



Hindustan Petroleum Corporation Limited

Investor Presentation

**June 2022
Mumbai**



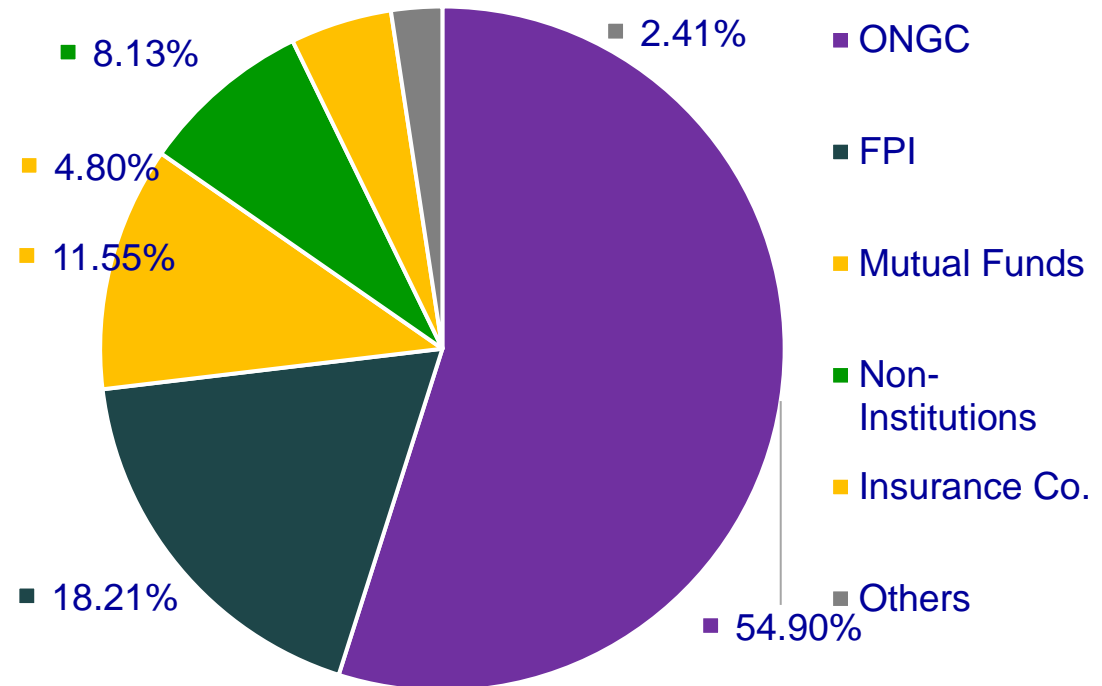
Corporate Overview





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

Shareholding Profile as of Q1 of 2022-23

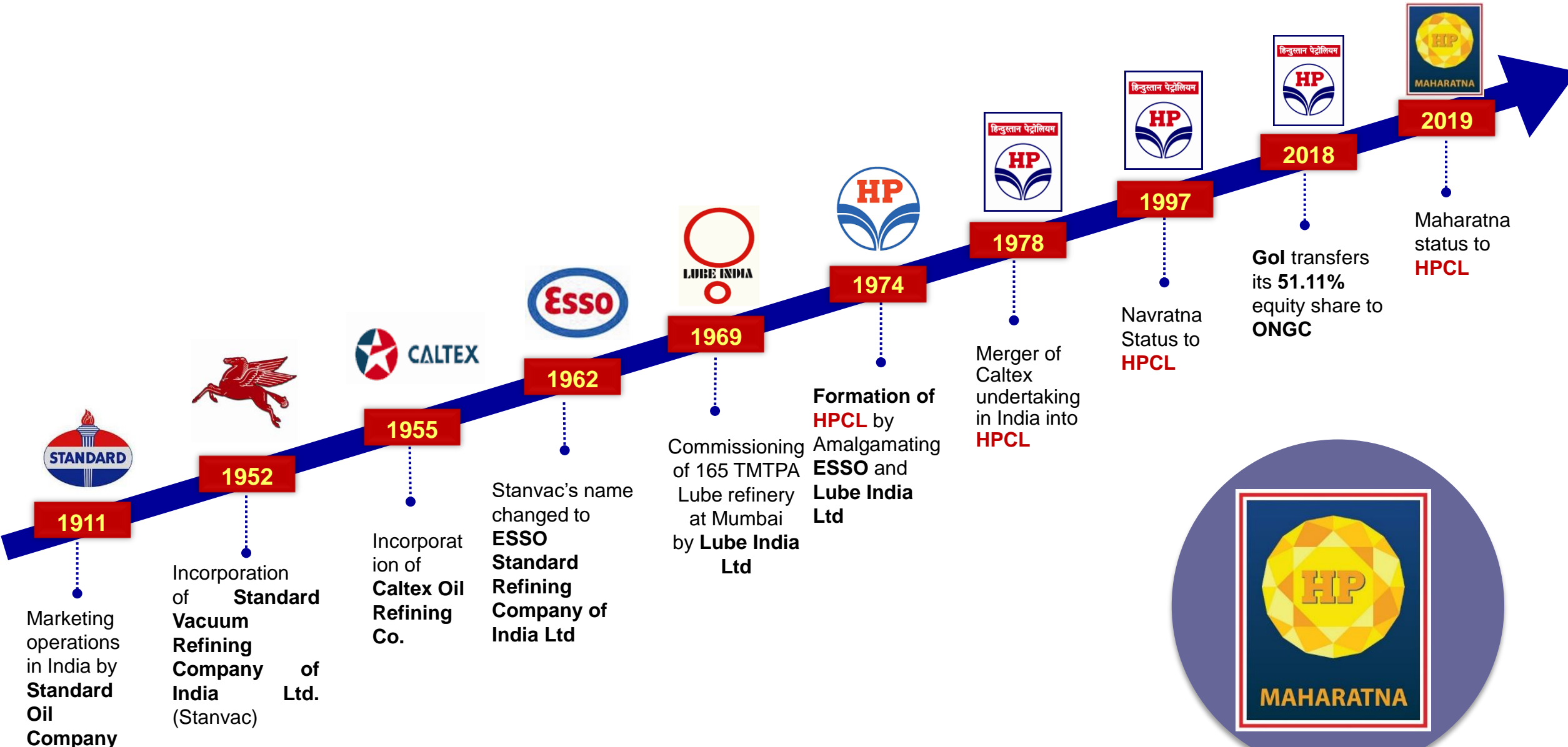


Strong presence in India in Oil & Gas Sector

11.6% Refining Capacity in India

18.9% 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 Rankings



26



**In top 100
Global
Energy
Leaders**

Global Ratings

At par with India's sovereign rating

MOODY'S
INVESTORS SERVICE

Baa3 (Stable)

