



Hindustan Petroleum Corporation Limited

Investor Presentation

5th June 2023
Mumbai

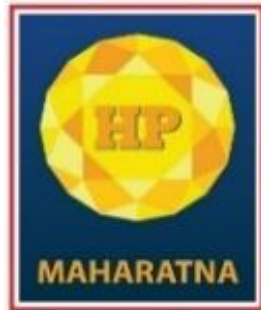
Plan of Presentation



Corporate Overview

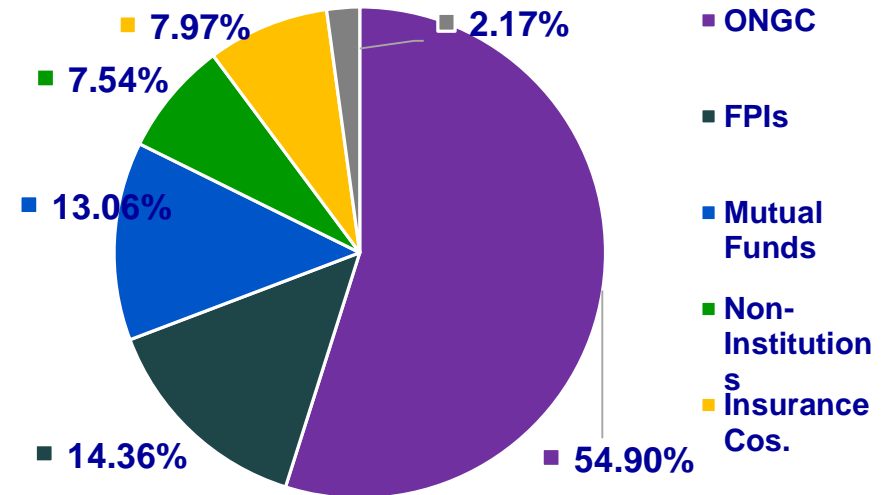


Integrated Refining & Marketing Company



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

Shareholding Profile as of 31st March, 2023



Strong presence in India in Oil & Gas Sector

11.60%

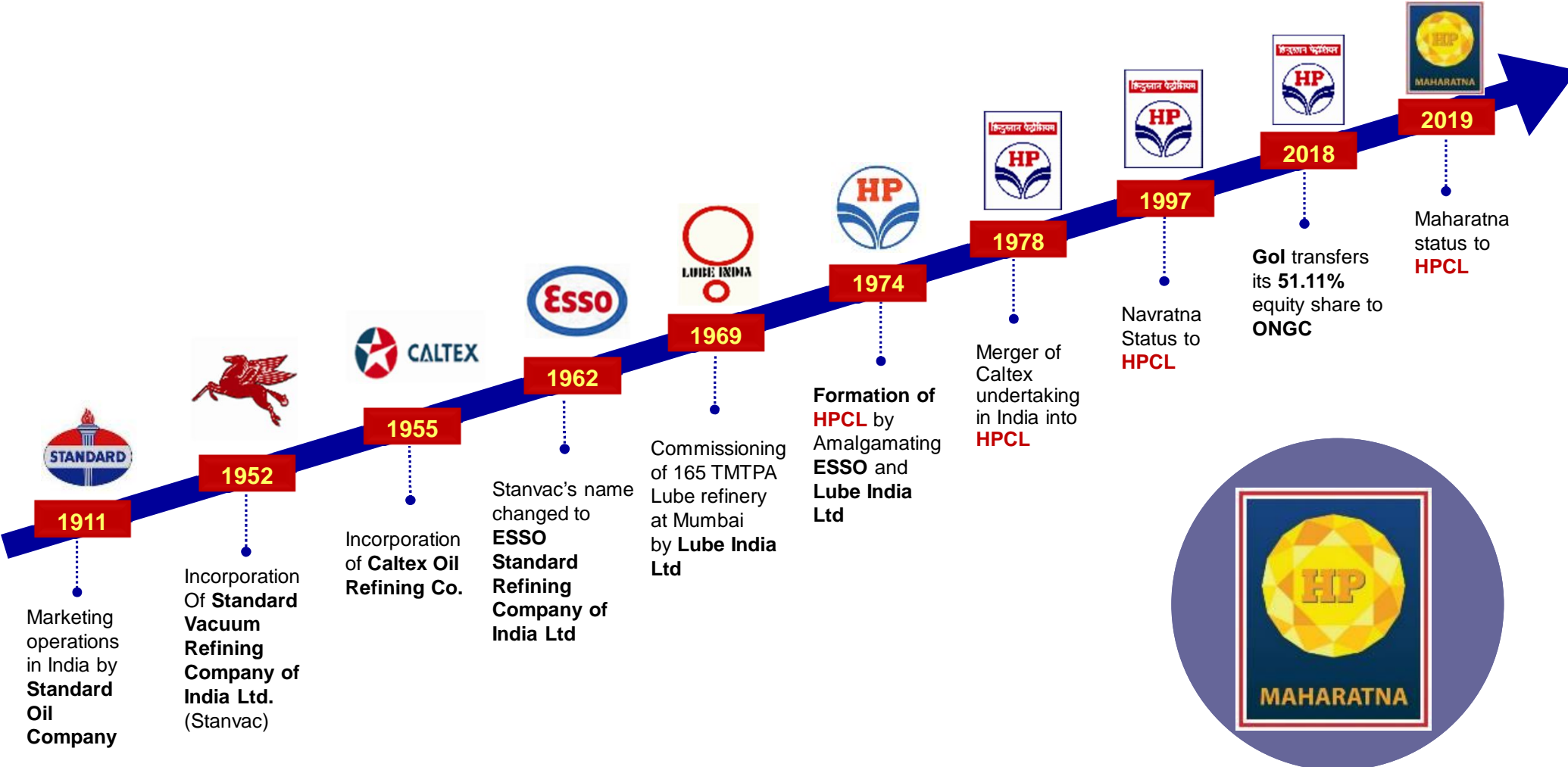
*Refining Capacity in India

19.14%

Domestic Market share in Petroleum Products

* Visakh refinery Under Capacity Expansion to 15 MMTPA (~ 13.9 % post expansion)

