

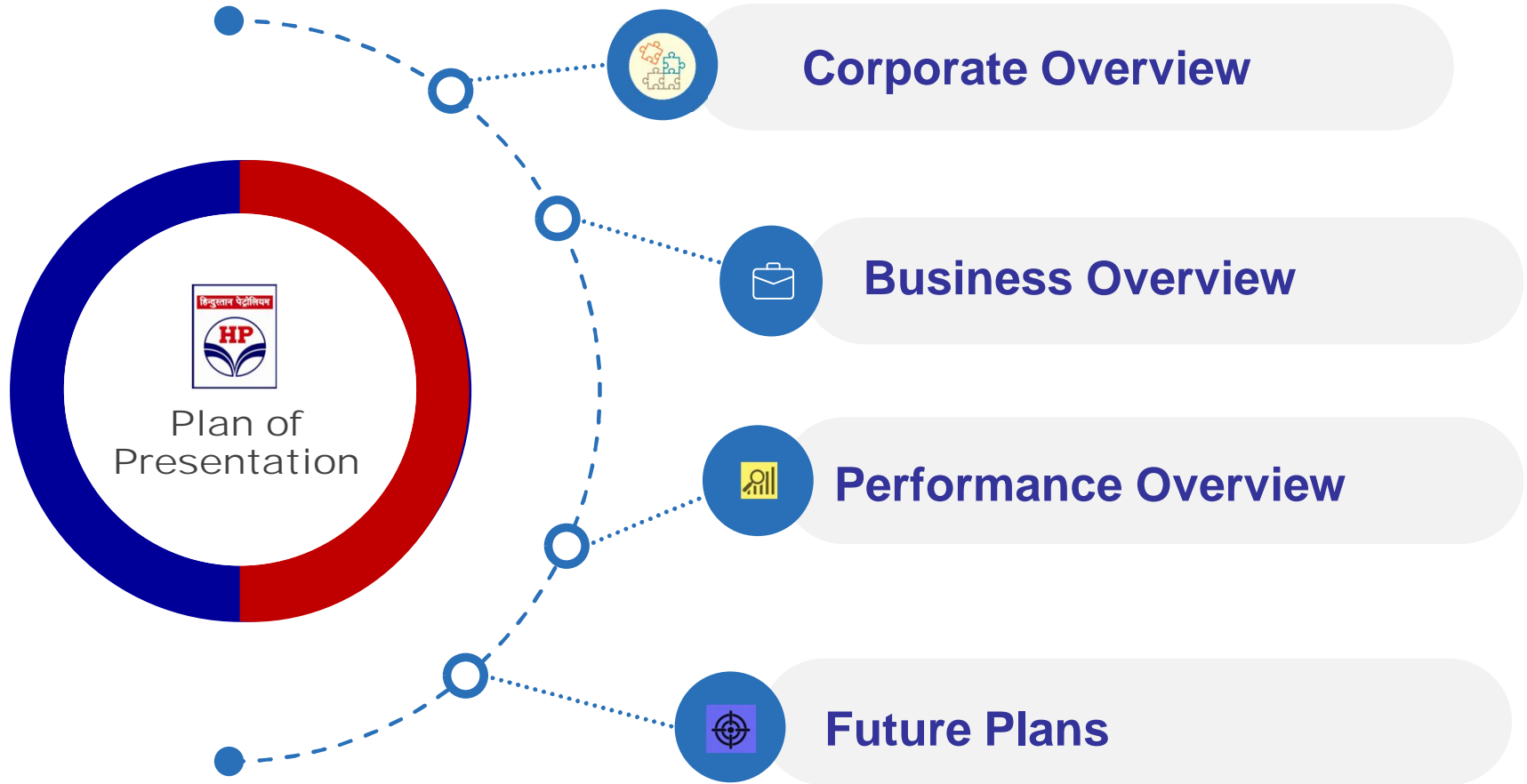


**Hindustan Petroleum Corporation Limited**

**Investor Presentation**

**March 16, 2023  
Mumbai**

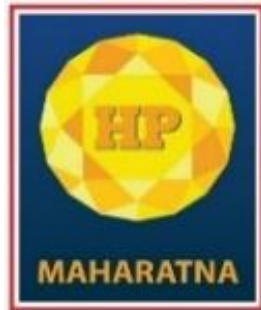
# Plan of Presentation



# Corporate Overview

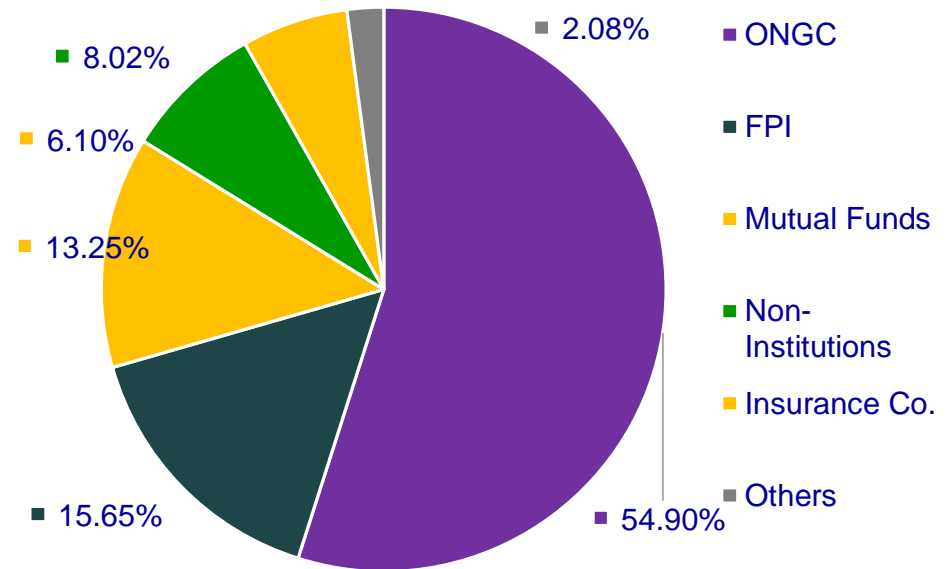


# Integrated Refining & Marketing Company



- Maharatna Company since 2019
- Operating for 100+years in India
- Pan India presence
- Strategically located installations
- Enduring relationship with stakeholders