FitchRatings

BBB- (Stable)

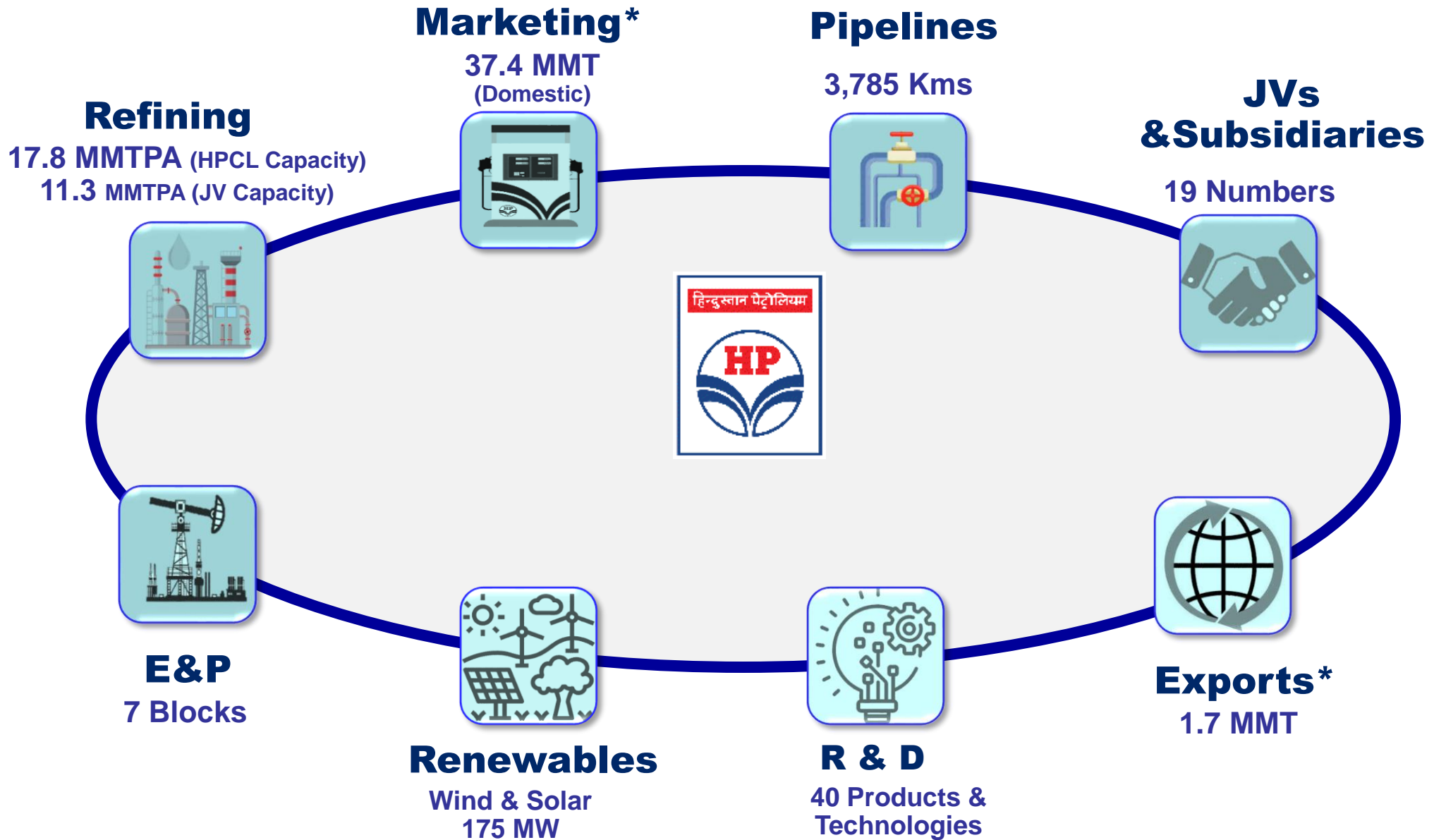


**Recipient of FIPI 'Oil Marketing
Company of the year' 2021**

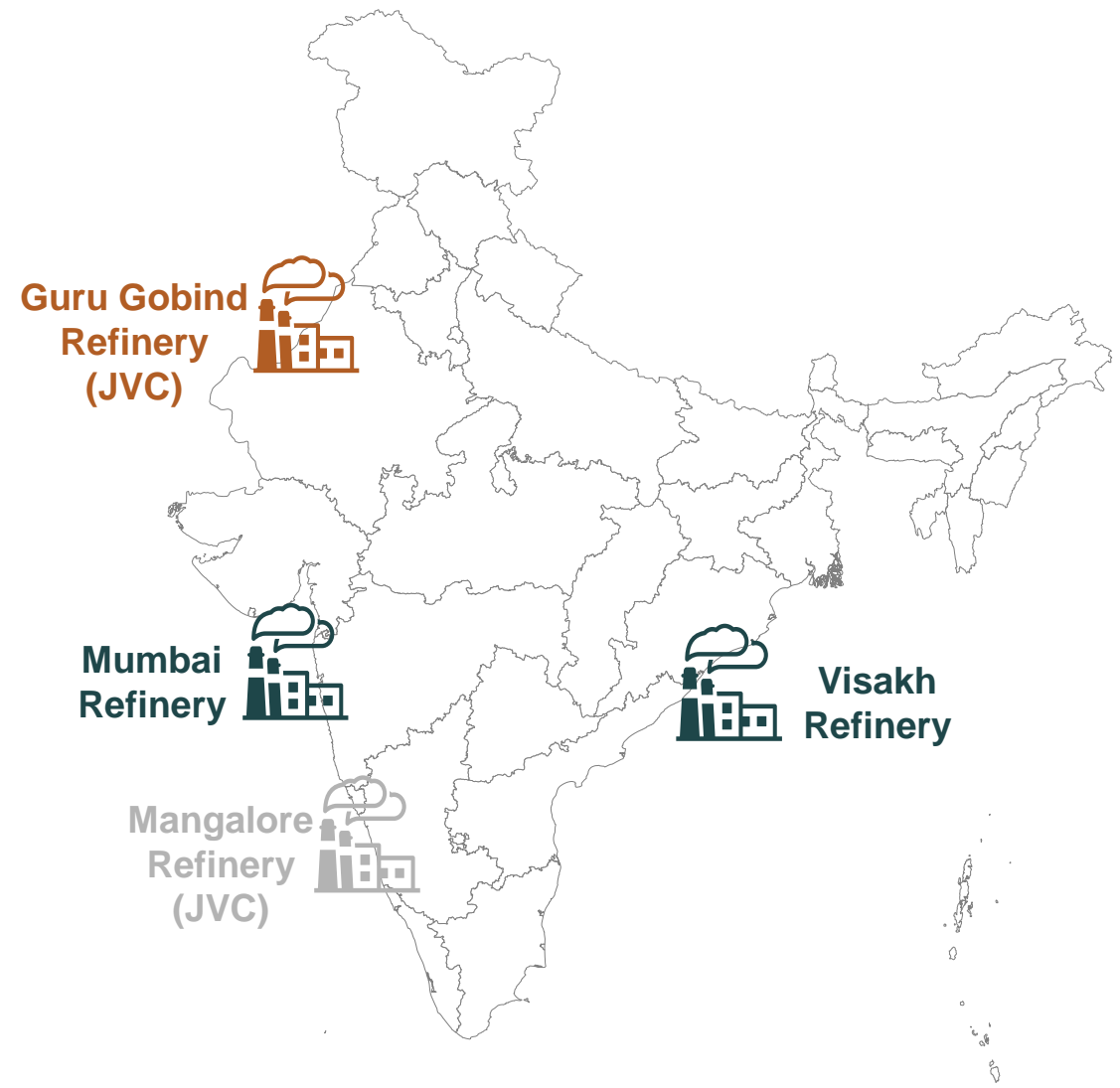
**Recognizing leaders , innovators
and pioneers in Oil & Gas
Industry in India**