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



Strong Collaboration Capabilities

- Set-up first refinery in country under 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



Trained & Efficient Human Capital

- Lean manpower structure
- Manpower strength of ~ 8,500 Nos with Average age of ~ 43
- Capable & competent workforce

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

FitchRatings

Baa3 (Stable)

BBB- (Stable)

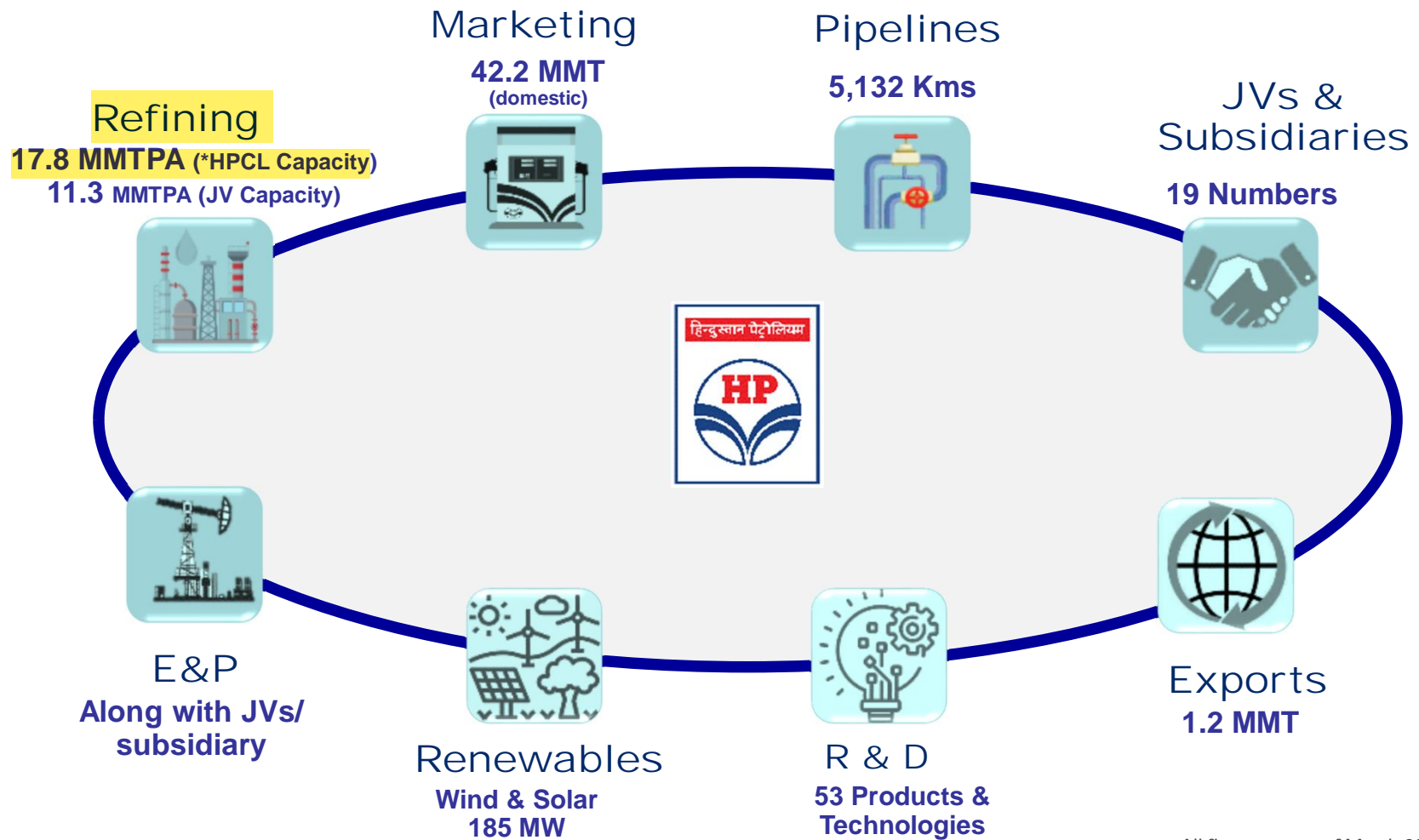


Recipient of dun & bradstreet's 'PSU Awards' 2022
in Digital Transformation category

