IndianOil Sachal Swasthya Seva

- Mobile Medical Units headed by a doctor
- 14.4 lakh people treated through 52 MMUs

Swachh Vidyalaya Abhiyan

Students receiving
IndianOil Education Scholarship

Serving India

Swachh Bharat Abhiyan

5-Years Target (2015-19)		
Non-routine cleanliness actions	Nos.	150,000
Cleanliness campaigns	Nos.	1,500
Employee time dedication	hrs/wk	2

Digital India

- www.indianoiltenders.com - info on Material and Services procurement and Dealer selection
- https://iocletenders.gov.in - online bid submissions for procurement of goods and services
- www.indane.co.in - Empowerment of LPG Customers through DBTL initiative
- Customised in-house software - e-Feedback Tracking System, Retail Dashboard, etc

Make In India

- Import component of procurement ranges from as low as 1-2% to about 25%
- Roadmap for further indigenization being worked out

IOCians Shining in Sporting Arena

P. Kashyap

K. Srikant

Sportsmen in our fold

Employed - 54

Tenure based - 13

On Scholarship - 10

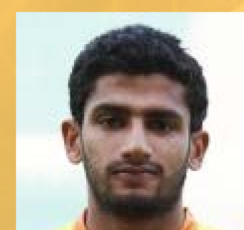
Winning accolades for India & IndianOil

B. Adhiban
Chess Olympiad Bronze Winner, Aug'14

Rohit Sharma

Ajinkya Rahane

VR Raghunath, SK Uthappa, Kothajit Singh & Dharamvir Singh: Gold Medal Asian Games 2014



IndianOil In Times of Need

Nepal Earthquakes

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

Hud Hud Cyclone Relief

- Contributed Rs. 1 crore along for relief efforts
- Maintained uninterrupted supplies of POL products in difficult conditions

Flash Floods in Jammu & Kashmir

- Airlifted ATF to Srinagar to aid air sorties to marooned valley
- Maintained supplies of MS, HSD and LPG through various alternate routes

Relief Material for Nepal Earthquake

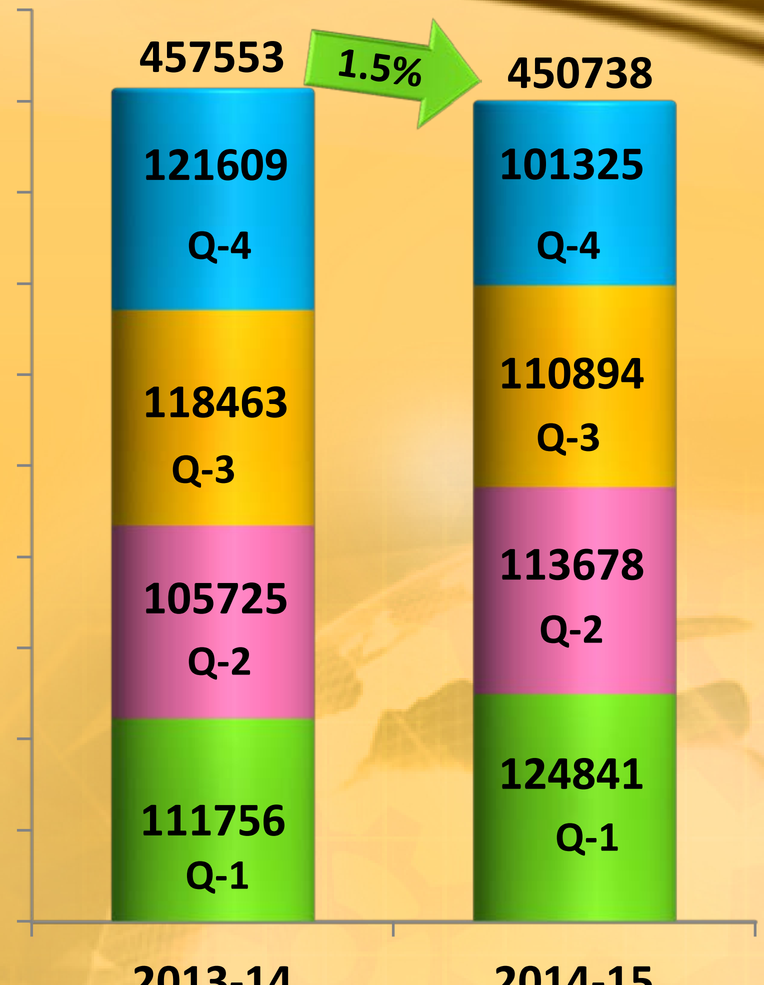
Relief Material for J&K Floods

2014-15: Financials

Turnover

(in Rs. crore)