### Shareholding Profile as of Q3, 2022-23



### Strong presence in India in Oil & Gas Sector

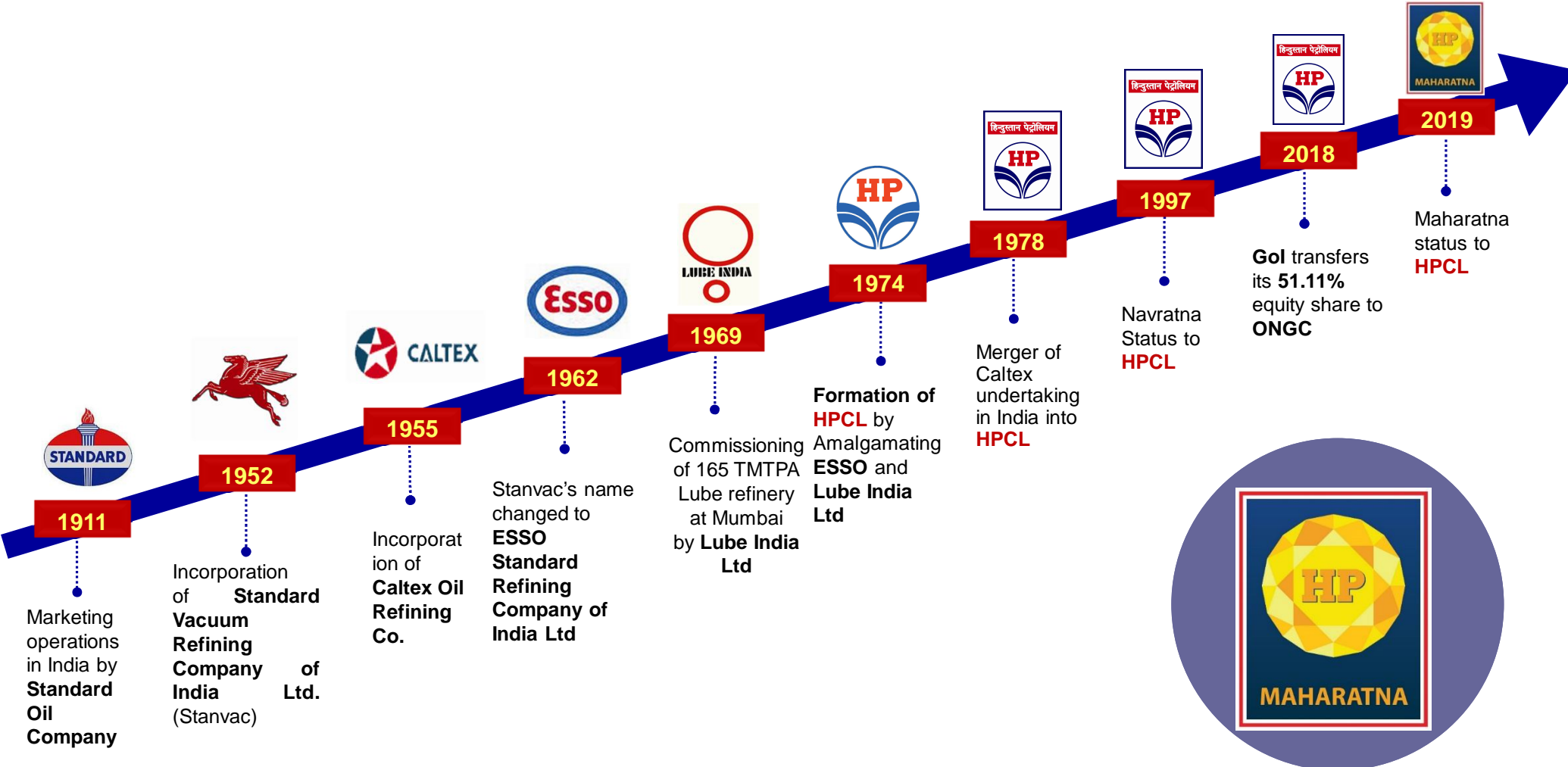
**11.6%**

Refining Capacity in India

**19.14%**

Domestic Market share in Petroleum Products

# Legacy of over 100 years



# Core Strengths



## Strategically Located Assets

- Refineries in East , West , South and North of Country
- Refineries connected with cross country pipeline
- Over 80% product evacuation from refineries through cross country pipelines
- Distribution facilities across country



## Superior Project Execution Capabilities

- Excellent project implementation capabilities in all verticals
- Ability to work with all stakeholders in project execution



## Strong Collaboration Capabilities

- Setting up first refinery in India in PPP Model
- First LPG cavern in country in PPP Model
- First refinery in Country with State government participation



## Strong Operational Efficiencies

- Leveraging Contemporary technologies
- Strong in-house R&D support
- Consistent Operating Profits

## World Class Assets

**Mumbai Refinery**



**Visakh Refinery**



**Guru Gobind Singh Refinery (JV)**



**LPG Cavern by SALPG(JV)**



**Mundra Delhi Pipeline**



# Global Recognitions



## Global Ratings

At par with India's sovereign rating

MOODY'S  
INVESTORS SERVICE

**Baa3 (Stable)**

FitchRatings

**BBB- (Stable)**



Recipient of FIPI 'Oil Marketing Company of the year' 2021

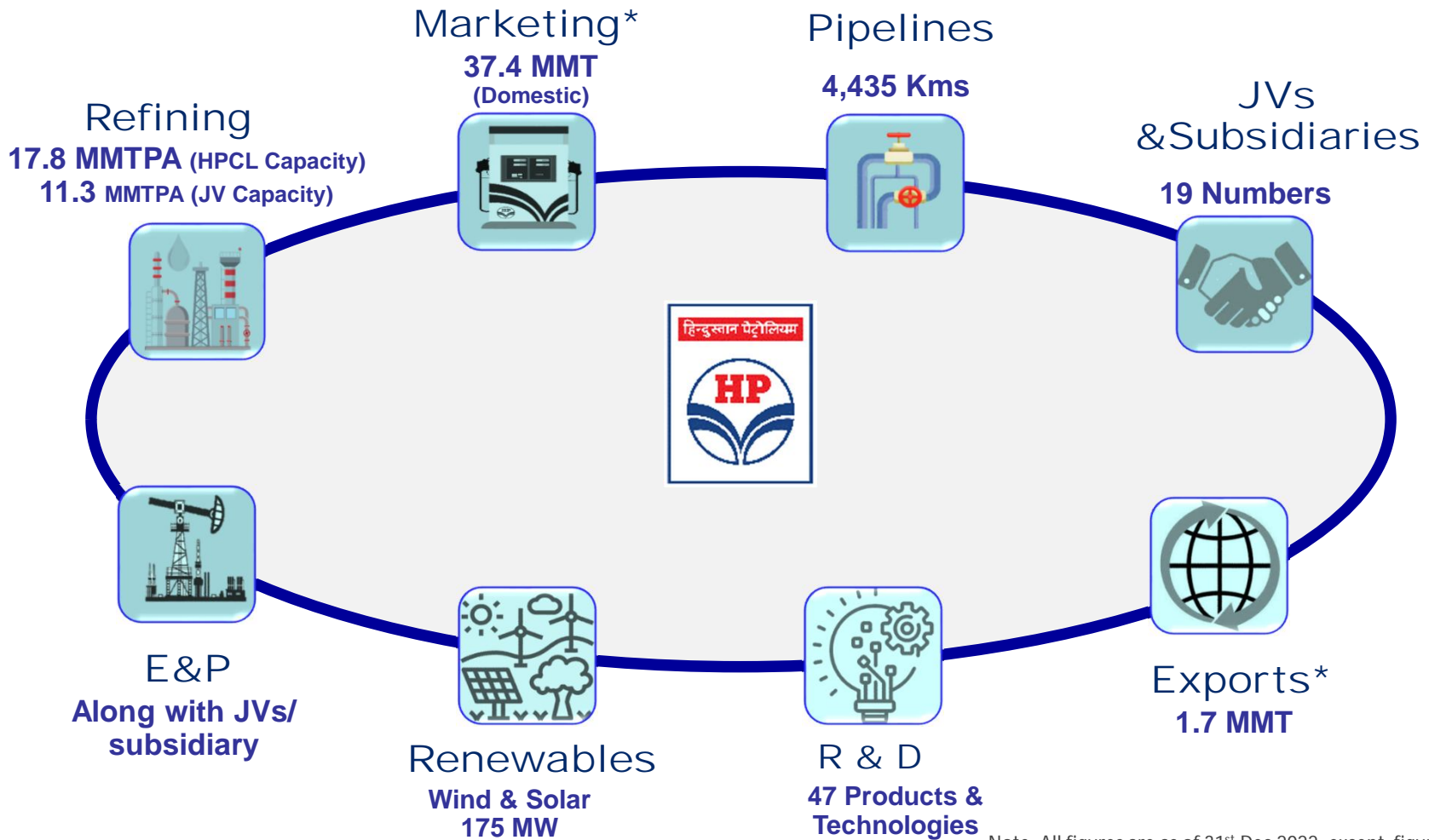
Recognizing leaders , innovators and pioneers in Oil & Gas Industry in India