Business Overview





Strategically located Refineries



- Stake in HMEL : 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

Lube Refinery (Mumbai) : 428 TMTPA

- 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

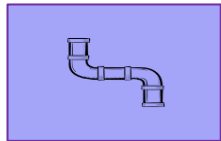
Visakh Refinery

- 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 P/L



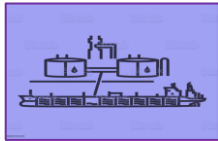
Visakh Refinery

Distribution Network



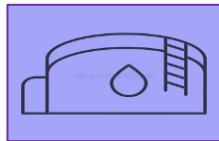
Cross country pipeline

12



POL Terminals

42



POL Depots

72



LPG Plants

53



Aviation Service Facilities

52



Lube blending Plant

6

Customer Touch Points



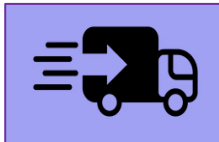
Retail Outlets

20,183



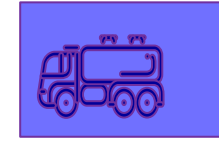
LPG Distributors

6,249



CFA

125



Door to Door Delivery Vehicles

670



CNG Dispensing Stations

1,139



EV Charging Facilities

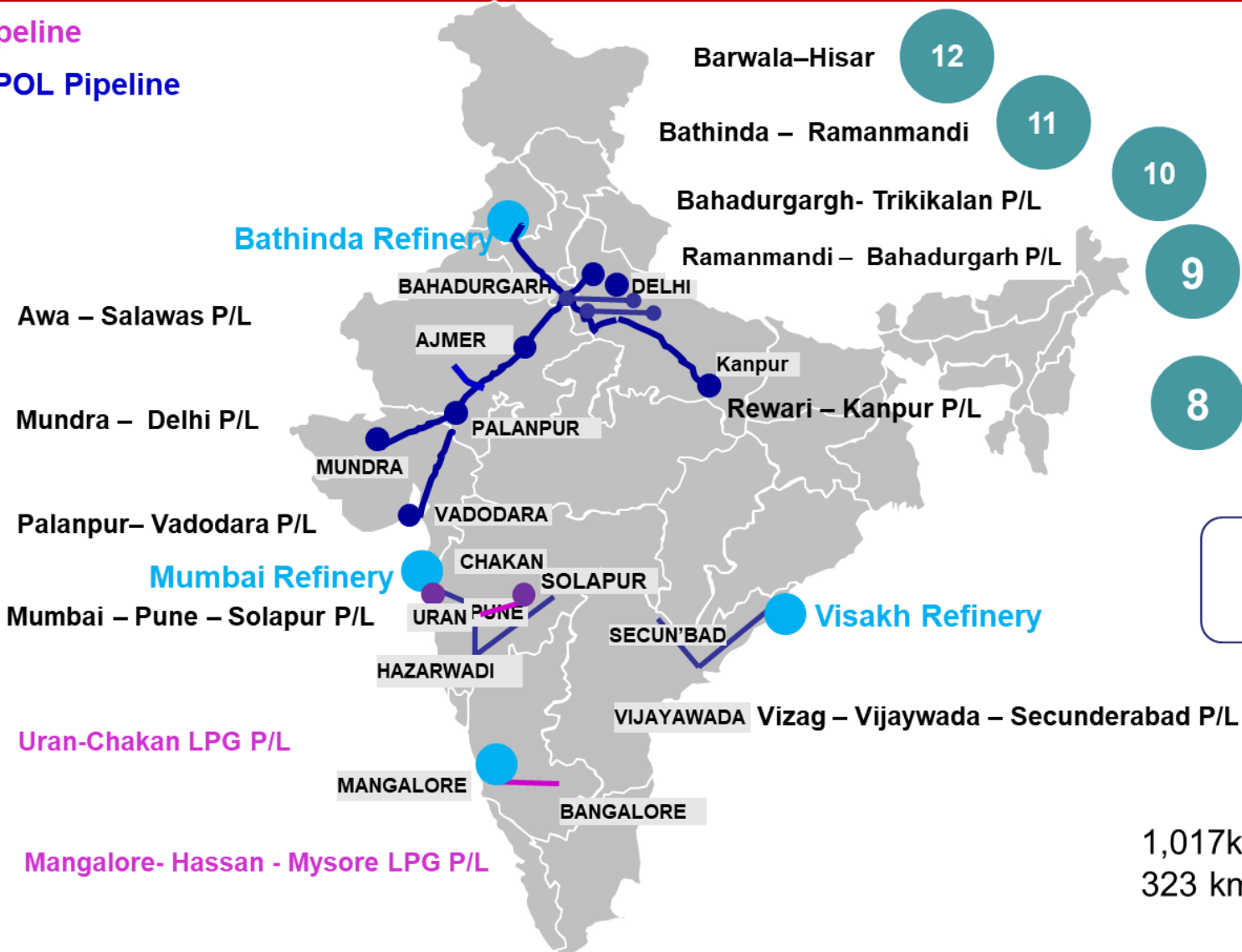
1,044

Pipeline Network of HPCL



- LPG Pipeline
- Liquid POL Pipeline

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



Total Cross country Pipeline Network : 3,785 kms

Pipeline by JV companies (crude) : 1379 KM

1,017km : HPCL Mittal Crude P/L
323 km : PMHBL

Second largest Petroleum product pipeline Company in India



R&D Achievements

New Technologies / Products demonstrated	37
Patents Applied	360
Total Patents granted	132