	2013-14	2014-15	Var. (%)
Inland Sales	361,234	362,702	0.4 %
Sales to OMCs	52,790	47,651	(9.7) %
Petrochem.	19,471	22,307	14.6 %
Gas	8,927	8,904	(0.3) %
Export	21,193	15,424	(27.2) %
Sub-Total	**463,615**	**456,989**	**(1.4) %**
Less: Discount	6,062	6,251	3.1 %
Turnover	**457,553**	**450,738**	**(1.5) %**



Quantity Variance: Rs. 6019 crore

Price Variation : Rs. (12834) crore

Profitability of the Quarter

Key Indicators (Rs. crore)

	Jan-Mar'15	Jan-Mar'14	Deviations in Quarterly Profit from Previous Year
Reported Net Profit	6,285	9,390	
Govt. Compensation of previous quarters	-	7,735	
Net Profit for the Quarter	**6,285**	**1,655**	**Increase by Rs. 4,630 crore**
Major Reasons Contributing to the increase in Profit:			
Refinery Margin	5,638	2,642	**Increase by Rs. 2,996 crore**
Depreciation	(1,083)	(1,487)	**Increase by Rs. 404 crore**
Finance Cost	(553)	(998)	**Increase by Rs. 445 crore**
Petrochemical Margins	1,561	711	**Increase by Rs. 850 crore**

Inventory Loss Impact

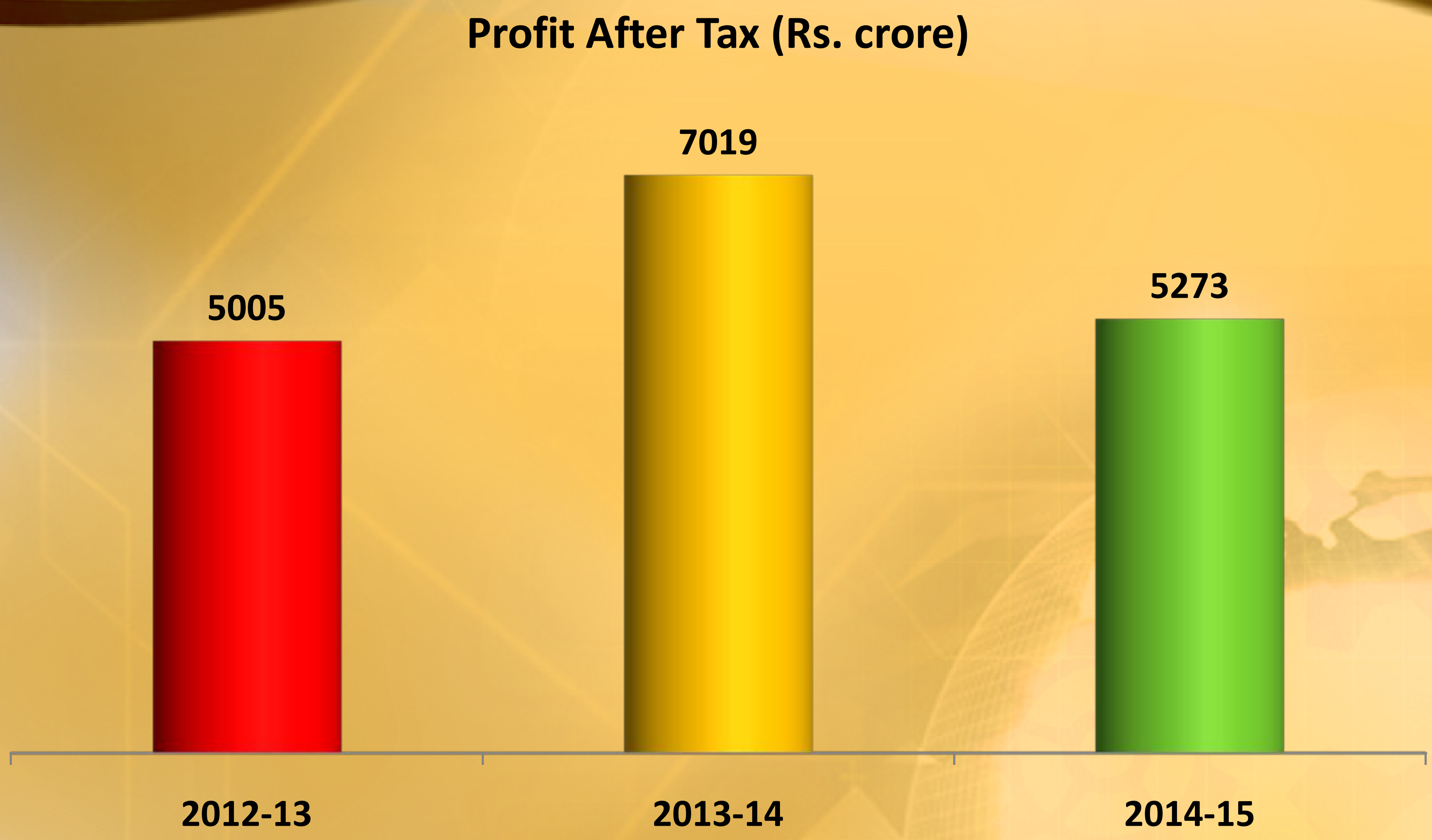
Key Indicators (Rs. crore)