# Business Overview



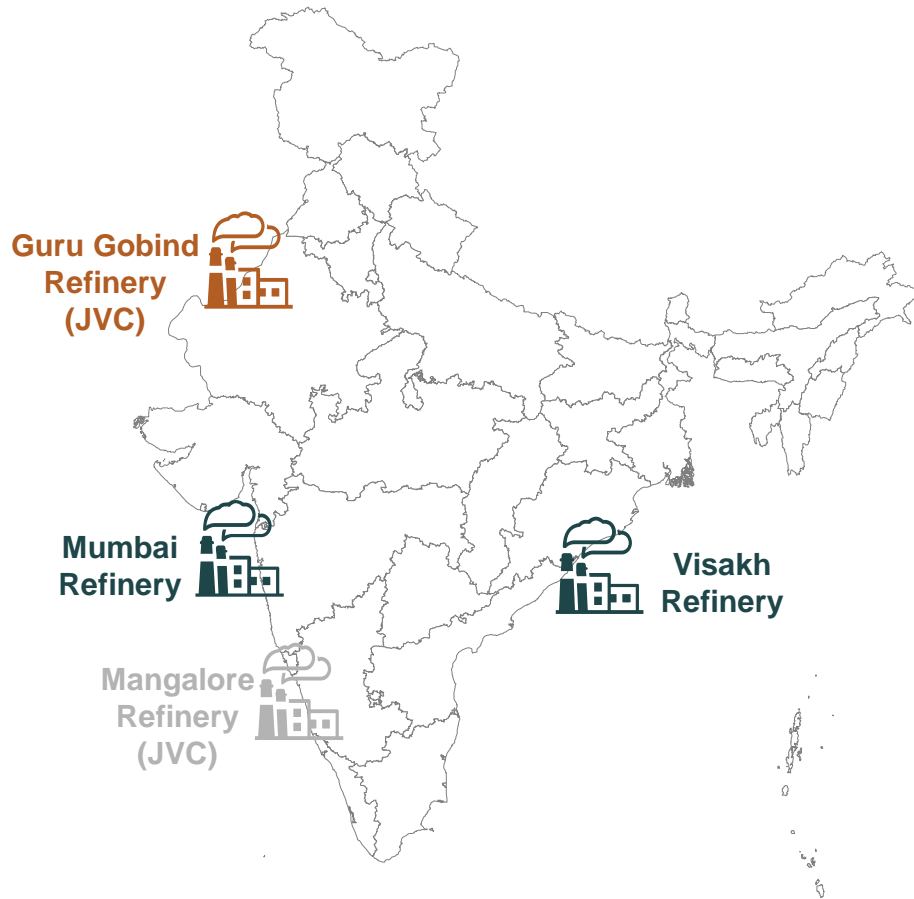


# Diversified Portfolio



Note: All figures are as of 31<sup>st</sup> Dec 2022, except figures with (\*) mark are as of 31<sup>st</sup> March 2022

# Strategically Located Refineries



- Stake in HMEL : 48.99%
- Stake in MRPL : 16.96%

Refining Capacity in MMTPA	
Mumbai	9.5
Visakhapatnam	8.3
<b>Total HPCL</b>	<b>17.8</b>
<b>HMEL (JVC)</b>	<b>11.3</b>
<b>Total (Marketing Rights)</b>	<b>29.1</b>

Lube Refinery (Mumbai) : 428 TMTA

- Coastal Refineries
- Pipeline connectivity to hinterlands
- Product evacuation majorly through Pipelines
- Ultra Modern Refinery

# Key Features of Refineries



## Mumbai Refinery

- Commissioned in 1954 with crude processing capacity of 1.25 MMTPA, currently augmented to 9.5 MMTPA capacity
- Upgraded to produce BS –VI fuel grade
- Diverse product portfolio
- Largest Lube Refinery at Mumbai ~ 40% of India's total Lube production
- 80 % of product evacuated through Mumbai-Pune-Solapur P/L



Mumbai Refinery

## Visakh Refinery

- Commissioned in 1957 with crude processing capacity of 0.65 MMTPA , currently augmented to 8.3 MMTPA .
- Project for enhancement of capacity to 15 MMTPA in progress
- Upgraded to produce BS –VI fuel grade
- Multiple Crude receipt facilities : Single Point Mooring facility (SPM) and ISPRL cavern
- 60% of product evacuated through - Visakh – Vijayawada- Secunderabad P/L

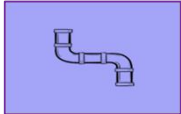


Visakh Refinery

# Pan India Network

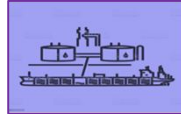


## Distribution Network



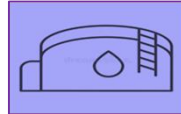
Cross country pipeline

12



POL Terminals

43



POL Depots

70



LPG Plants

53



Aviation Service Facilities

52



Lube blending Plant

6

## Customer Touch Points



Retail Outlets

20,791



LPG Distributors

6,265



CFA

123



Door to Door Delivery Vehicles

727



CNG Dispensing Stations

1,288



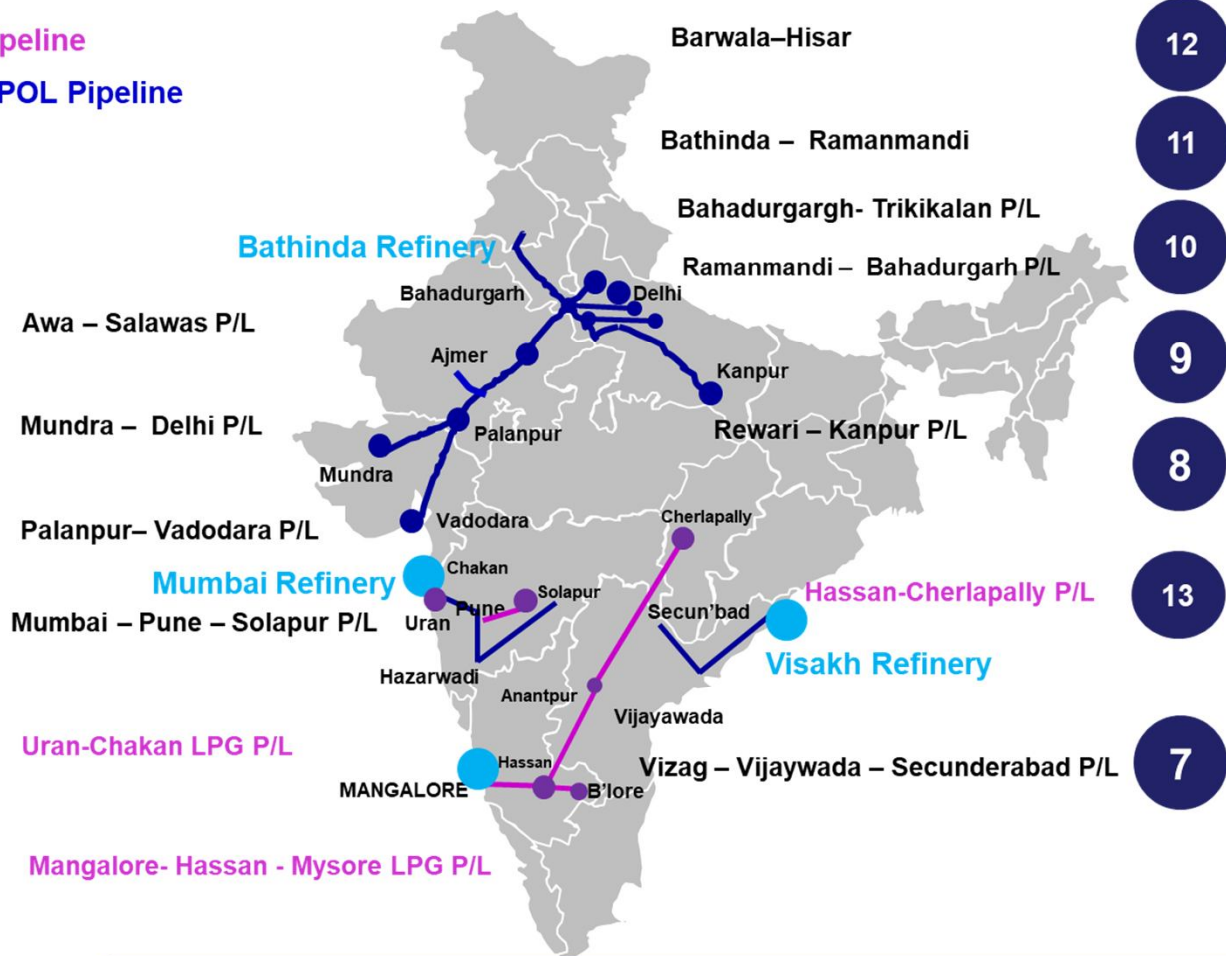
EV Charging Facilities

1,198

# Pipeline Network of HPCL

— LPG Pipeline  
— Liquid POL Pipeline

- 1
- 2
- 3
- 4
- 5
- 6



**Total Cross country Pipeline Network : 4,435 kms**

**Pipeline by JV companies : 1,380 KM**

1017 KM: HPCL Mittal Crude P/L  
363 KM: PMHBL

**Second largest Petroleum product pipeline Company in India**



# Focus on Research and Development



## R&D Achievements

New Technologies / Products demonstrated	47
Patents Applied	416
Total Patents granted	154