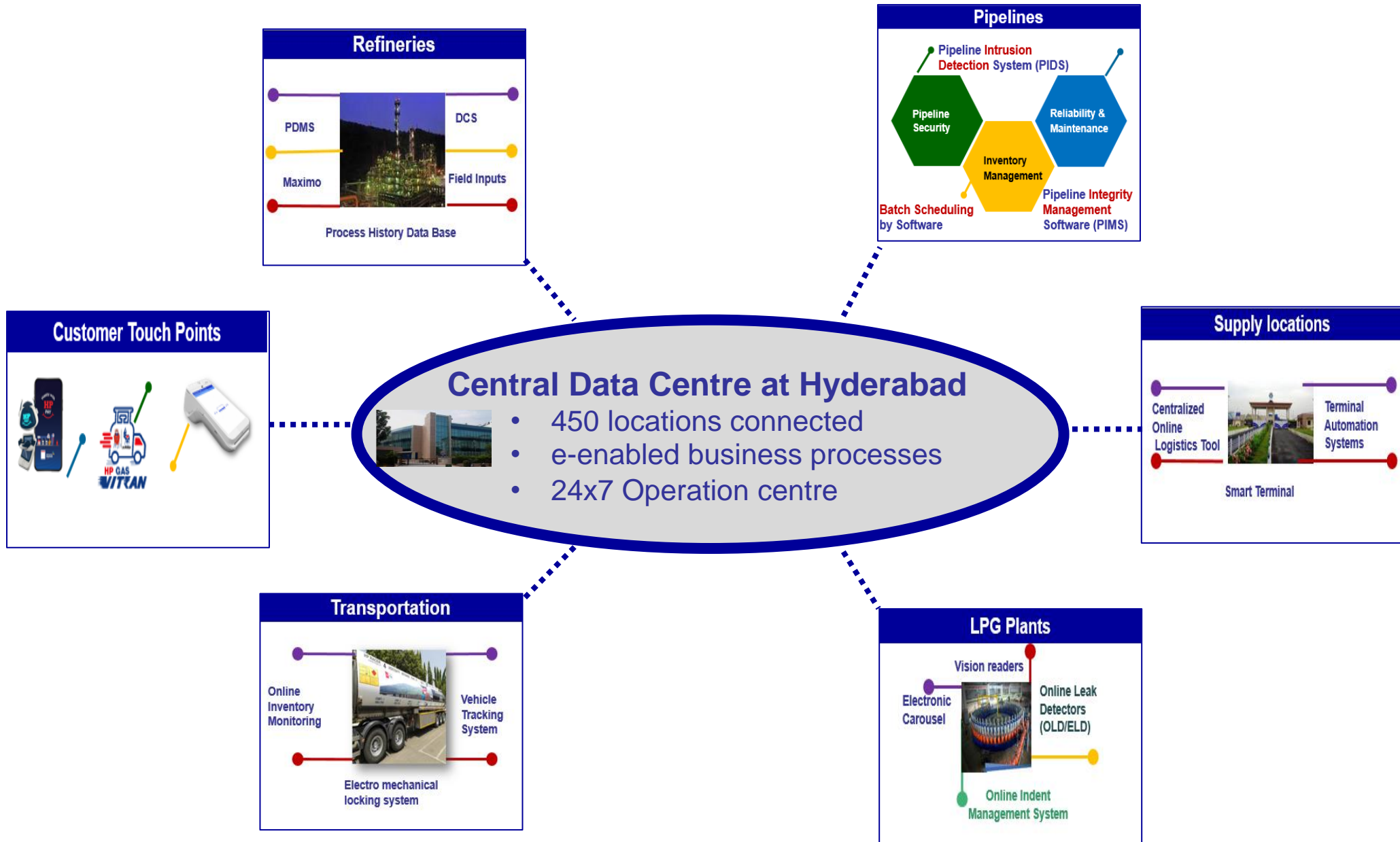
R&D Technology and Product

Technology : HP Hi-gas, H2PSA , HP2 FCC

Product : Diesel Lubricity Additive (DLA), Furn-O-Care, Laundry Sanitizer

R&D Thrust Areas

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



Emphasis on Talent Management

Induction

Structured Induction process to Learn, Grow and Lead



SAMAVESH

Recognition

Rewarding Values for driving Performance



Capability Building

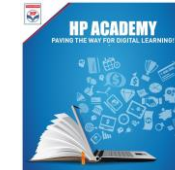
Behavioural / Functional and Technical training