Business Overview



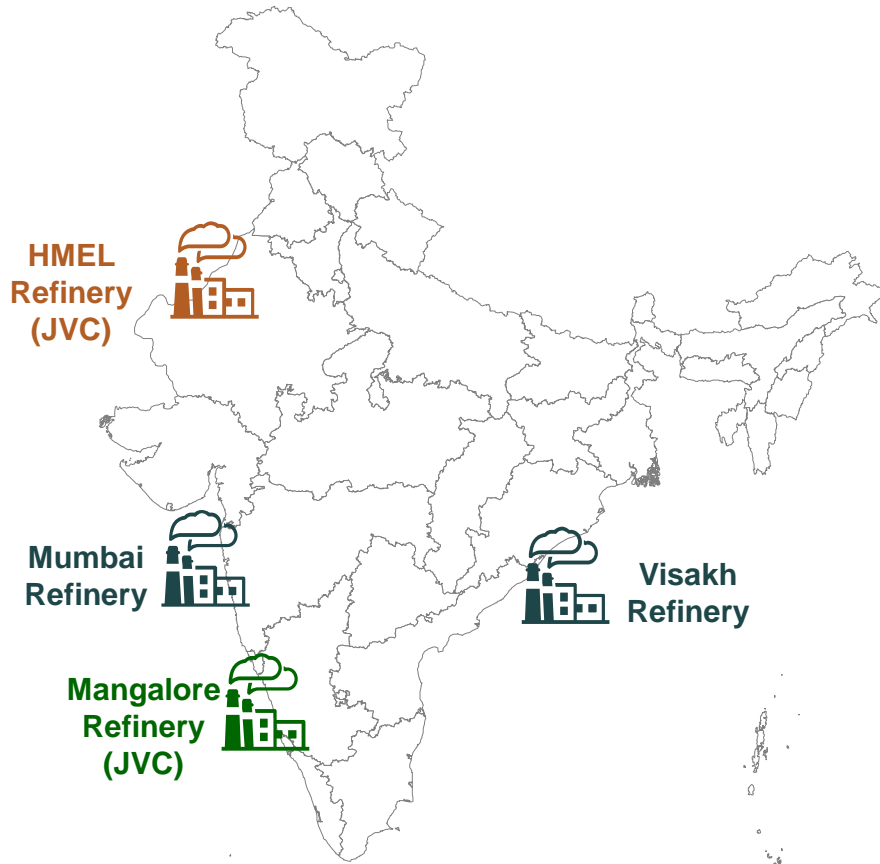
Diversified Portfolio



All figures are as of March 2023

* Visakh refinery Under Capacity Expansion to 15 MMTPA from 8.3 MMTPA

Strategically Located Refineries



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

| Refining Capacity in MMTPA | |
|---------------------------------|-------------|
| Mumbai | 9.5 |
| Visakhapatnam | 8.3* |
| Total HPCL | 17.8 |
| HMEL (JVC) | 11.3 |
| Total (Marketing Rights) | 29.1 |

**Under Capacity Expansion to 15 MMTPA progressively*

Lube Refinery (Mumbai) : 428 TMTA

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

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 accounting ~ 40% of India's total LOBS production
- 80% of product evacuated through Pipelines



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. CDU-4 commissioned as part of VRMP (Visakh Refinery Modernisation Project)
- 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



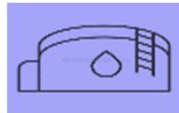
Cross country pipeline

17



POL Terminals

43



POL Depots

72



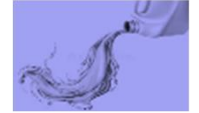
LPG Plants

55



Aviation Service Facilities

54



Lube blending Plant

6

Customer Touch Points



Retail Outlets

21,186



LPG Distributors

6,283



Industrial Lube Distributors

126



Door to Door Delivery Vehicle

760



CNG Dispensing Stations

1,387



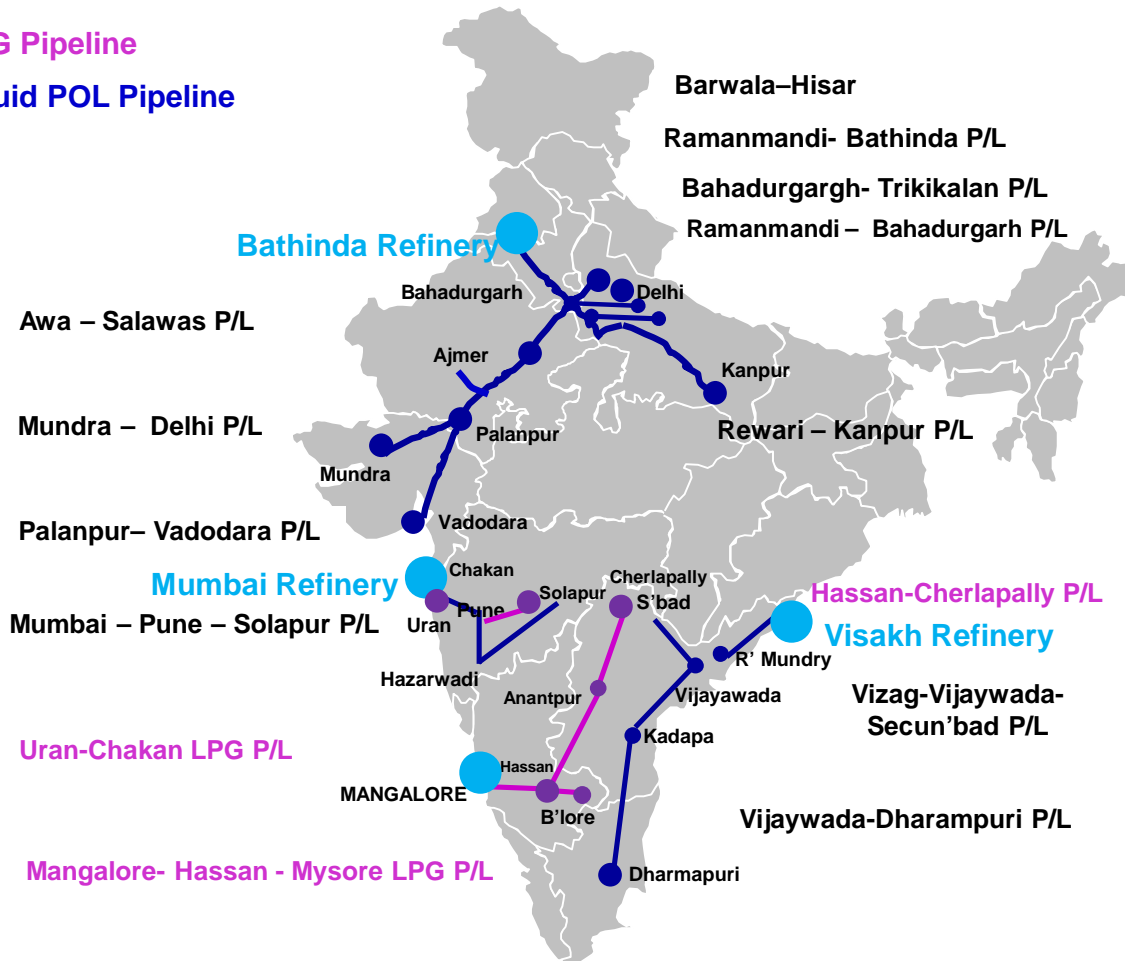
EV Charging Facilities

2,037

Cross Country Pipeline Network



- LPG Pipeline
- Liquid POL Pipeline



***17 cross country Pipelines with total Pipeline network of 5,132 kms**

Pipelines by JV companies : 1,380 Kms
1,017 Km: HPCL Mittal Crude P/I , 363 Km: PMHBL