## R&D Technology and Product

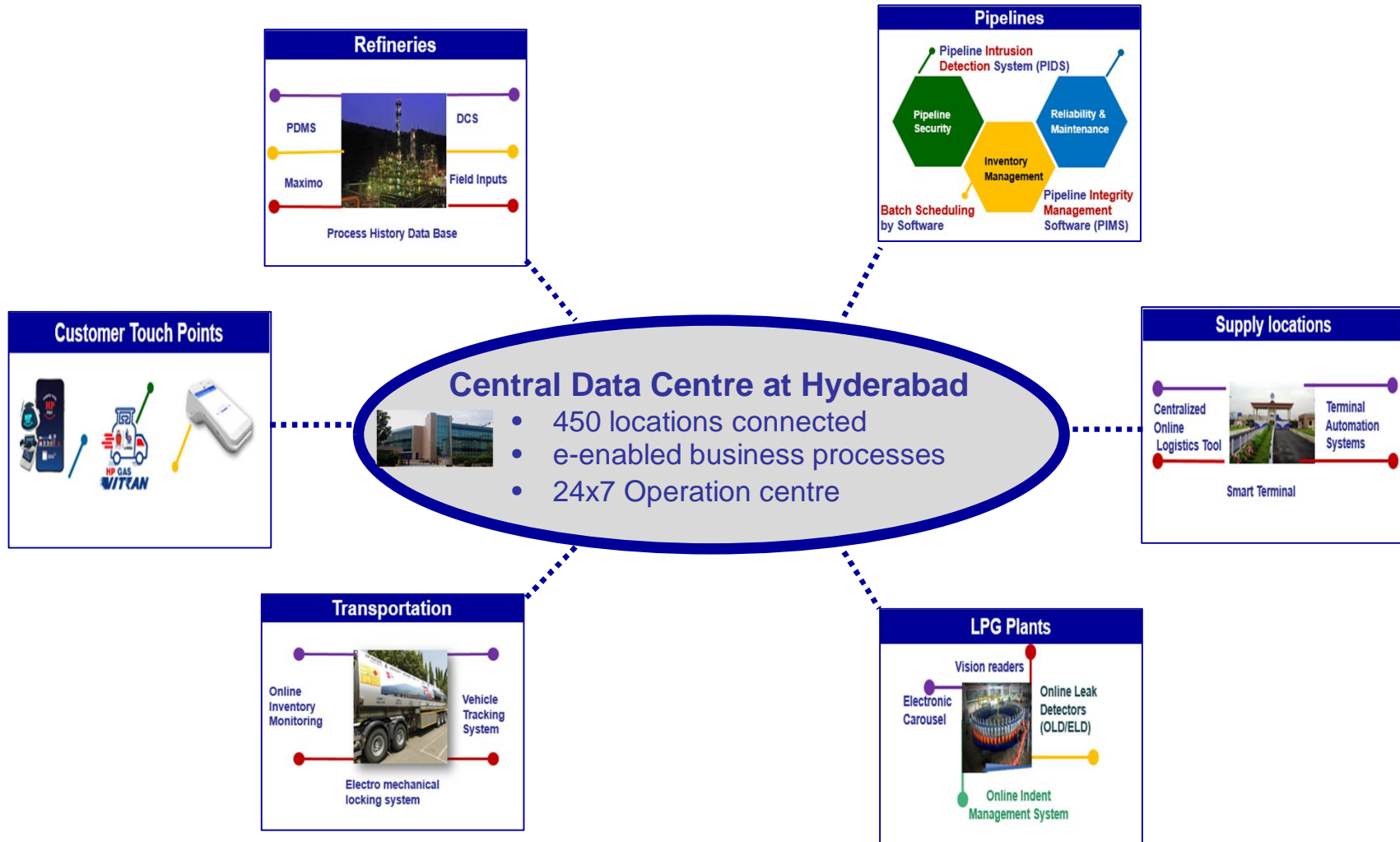
### Technology / Products :

Under areas of Fuel Additives, Catalysts, Bio products, Process chemicals, Hygiene Products, Specialty Products

## R&D Thrust Areas

- Indigenisation of Refinery Technologies, Catalysts & Chemicals
- Process intensification
- Bio Fuels
- Petrochemicals & Polymers

# Digitally Enabled Operations



# Emphasis on Talent Management

## Induction

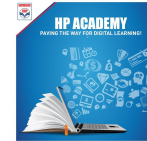
Structured Induction process to Learn, Grow and Lead