सिद्धिमूलं प्रवन्धनम्
भा. प्र. सं. इन्दौर
IIM INDORE

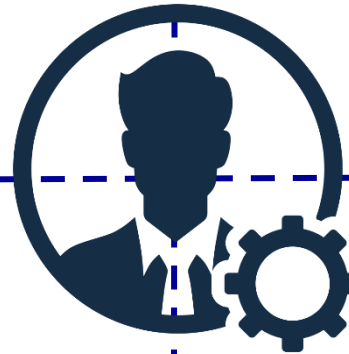


ज्ञानम् व्रतनम्
IIM TRICHY



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



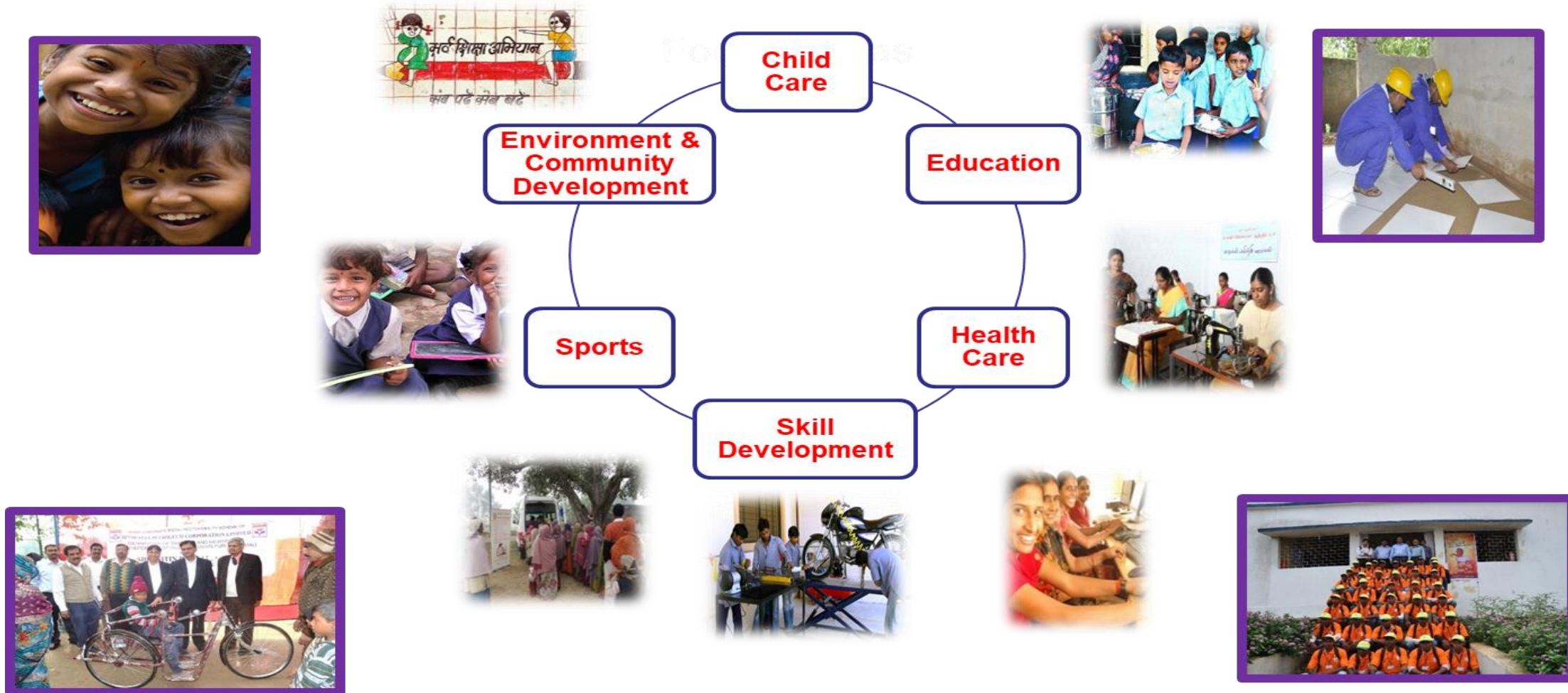
Overseas Marketing



Introduction of new technology and growth through Partnerships

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

CSR : Touching Lives Every Way

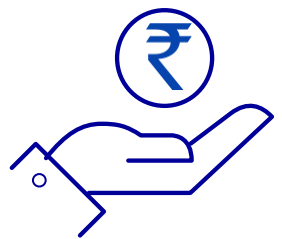


Touching **~30 lakh** lives since implementation of CSR Rules, 2014

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



Highest Ever Quarterly Revenue at Rs. 1,21,449 Crore



Highest Ever Quarterly Market Sales of 10.7 MMT
- Growth of 21.2%



Highest Ever Quarterly Refinery Thruput of 4.81 MMT
- 108% Refinery Capacity Utilization.