Second largest Petroleum product pipeline Company in India

**Product Pipeline includes : 21Km: Mumbai Vashi Black oil Pipeline (BOPL), 20Km: MR to Airport ATF Pipeline and 17Km: Trombay to Wadibunder Lube Oil Pipeline (LOPL)*

Focus on Research and Development



R&D Achievements

| | |
|--|-----|
| New Technologies / Products demonstrated | 53 |
| Patents applied | 443 |
| Total Patents granted | 160 |

R&D Technology and Products

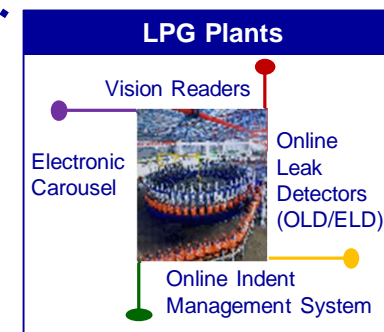
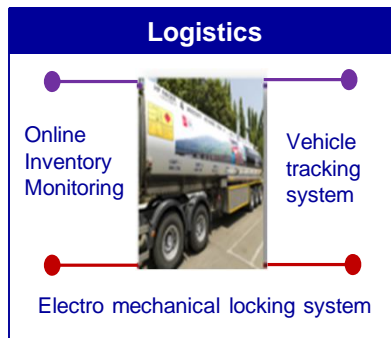
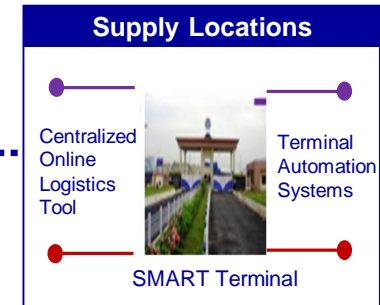
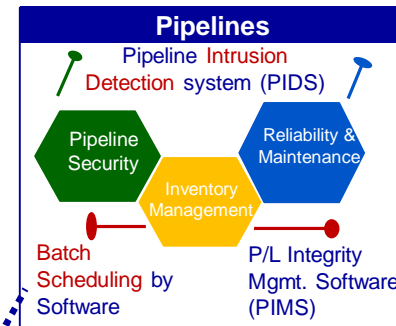
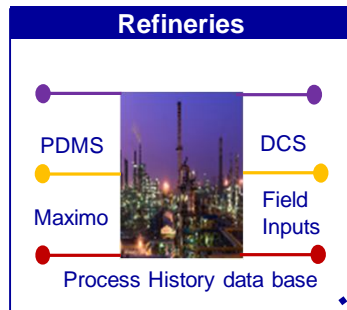
Technology / Products :

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



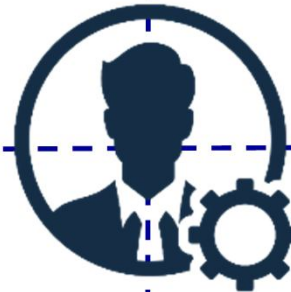
Recognition

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





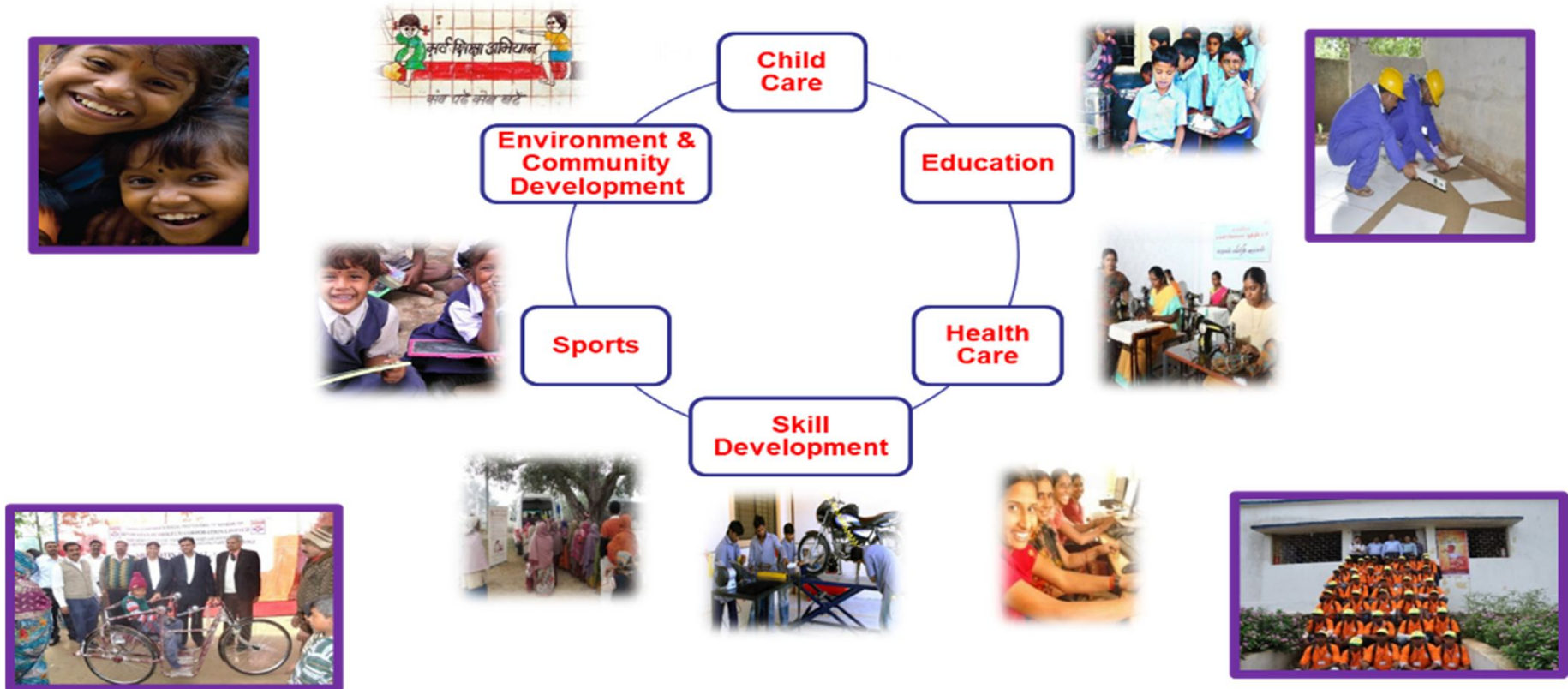



Subsidiaries

| Biofuels | Natural Gas | Upstream | Overseas Marketing |
|---|---|---|---|
|  |  |  |  |