**SAMAVESH**

## Capability Building

Behavioural / Functional and Technical training



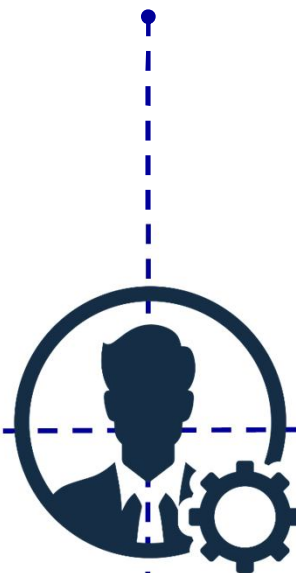
## Recognition

Rewarding Values for driving Performance



## Leadership

Building Strong Leadership Pipeline





# Joint Ventures and Subsidiaries

## Oil refining






## Oil supply infrastructure and marketing







## Joint venture in Natural gas infrastructure & marketing







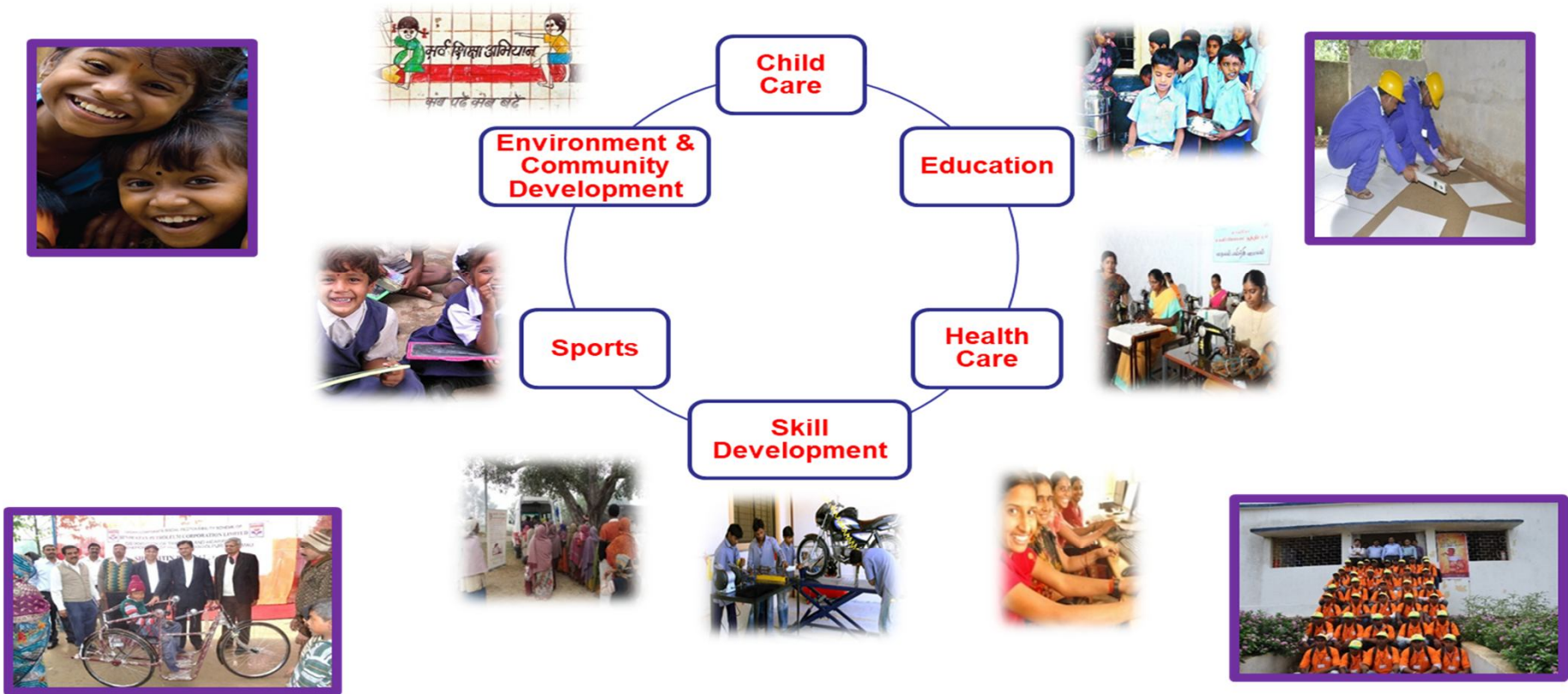

## Subsidiaries

Biofuels	Natural Gas	Upstream	Overseas Marketing
			

**Introduction of new technology and growth through Partnerships**

GITL- GSPL INDIA TRANSCO LIMITED  
 GIGL – GSPL INDIA GASNET LIMITED  
 HMEF- HPCL Middle East FZCC

# CSR : Touching Lives Every Way

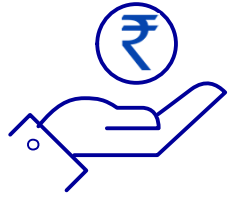


**Touching ~30 lakh lives since implementation of CSR Rules, 2014**

# Performance Overview



# Financial Highlights : FY 2021-22



**Profit After Tax**  
**Rs. 6,383 Crore**



**EBITDA**  
**Rs. 13,146 Crore**



**Highest Turnover**  
**3,72,642 Crore**



**Dividend**  
**Rs. 14/- per share**

# Quick Snapshot : April-December 2022



**Highest Ever Revenue from Operations Rs. 3,51,748 Crore**



**Highest Ever Market Sales of 32.34 MMT**  
- Growth of 13.6%



**Highest Ever Refinery Thruput of 14.13 MMT**  
- 105% Refinery Capacity Utilization.



**Refinery Reported GRM US\$ 11.40 / bbl**



**Consolidated Net Loss Rs 10,589 Crore**

# Quick Snapshot : Q3 2022-23



**Revenue from Operations Rs. 1,16,127 Crore**



**Highest Ever Market Sales of 11.25 MMT**  
- Growth of 6.7%



**Highest Ever Refinery Thruput of 4.83 MMT**  
- 108% Refinery Capacity Utilization.

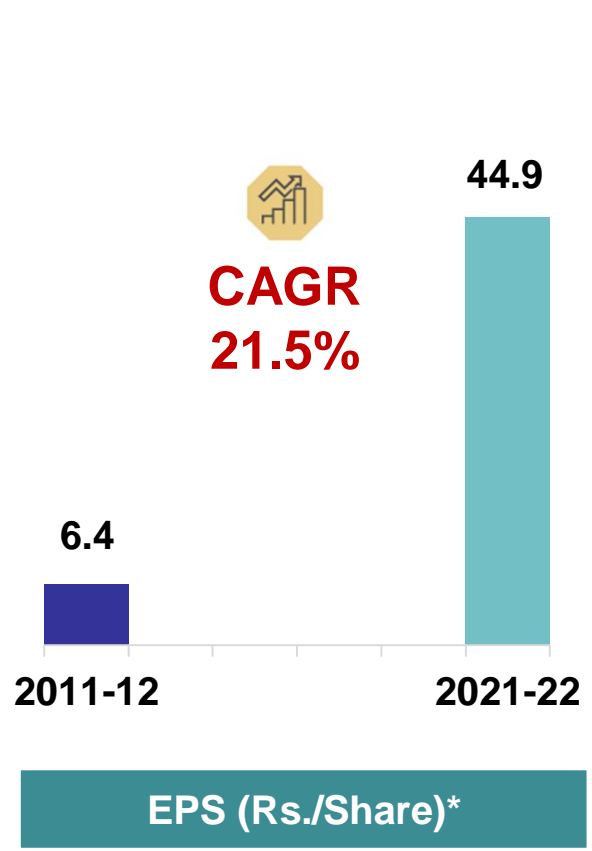
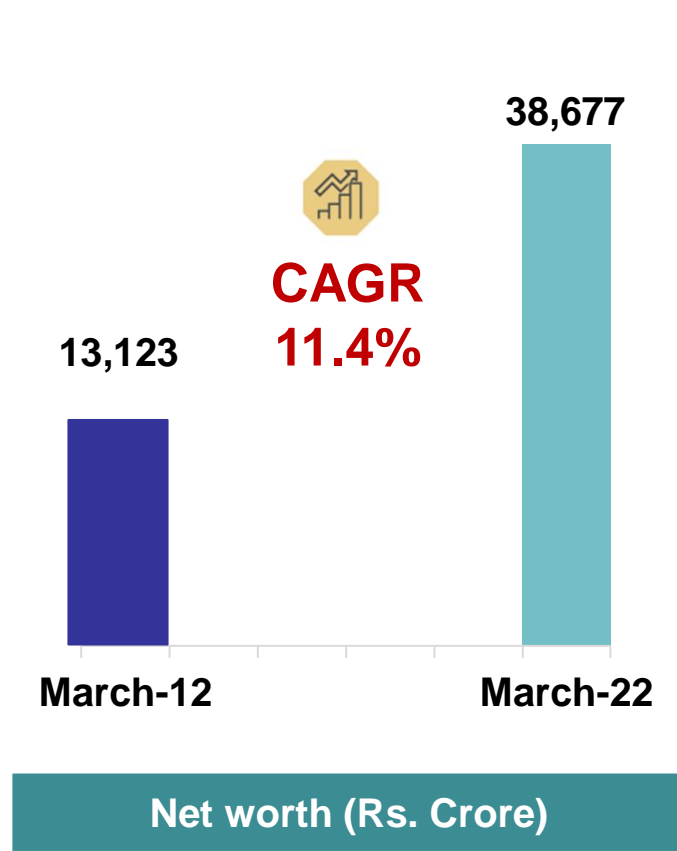
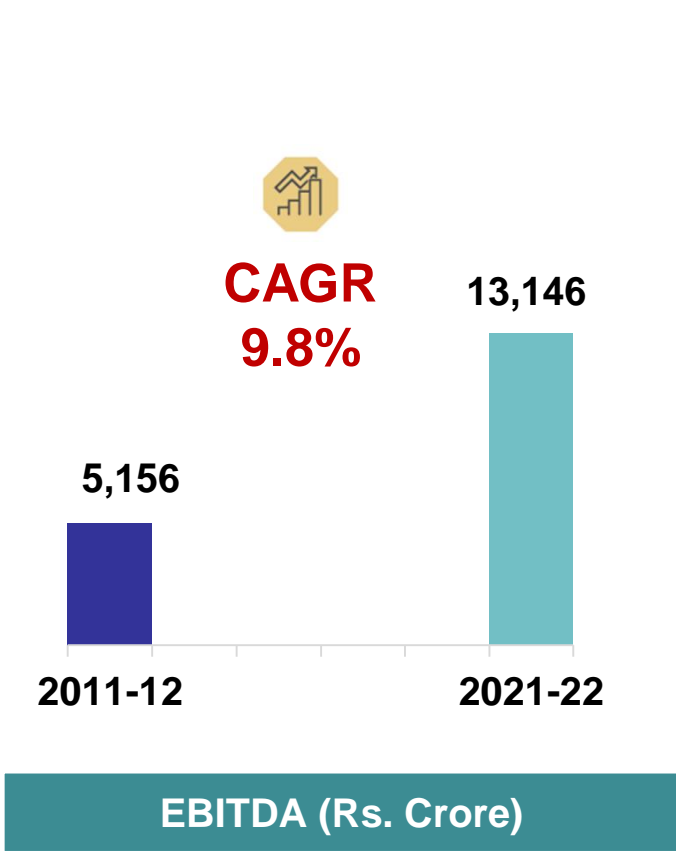


**Refinery Reported GRM US\$ 9.14 / bbl**



**Consolidated Net Profit Rs 444 Crore**

# Key Financials

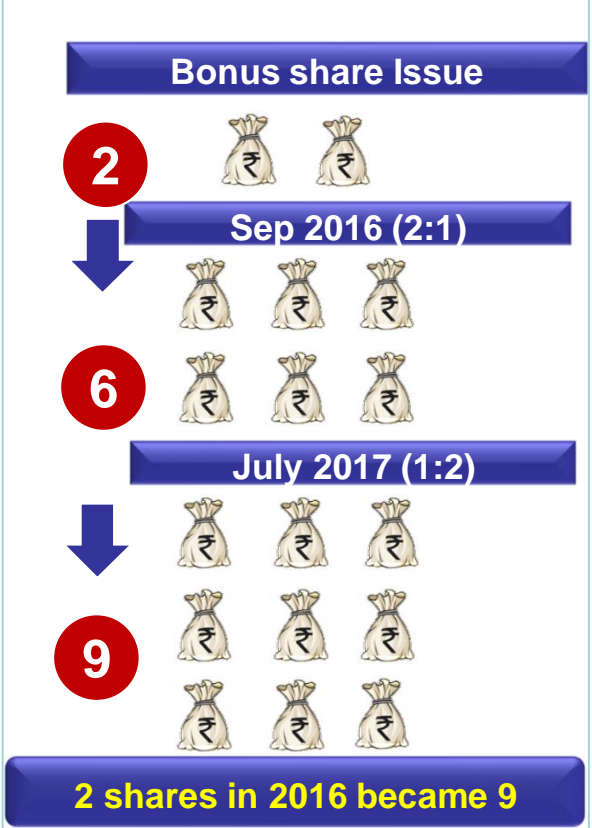


\*Adjusted EPS.