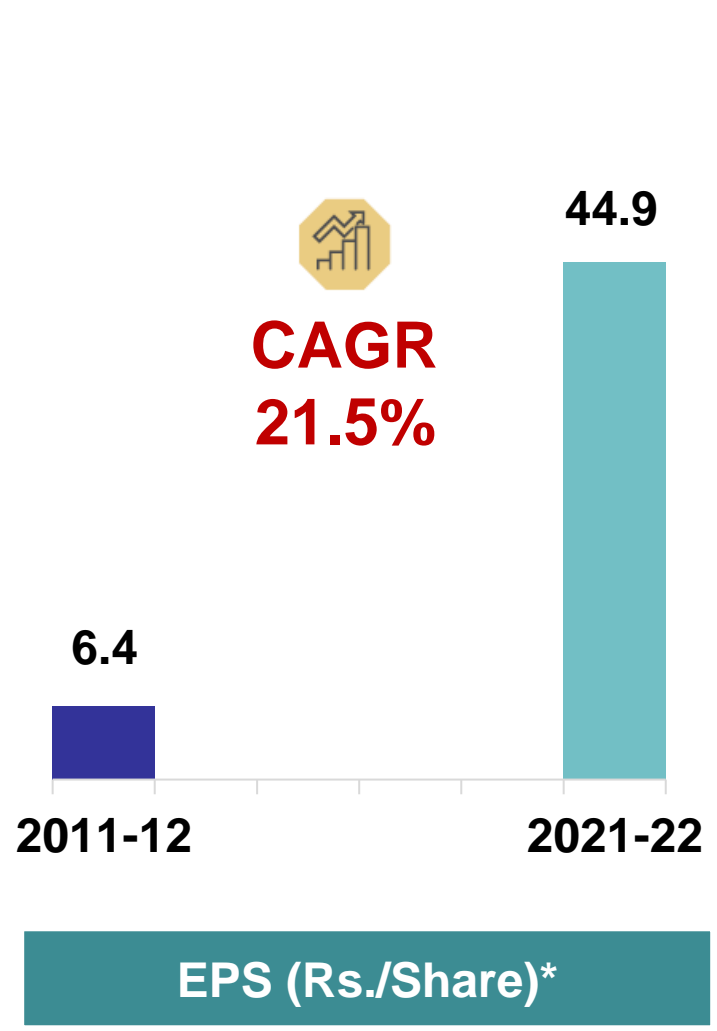
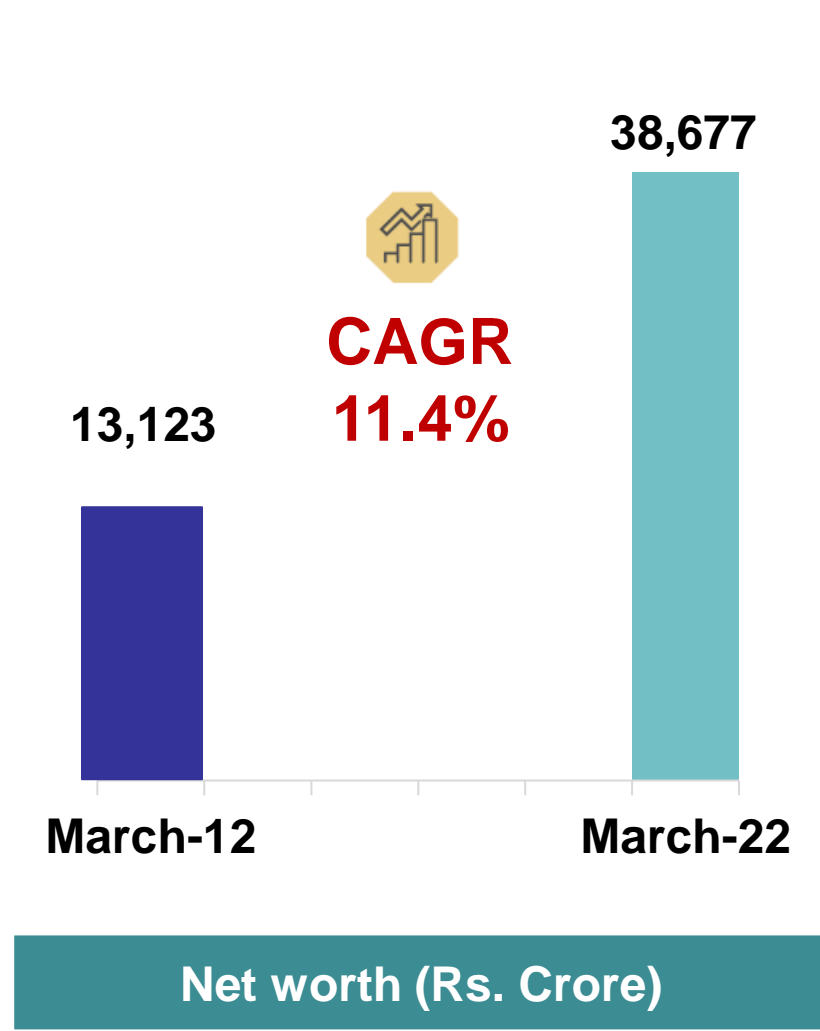
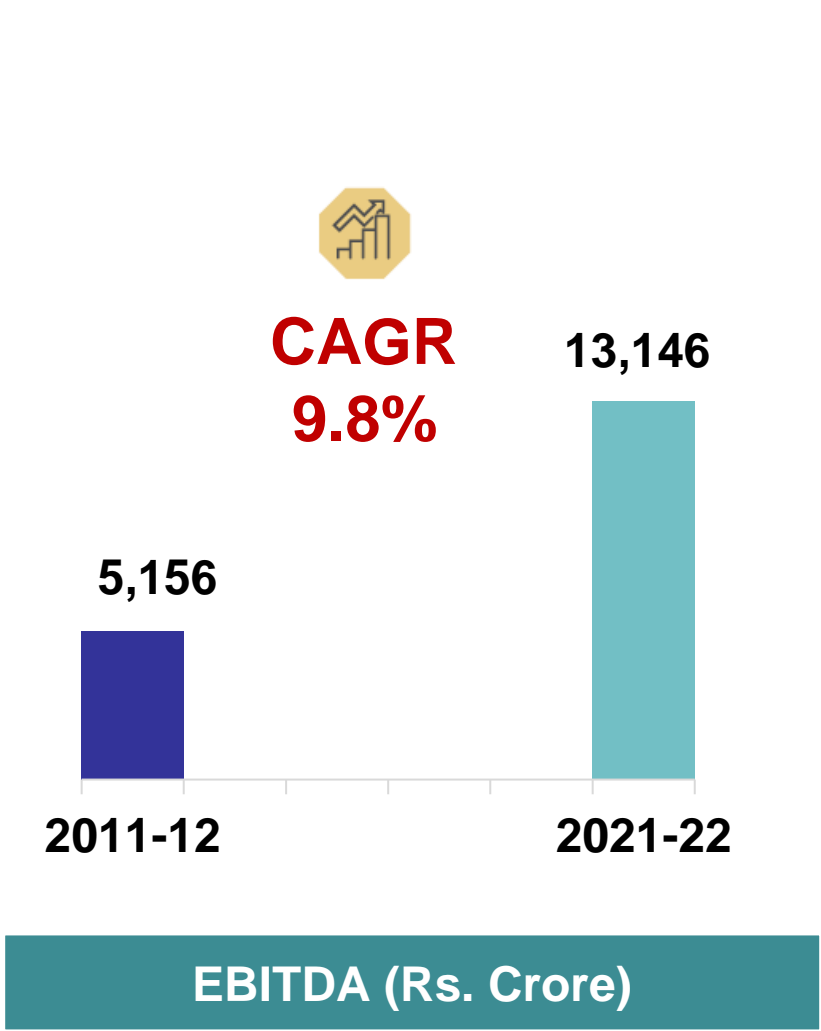