Introduction of new technology and growth through Partnerships

CSR : Touching Lives Every Way

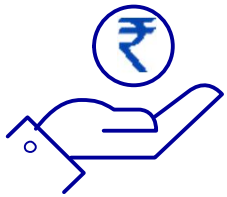


~30 lakh lives benefitted since implementation of CSR Rules, 2014

Performance Overview



Quick Snapshot : FY 2022-23



**Highest Revenue
from Operations
Rs. 4,66,192 Crore**



**Highest Crude
Thruput
19.09 MMT**



**Highest Market Sales
43.45 MMT**



**Highest Pipeline
Thruput
23.25 MMT**



**Net Loss
Rs. 8,974 Crore**



**Refinery GRM
US\$ 12.09 / bbl**

Quick Snapshot : Q4 2022-23



Nine Year High Quarterly Standalone Profit at Rs. 3,223 Crore
- Consolidated Net Profit Rs. 3,608 Crore



Quarterly Market Sales of 11.1 MMT
- Growth of 4.1%



Highest Ever Quarterly Refinery Thruput of 4.96 MMT
- 113% Refinery Capacity Utilization



Refinery GRM US\$ 14.01 / bbl
- 12.6% higher compared to historical

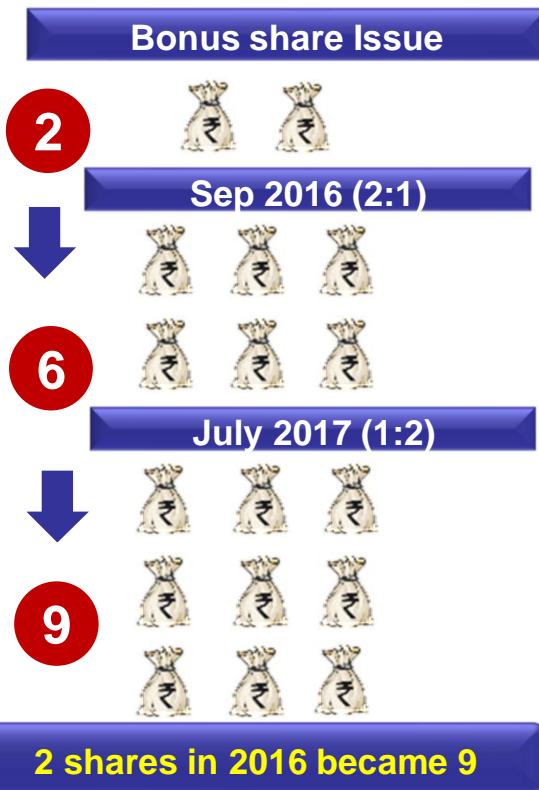


Highest Ever Quarterly Pipeline Thruput of 6.13 MMT
- Efficient economic and environmental friendly transportation thru pipelines

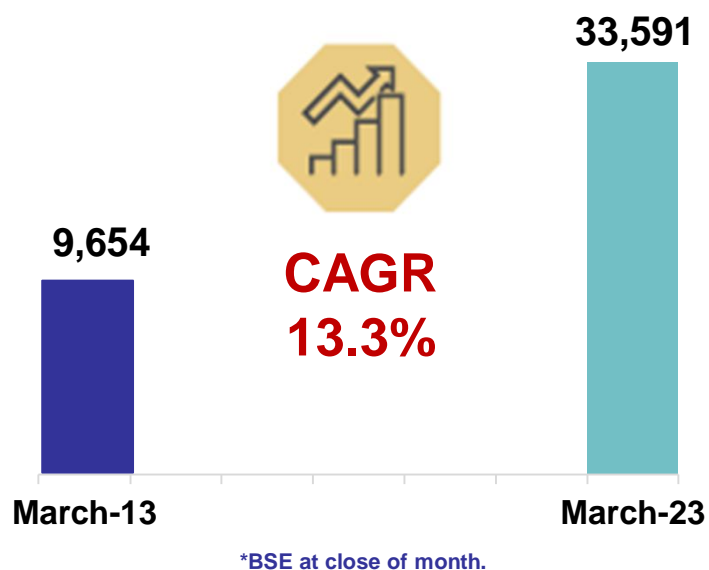
Return to Stakeholders



Return to shareholders



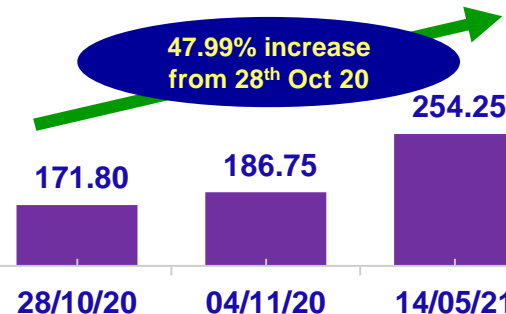
Market Cap (Rs. Crore)*



Total return to shareholders ~ 24%

Share buy-back Program

First & only PSU to do Open Market buy-back



HPCL share price on BSE

- Board approval - share buy back worth Rs. 2500 crore on 4th 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