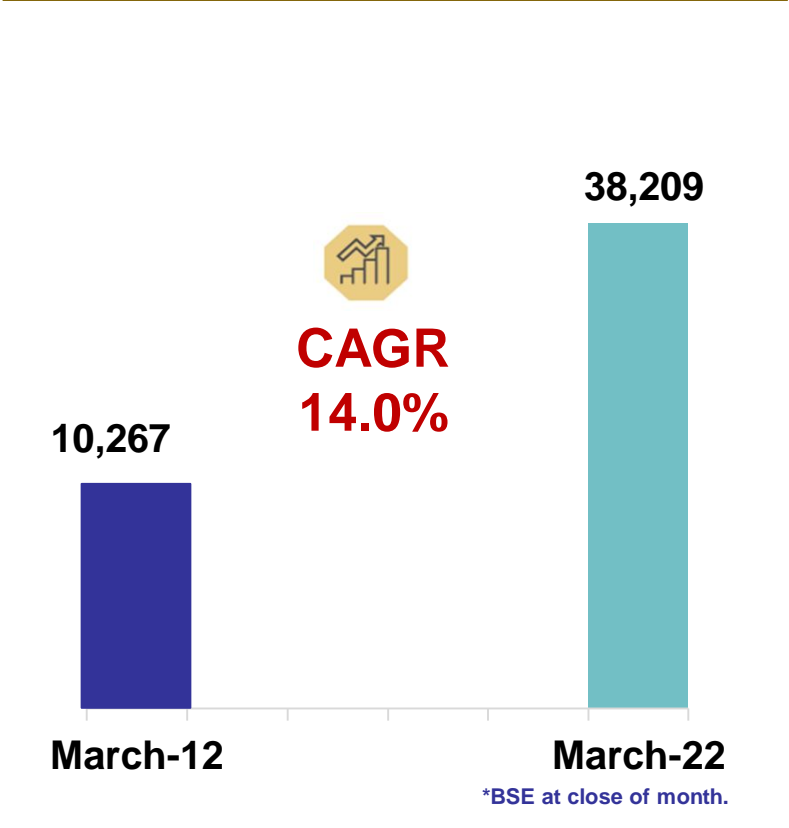
# Return to Stakeholders



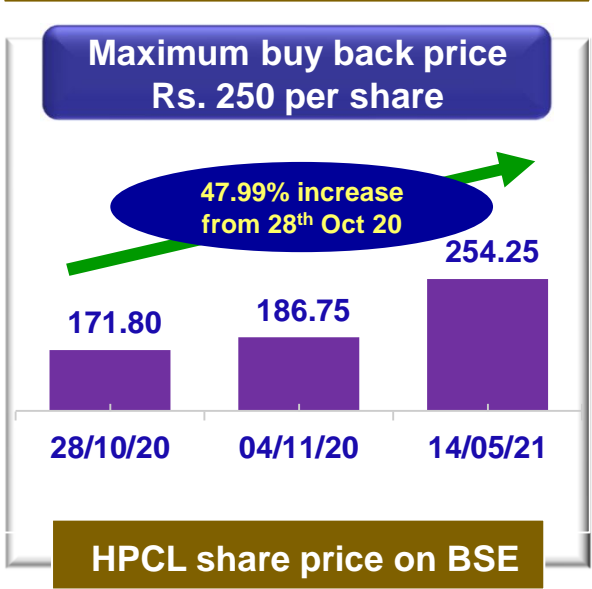
## Return to shareholders



## Market Cap (Rs. Crore)\*



## HPCL Share buy back

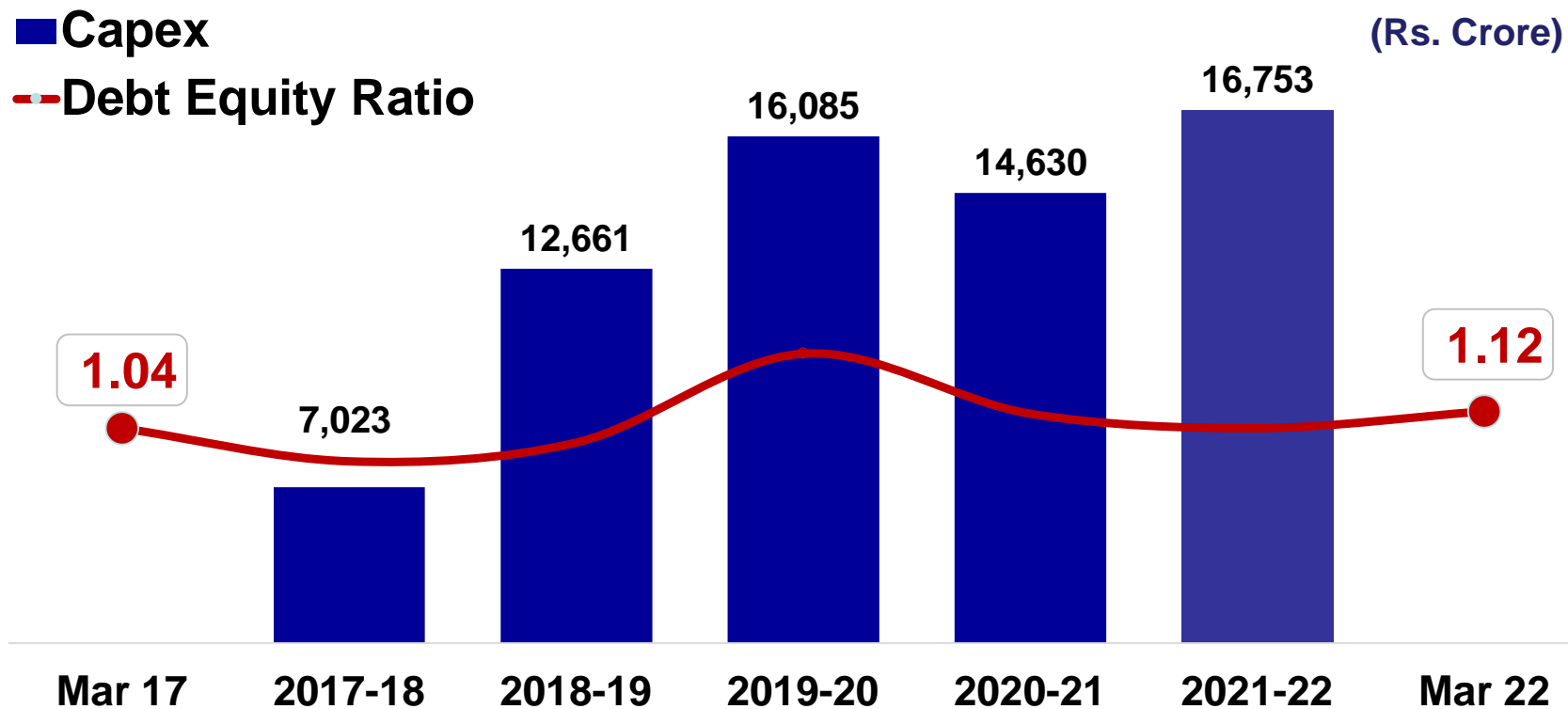


- Board approval - share buy back worth Rs. 2500 crore on 4<sup>th</sup> November 2020
- Maximum Buyback Price at a premium of 45.52% and 45.43% over the closing prices on both BSE and NSE, respectively, on October 28, 2020.