Refinery GRM US\$ 16.69 / bbl



Consolidated Net Loss Rs 8,557 Crore

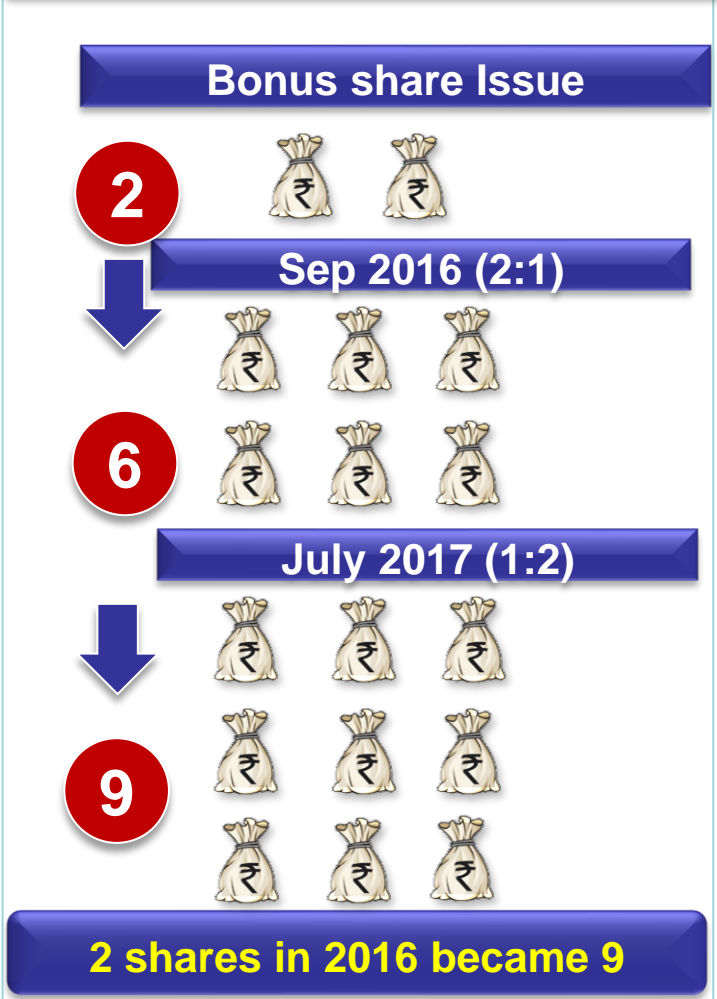
Key Financials



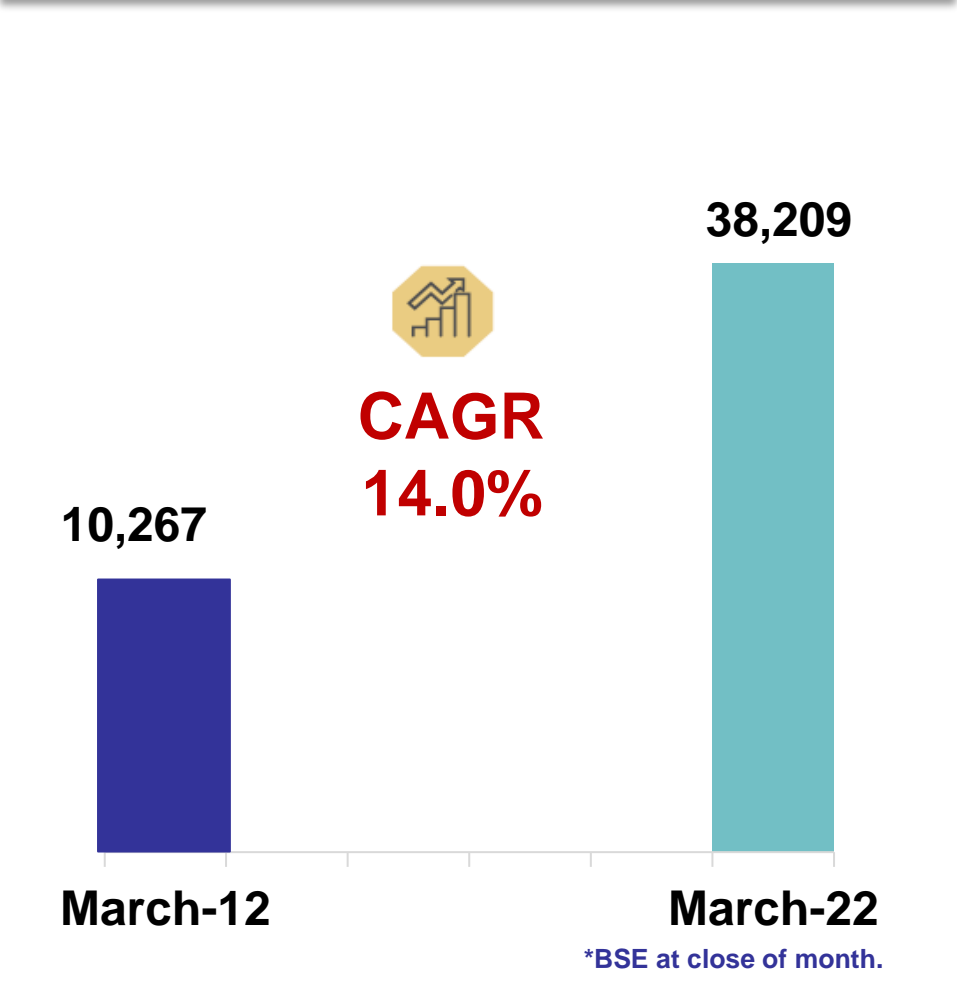
*Adjusted EPS.