	Apr-Mar'15	Apr-Mar'14
Net Profit/ (Loss)	**5,273**	**7,019**
Major Reasons Contributing to the variation in Profit:		
Inventory Gain/ (Loss) - Refinery	**(15,600)**	**3,990**
Refinery Margin	14,359	3,911
Petrochemical Margins	4,600	3,028
Exchange Gain / (Loss)	(709)	(3,996)
Finance Cost	(3,435)	(5,084)
Depreciation	(4,529)	(5,760)

Deviations from Previous Year

- **Decrease by Rs. 1,746 crore**
- **Decrease by Rs. 19,590 crore**
- **Increase by Rs. 10,448 crore**
- **Increase by Rs. 1,572 crore**
- **Increase by Rs. 3,287 crore**
- **Increase by Rs. 1,649 crore**
- **Increase by Rs. 1,231 crore**

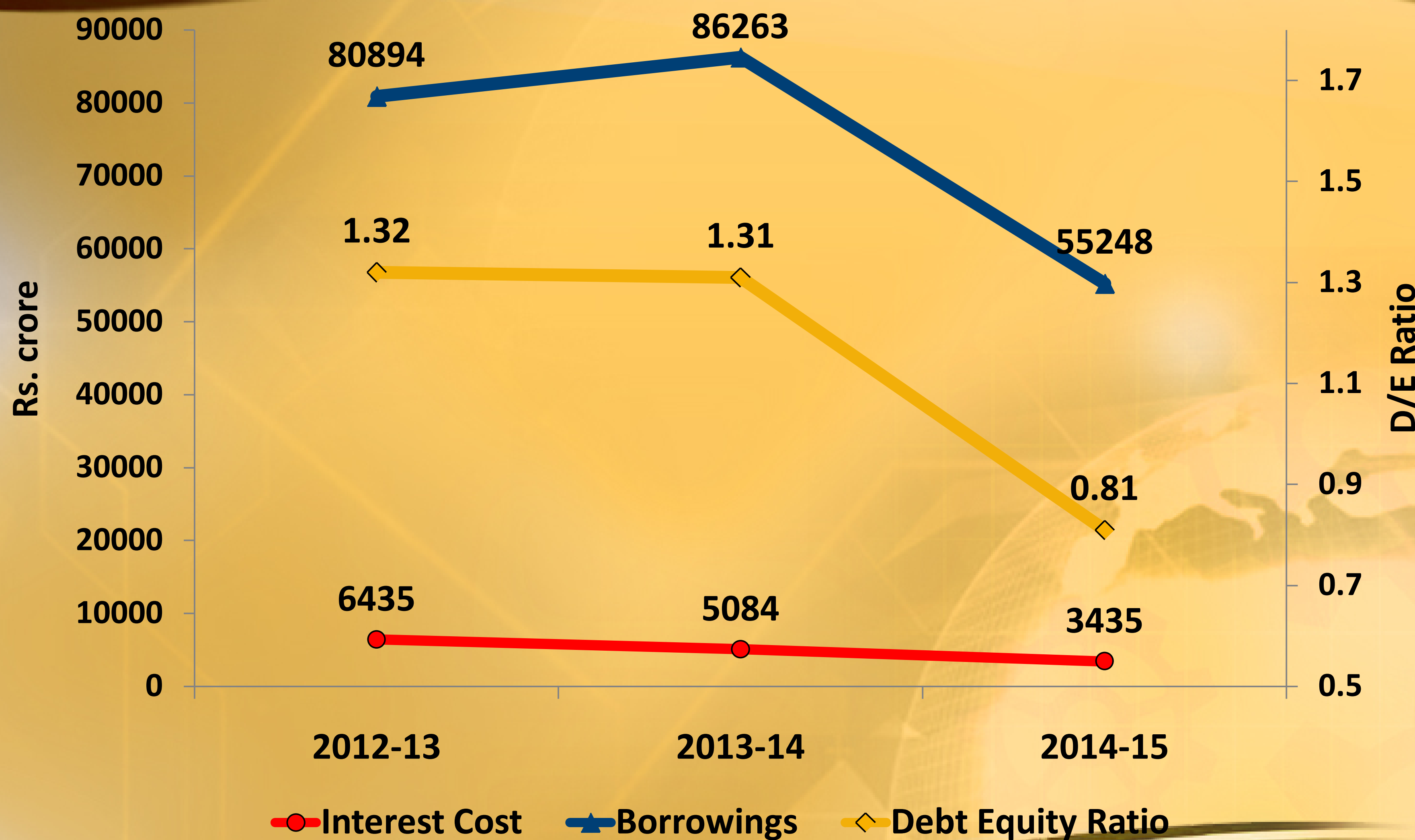
Profits


Profit After Tax (Rs. crore)
5005
7019
5273
2012-13
2013-14
2014-15

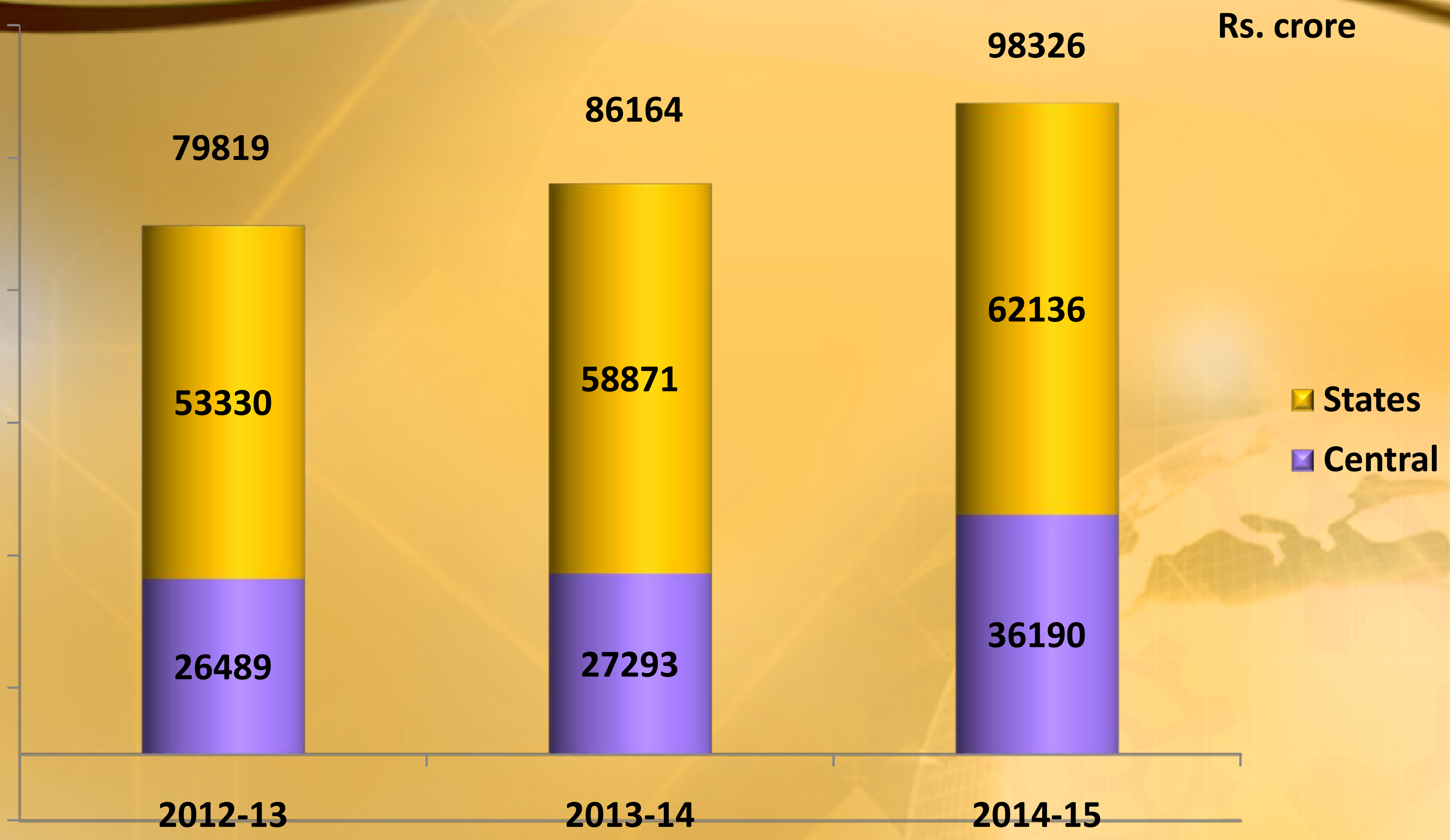
Under-Recoveries

	2012-13	2013-14	2014-15
Gross Under-Recovery	85793	72938	39758
Less: Compensation			
Discount from upstream companies	31967	34673	23597
Budgetary support from Govt.	53278	37182	14960
Total compensation	85245	71855	38557
Unmet Under-Recovery	548	1083	1201
Unmet U/R as % of Total U/R	0.64%	1.48%	3.02%

Impact of Debt



Contribution to Exchequer



Thank You