Strengthening of Infrastructure across value chain



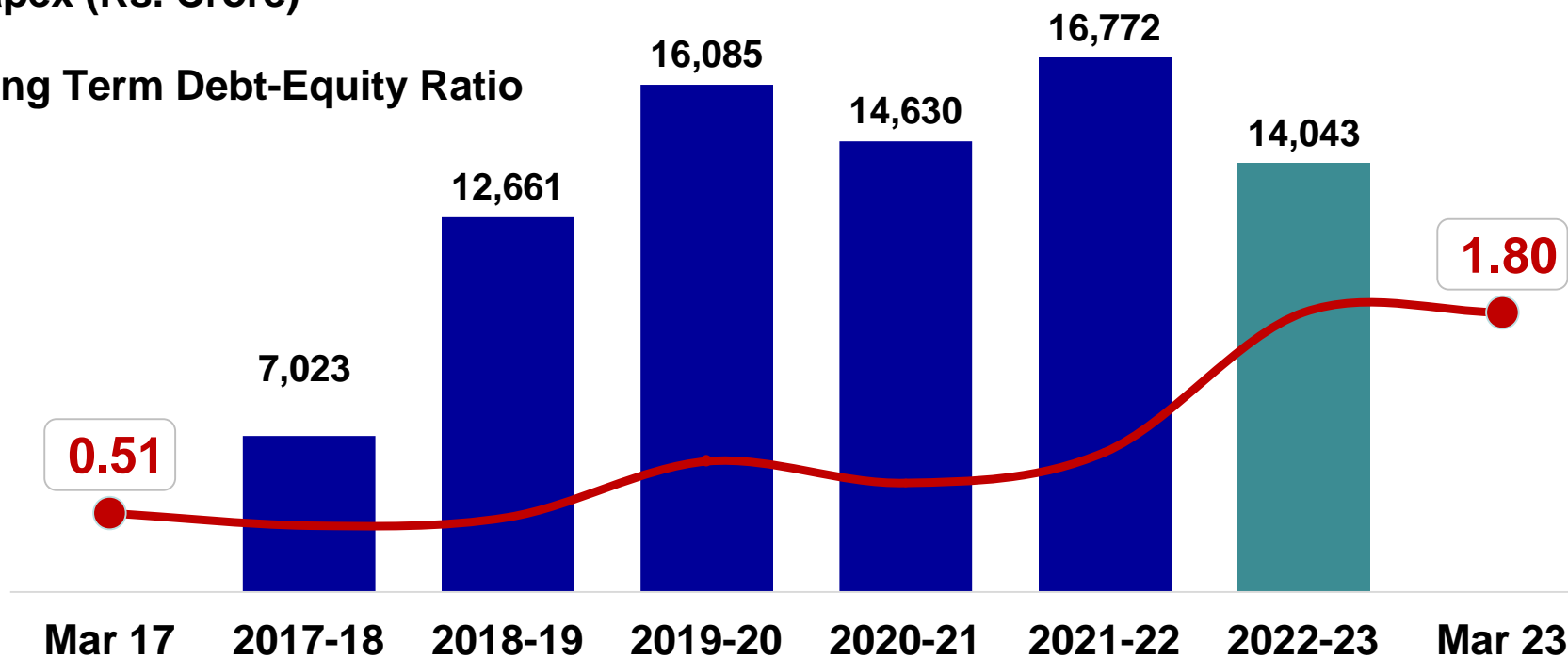
| Area of Value Chain | Investment (Rs Cr.) |
|--|---------------------|
| Refining Capacity Expansions | 31,000 |
| Expansion of Pipeline Network | 8,500 |
| LPG Plants / POL Depots / Capacity Augmentations | 5,800 |
| Expansion of CGD Network | 2,000 |
| Enhancing Biofuels & Renewable capacities | 1,000 |
| Expanding Customer touch points | 14,000 |
| R&D Facilities | 700 |
| Digital Transformation | 1,000 |
| Equity Investment in JVs & Subsidiaries | 10,000 |
| Investments during last 5 years | 74,000 |

CAPEX- Investing for the Future



■ Capex (Rs. Crore)

— Long Term Debt-Equity Ratio



Value Creation thru Effective Leveraging

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

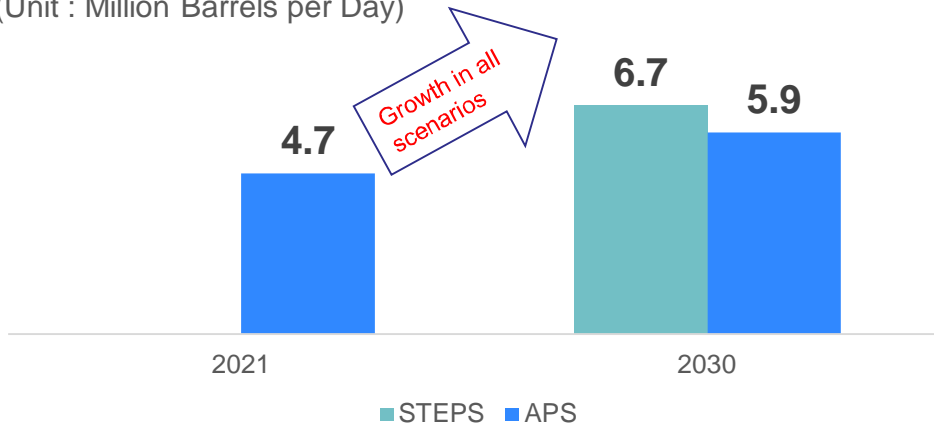
Future Plans



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 continue to be the most populous nation
- 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

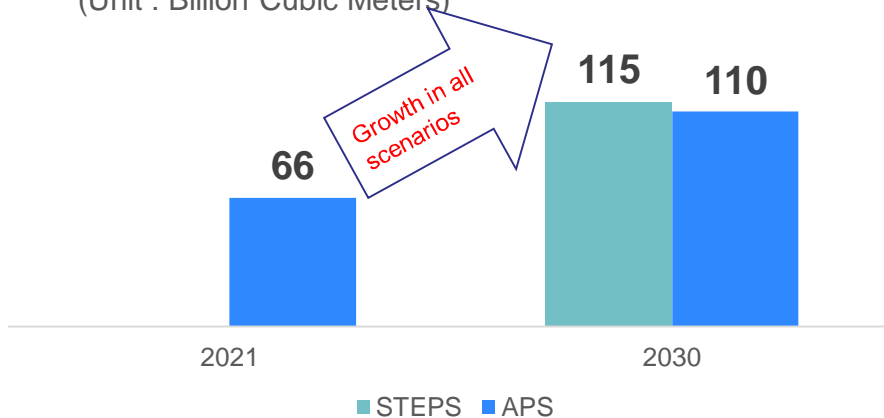


- New 9 MMTPA Refinery and Petrochemical project at Barmer in Rajasthan
- Enhancing capacity of Visakh refinery to 15 MMTPA
- New LPG plants to meet growing demand
- Expansion of retail outlet network - to cross 25,000 by 2025-26
- Multiple fuel choices at retail outlets
- Service enhancement – Door-to-Door 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