Consistent returns to stakeholders



# CAPEX- Investing for the Future



**Value Creation thru Effective Leveraging**

*Capex Rs. Crore include Investments in JVCs/Associates/Subsidiaries etc.*

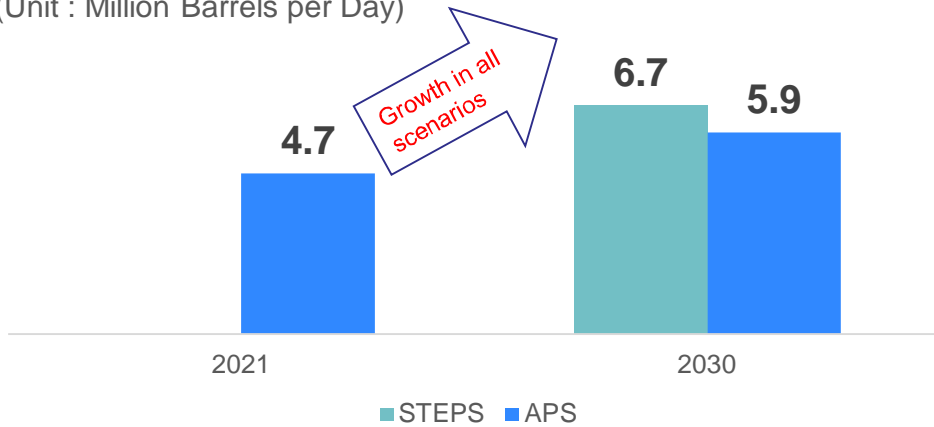
# Future Plans



# Enhancement of Refining & Marketing Infrastructure

## Sectoral Overview – Oil

Oil Demand by Scenario: India  
(Unit : Million Barrels per Day)



Source: World Energy Outlook 2022

STEPS: Stated Policies Scenario  
APS: Announced Pledges Scenario

- India will be the most populous nation by end of this decade
- Rising income along with increasing population will lead to higher energy demand
- Oil demand growth on back of estimated 5 fold increase in per capita car ownership

## HPCL -Capacity expansion to meet growing demand

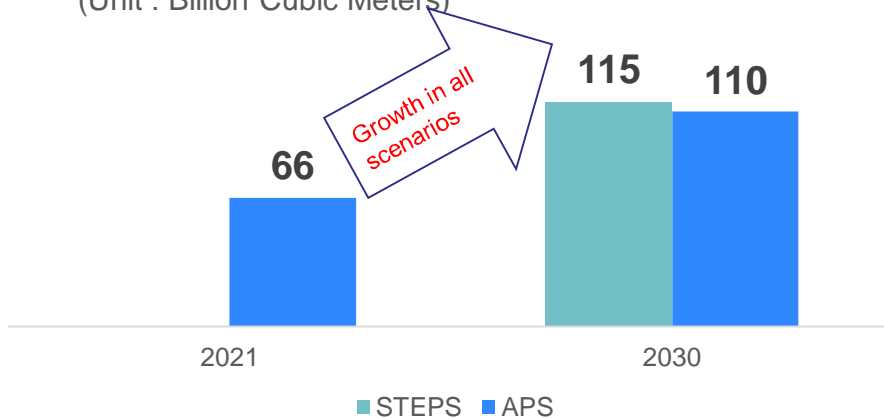


- New 9 MMTPA Refinery and Petrochemical at Barmer in Rajasthan
- Enhancing capacity of Visakh refinery to 15 MMTPA
- New LPG plants to meet growing demand
- Expansion in retail outlet networks to cross 25,000 in 2025-26
- Multiple fuel choices at retail outlets
- Service enhancement – Door-to-Door delivery at select customer premises
- Expanding the presence in overseas geographies

# Pursue growth opportunities in Natural Gas

## Sectoral Overview – Natural Gas

Natural Gas Demand by Scenario: India  
(Unit : Billion Cubic Meters)



Source: World Energy Outlook 2022  
STEPS: Stated Policies Scenario  
APS: Announced Pledges Scenario

- Government has plans for Gas based Economy
- Government has set the target to increase the share of natural gas in primary energy mix from current levels to 15% in 2030
- One Nation – One Grid – Natural Gas Grid is expanding

## HPCL Participation in entire value chain



- 5 MMTPA LNG Import Terminal at Chhara Port in Gujarat
- Participation in 3 Natural Gas Pipelines
- Expanding City Gas Distribution Network
- PNGRB Authorisation in 23 Geographical Areas in 12 states
- CNG Facilities at Retail outlets
- LNG retailing

# Foraying into Petrochemicals

## Sectoral Overview -\*Petchem

Petchem Demand : India  
(Unit : Million Metric Tonnes)



\*Petrochemicals considered : Polymers ( polyethylene/poly propylene/PVC), Aromatics (Benzene/Toluene/ Para xylene), Synthetic Fiber, Fiber intermediates , other intermediates , performance plastics, Surfactants , Elastomers .

Source : DGCIS/IHS

- Per-capita consumption of plastics is one third of global average
- Room for robust growth in Petrochemicals
- Growth drivers- Packaging industry, e-commerce, Automobile industry etc.

## HPCL Capacity Building & Marketing Plans

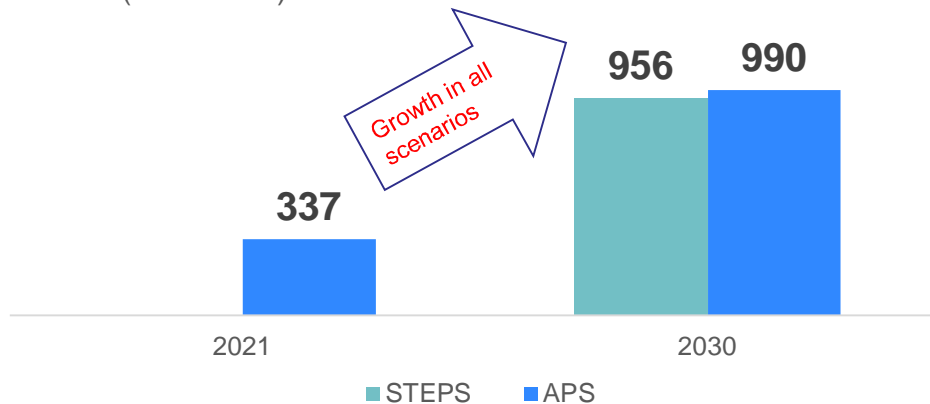


- 9 MMTPA Refinery and Petrochemical Capacity under construction
- 4.6 MMTPA Petrochemical capacity by 2024-25 along with JVCs
- With current expansions, HPCL ( Incl JV) will become second largest petchem production facility in country
- Marketing of Petrochemicals
  - Institutional capacity building
  - Pre-marketing plans

# Expanding footprints in Alternate Energy

## Sectoral Overview - Renewables

Renewables Generation : India  
(Unit : TWh)



Source: World Energy Outlook 2022

STEPS: Stated Policies Scenario  
APS: Announced Pledges Scenario

- Power Generation moving away from coal
- Renewable Energy sector is estimated to be the fastest growing energy sector till 2040

## HPCL – Participation in Emerging Opportunities



- Expanding footprints in Renewables
- Ethanol blending (E20) targeted to reach 20% by 2025
- 100 KLPD 2G Ethanol plant in Bathinda
- 14.2 TPD CBG plant at Buduan in UP
- Setting up of EV charging stations at 5000 retail outlets by 2025-26
- Green Hydrogen Production in Refineries

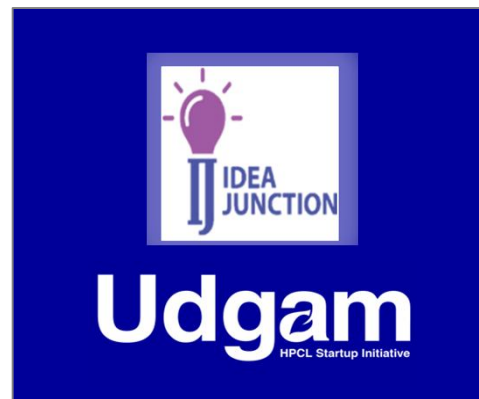
# Thrust on R&D , Innovation and Digital Technologies