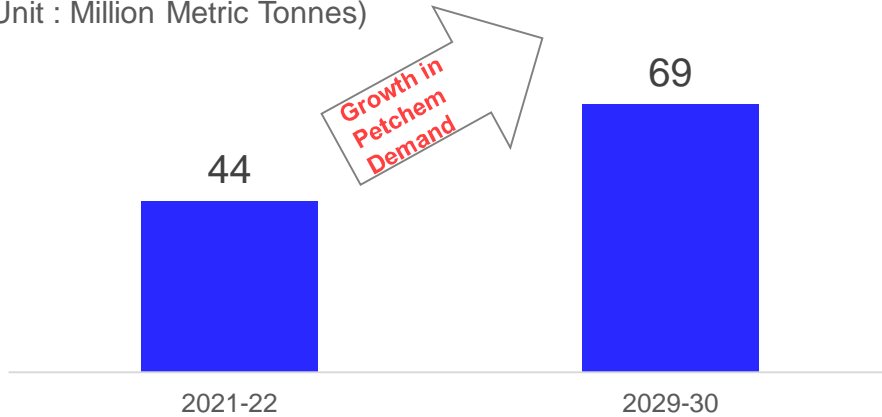


- 5 MMTPA LNG Import Terminal at Chhara Port in Gujarat
- Participation in 3 Natural Gas Pipelines
- Expanding City Gas Distribution Network
- PNGRB Authorisation in 23 Geographical Areas in 12 states
- CNG Facilities at Retail outlets to about 5000 Nos
- LNG retailing

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

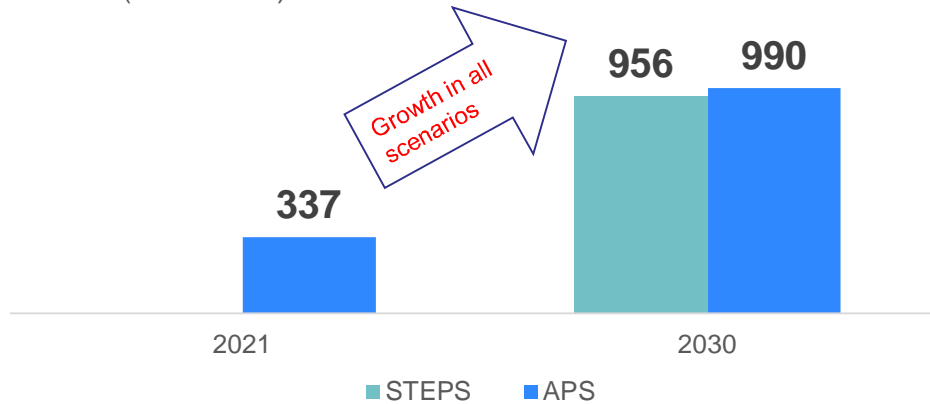


- 9 MMTPA Refinery and Petrochemical Capacity under construction
- 4.6 MMTPA Petrochemical capacity by 2024-25 along with JVCs
- With current expansions, HPCL (Incl JV) will have second largest Polymer (petchem) production facilities in country
- Marketing of Petrochemicals
 - Institutional capacity building
 - Marketing under 'DURAPOL' Brand

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

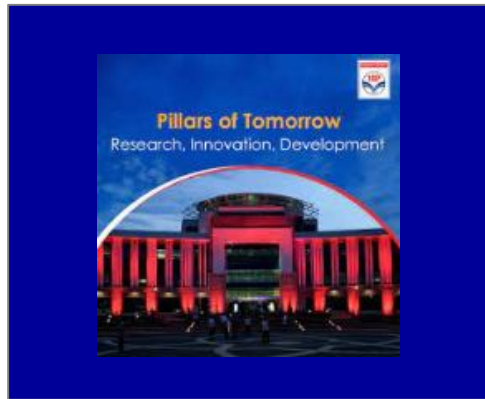
HPCL – Participation in Emerging Opportunities



- Expanding footprints in Renewables
- Ethanol blending (E20) targeted to reach 20% by 2025
- Stabilisation of 14.2 TPD CBG plant at Budaun in UP
- Setting up 100 KLPD 2G Ethanol plant in Bathinda
- Setting up of EV charging stations at 5,000 retail outlets by 2025-26
- Green Hydrogen capacities in Refineries to about 29 KTPA by 2030
- 870 TMTPA bio fuels capacities by 2030

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



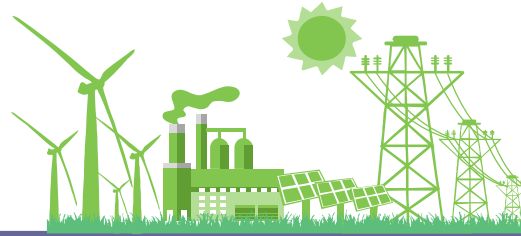
- 'Idea Junction' to capture Innovative Ideas
- Udgam – Leveraging startup ecosystem in India
- 30 focus areas related to energy sector
- 22 startups supported

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
31st Jan 2022**

- HPCL is committed to conduct business with an objective of preserving the environment and contributing to sustainable development.
- Plans underway to achieve **Net zero Scope 1 & 2 emissions by 2040.**




Continued ESG Focus




Environment

- Environment Management Systems (EMS) by major Locations
- Emission monitoring Systems
- Ethanol blending of 10.6% in FY 2022-23
- Over 2GW of renewable energy in planning



Social

- 3.81 crore LPG Cylinders under PMGKY
- Support to society during COVID times
- CSR expenditure for FY 2022-23 Rs.154.85 crore
- Recorded 35% procurement thru 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 disclosure of material information