## Own State-of-the Art R&D Centre



- Curating future technologies
- Working towards developing 22 Laboratories
- Leveraging collaborations
- Leveraging Labs in new and emerging technologies

## Leveraging Innovation



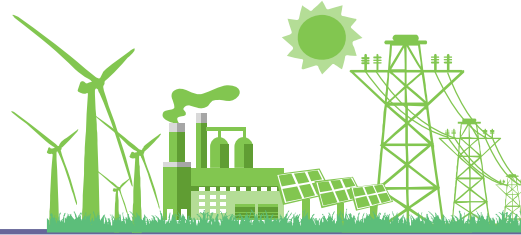
- 'Idea Junction' to capture Innovative Ideas
- Udgam – Leveraging startup ecosystem in India
- 30 focus areas related to energy sector
- 22 startups supported

## Leveraging Digital Technologies



- Digital strategy in place
- Digital initiatives are under execution
- ERP modernization in progress
- Demand Forecasting
- Integrated Payment solutions
- AR/VR based Training
- Video Analytics

# HPCL Net Zero Plan: Development of Roadmap



HPCL Net Zero plan -  
Announcement on  
31<sup>st</sup> Jan 2022

- HPCL is committed to conduct business with an objective of preserving the environment and contributing to sustainable development.
- HPCL is in the process of developing a **validated roadmap** with the help of a world-renowned consultant to achieve **Net zero Scope1 & 2 emissions by 2040**





# Continued ESG Focus



## Environment

- Environment Management Systems (EMS) by major Locations
- Emission monitoring Systems
- Ethanol blending at level of 10.49% (ESY)\*
- Over 2GW of renewable energy in planning



## Social

- 3.81 crore LPG Cylinders under PMGKY
- Support to society during COVID times
- PM Care fund - Rs.120 Cr in 2020-21 & Rs. 40Cr. in 2021-22
- Over 25% procurement from MSME vendors



## Governance

- Clearly defined management performance and accountability
- Internal controls, systems and processes, risk management
- Full adherence and compliances of laws, rules and regulations
- Timely and balanced disclosures of all material information



Sustainability agenda aligned with UN SDG



Signatory to UNGC



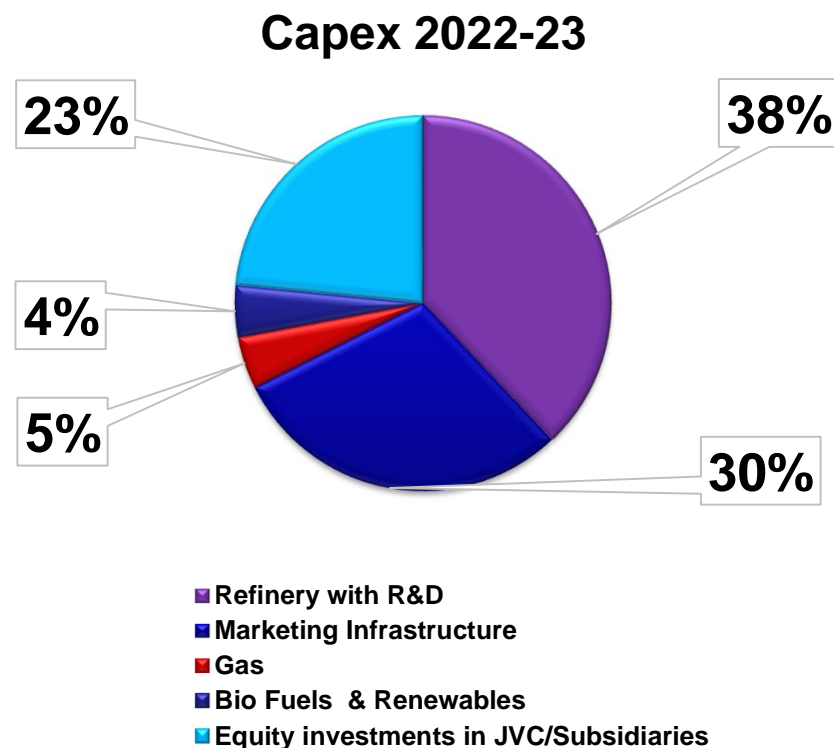
GRI Based Sustainability report

# Robust Capital Expenditure Plans



(Rs. Crore)

Business Segment	2022-23
Refinery with R&D	5,500
Marketing Infrastructure	4,300
Natural Gas	650
Bio Fuels & Renewables	650
Equity investments in JVC/Subsidiaries	3,400
<b>Total</b>	<b>14,500</b>



**Estimated CAPEX Plan of Rs. 61,000 crore of next 5 years**

# Major Ongoing Projects



## Refining



~1,00,000 Crore

- Visakh Refinery Capacity expansion to 15MMTPA
- 9 MMTPA Integrated Refinery cum petrochemical project, Barmer

## Pipelines



~1,000 Crore

- Haldia Panagarh pipeline Project
- Bathinda Sangrur pipeline Project

## Natural Gas



~15,000 Crore

- 5 MMTPA LNG Terminal, Chhara Gujrat
- CGD network in 10 GAs in 4 states (Haryana, Uttar Pradesh, Uttarakhand & West Bengal) across 22 districts

## Marketing



~3,000 Crore

- 80 TMT LPG Cavern at Mangalore
- 2 LPG plants & Capacity Augmentations
- 2G Ethanol Bio refinery and compressed Biogas Plant
- Augmentation of POL Locations / Depots
- CBG Plant at Budaun, UP

# Experienced Management Team



## Mr. Pushp Kumar Joshi, Chairman & Managing Director

- He is a Doctorate in Human Resource Management, Post Graduate in Human Resource Management from XLRI, Jamshedpur and Bachelor of Law from Andhra University. Prior to this, he was Director, HR of the Corporation from August 01, 2012. In past, he also held key portfolios in HR functions viz. Executive Director, HRD and Head, HR of Marketing Division. During his tenure as Director HR, he was responsible for overseeing the design and deployment of key HR policies and strategies while leading Human Resources practices that are employee-oriented and aimed at building high performance culture.
- He also holds the directorship on the boards of Hindustan Colas Pvt Ltd (HINCOL), HPCL Rajasthan Refinery Limited (HRRL) and HPCL Mittal Energy Ltd. (HMEL)



## Mr. Rajneesh Narang, Director – Finance

- He is a Member of the Institute of Chartered Accountants of India (ICAI) and a Post Graduate in Financial Management. He brings with him rich and varied professional exposure of more than 3 decades across various spectrum of Downstream Oil Company.
- He has headed the position of Marketing Finance which is considered as backbone of the company. He has also held various key challenging assignments in HPCL in the field of Corporate Finance, Treasury, Risk Management, Margin Management, Marketing Finance, Budgeting, SBU Commercial, C&MD's Office and Refinery Project. He holds directorships on the boards of South Asia LPG Company Pvt. Ltd. (SALPG), HPCL Mittal Pipelines Ltd. HPLNG, HINCOL, PPCL, HMEL and HRRL.



## Mr. S Bharathan, Director – Refineries

- He is Director- Refineries of the Company effective October 01, 2022. Prior to this, he was an Executive Director – Refineries Coordination of the Company with Additional Charge of R&D.
- He has wide exposure to the Refinery operations of the Company and has worked in Operations and Technical Departments of Mumbai and Visakh Refinery for over 25 years. He has also worked in the Corporate Office on Margin Management & Refinery Project Process for over 4 years. Further, he is also leading HPCL's Green R&D Centre in Bengaluru for the last 3 years. Under him, HPCL Green Research & Development Centre (HPGRDC) has reached filing of about 380 patents.



## Mr. Amit Garg, Director – Marketing

- He is Director- Marketing of the Company effective December 27, 2022. Prior to this, he was an Executive Director-Aviation in Bharat Petroleum Corporation Limited (BPCL).
- He is a Post Graduate in Electronics & Management.
- He is a senior leader in Oil & Gas space having rich and varied experience of over 35 years across the entire value chain in the Industry including sourcing, storage, logistics and sales across various functions in BPCL. He also served as a full time Director with Indraprastha Gas Limited, the largest CGD in the country and as a Nominee Director with Maharashtra Natural Gas Limited, a Joint Venture of BPCL & GAIL (India) Limited.

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**Thank you**