Sustainability agenda aligned with UN SDG






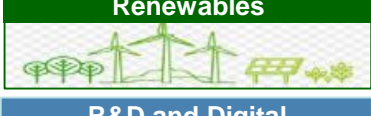



Signatory to UNGC



GRI Based Sustainability report

Projects towards meeting energy needs, providing customer choices & future proofing

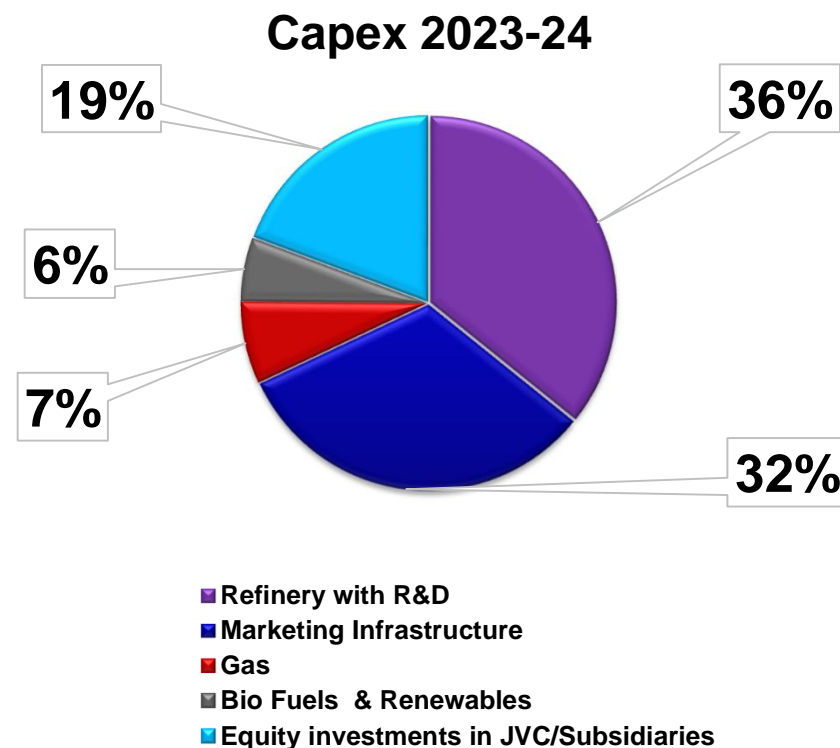
| | | |
|--|-----------|--|
|  | ~1,10,000 | <ul style="list-style-type: none"> • Visakh Refinery Modernisation (15 MMTPA) • 9 MMTPA Refinery & Petchem, HRRL • CFBC Boiler at VR and COT in MR • 1.1 MMTPA HSFO at VR • SPM at VR, bitumen evacuation line MR • Lube HCU,SDA at MR & LOBS expansion |
|  | ~6,000 | <ul style="list-style-type: none"> • Haldia-Panagarh LPG P/L • Bathinda-Sangrur P/L • Navi Mumbai Airport ATF P/L and tankage • Cherlappalli –Nagpur P/L • Visakh Raipur P/L • Kanpur –Lucknow P/L |
|  | ~20,000 | <ul style="list-style-type: none"> • 5 MMTPA LNG Terminal, Chhara Gujarat, LNG Stations, CNG Dispensing facilities • CGD network in 7 states (Haryana, Uttar Pradesh, Uttarakhand, Rajasthan, Jharkhand, Bihar & West Bengal) |
|  | ~9,000 | <ul style="list-style-type: none"> • 80 TMT LPG Cavern at Mangalore • 3 LPG plants & Capacity Augmentations • HSD evacuation facilities at various locations • Dahej LPG Import Facility • MSV & TT Loading Facilities • 5 new LPG Plants |
|  | ~2,500 | <ul style="list-style-type: none"> • 2G Ethanol Bio refinery • CBG plant at AP, West Godavari & UP • Biodiesel Plants at 4 Locations • Proposed 1G Plants at 4 locations • Bolt-on Plant for 1G ethanol production • Bio bitumen production from Lignin |
|  | ~15,000 | <ul style="list-style-type: none"> • Wind & Solar power participation in Tariff bidding • RE Captive power at refineries • EV charging at 5,000 outlets • 100% solarisation of Ros • 2.5 GW Renewable capacity |
|  | ~2,500 | <ul style="list-style-type: none"> • Demo Plants – HP COAT & SDA pilot Plant • Catalyst & Adsorbent scale up facilities • R&D Capacity Expansion with 7 new Labs • Digital transformation-Projects • Digitalization of processes • ERP Modernization project |

Basket of projects worth ~ Rs. 1.65 Lakh Crore

Robust Capital Expenditure Plans



| (Rs. Crore) | |
|--|---------------|
| Business Segment | 2023-24 |
| Refinery with R&D | 5,000 |
| Marketing Infrastructure | 4,500 |
| Natural Gas | 1,000 |
| Bio-Fuels & Renewables | 800 |
| Equity investments in JVC/Subsidiaries | 2,700 |
| Total | 14,000 |



Estimated CAPEX Plan of Rs. 75,000 crore over next 5 years

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 Director -Finance of HPCL effective March 22, 2022. 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 is on Board of several HPCL Subsidiary/Joint venture Companies.



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.



Mr. K S Shetty , Director – Human Resource

- He is Director- Human Resources of the Company effective May 01, 2023. Prior to this, he was an Executive Director – Human Resources with additional charge of Employee Relations Department. He is a Gold Medalist in HR Management from Andhra University and also an alumnus of the Swedish Institute, Stockholm for Diploma in Sustainable Development in 2012. He has completed his Advanced Management Program from MDI, Gurgaon / ESCP Europe Business School, Paris. (2016). He is an SHRM, USA - Senior Certified Professional and is currently on the AIMA Core Committee on HR and also on the National Council of the Indian Society for Training and Development (ISTD). He is also on the Board of HPLNG. He has over 25 years of experience in HR in various capacities at HPCL.

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Thank You