Return to Stakeholders

Return to shareholders



Market Cap (Rs. Crore)*



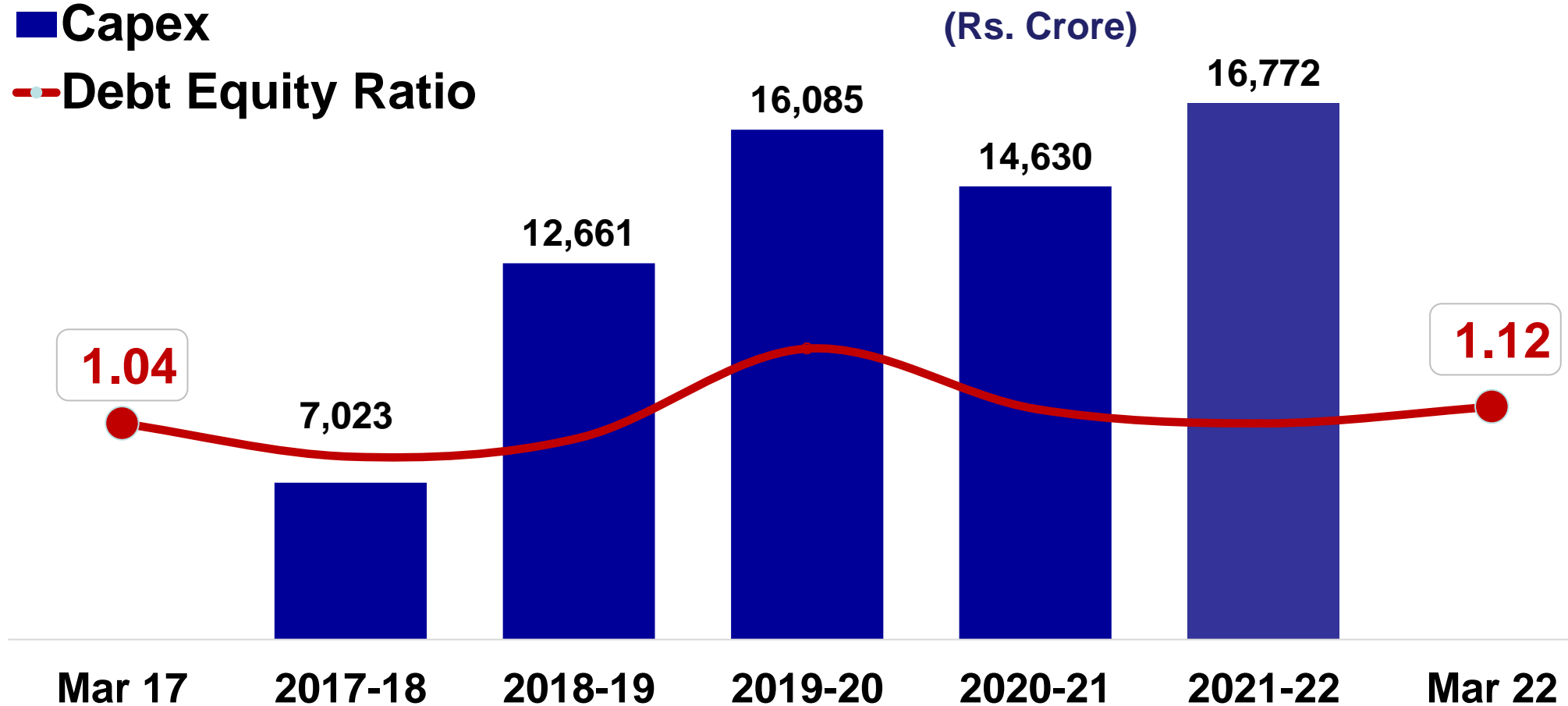
HPCL Share buy back



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

CAPEX- Investing for the Future



Value Creation thru Effective Leveraging

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

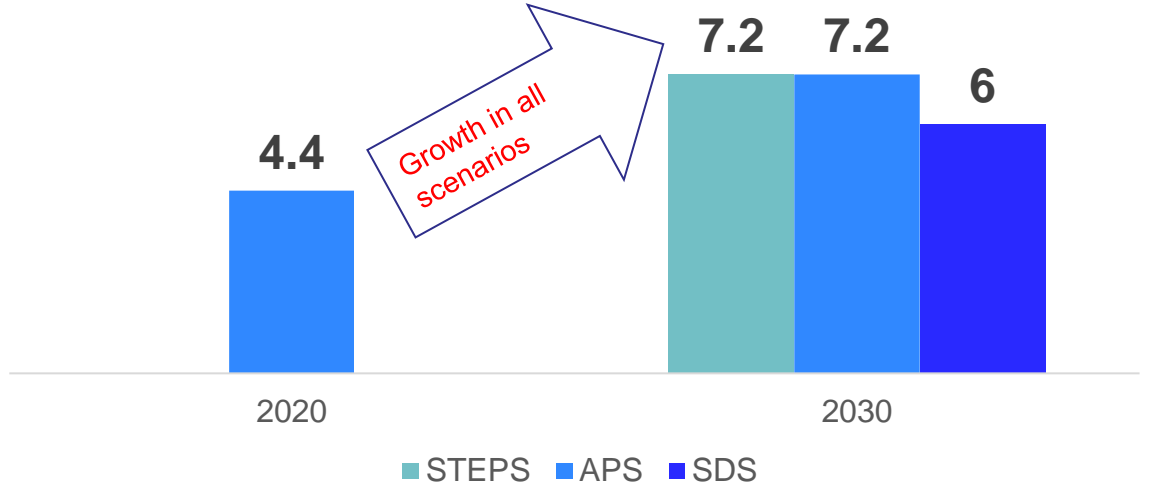
Future Plans



Enhancement of Refining & Marketing Infrastructure

Sectoral Overview – Oil

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



Source: World Energy Outlook 2021
 STEPS: Stated Policies Scenario
 APS: Announced Pledges Scenario
 SDS: Sustainable Development 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

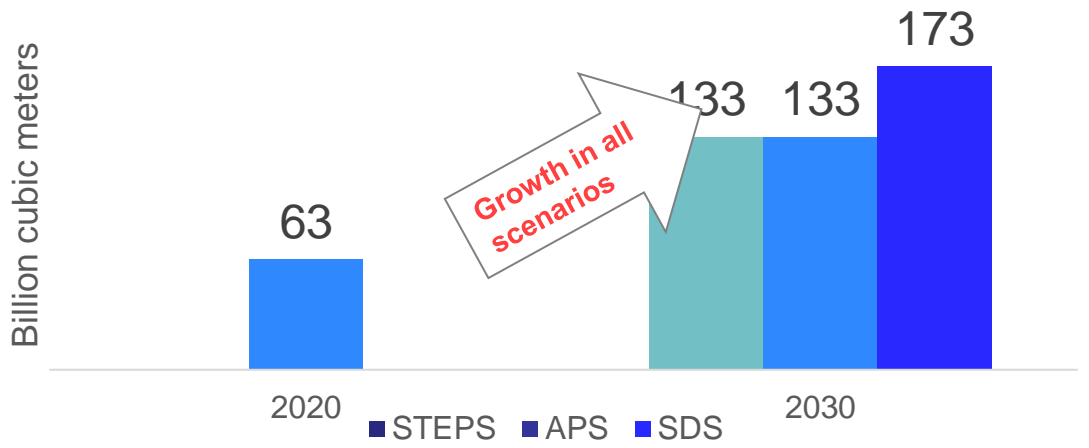


- New 9 MMTPA Refinery and Petrochemical at Barmer in Rajasthan
- Enhancing capacity of Visakh refinery to 15 MMTPA
- 3 cross country pipelines under construction
- New LPG plants to meet growing demand
- Expansion in retail outlet networks to cross 25,000 in 2025-26
- Multiple fuel choices at retail 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

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



Source: World Energy Outlook 2021
 STEPS: Stated Policies Scenario
 APS: Announced Pledges Scenario
 SDS: Sustainable Development 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

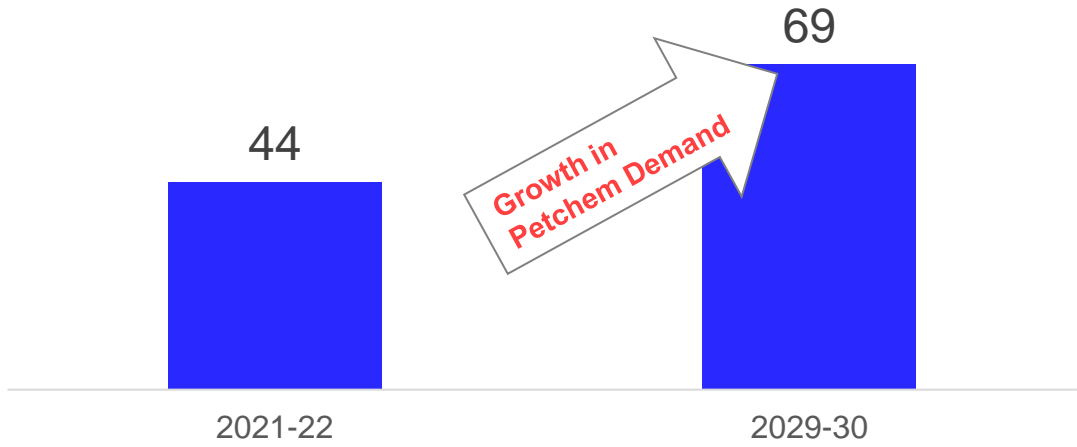


- 5 MMTPA LNG Import Terminal at Chhara Port in Gujarat
- Participation in 3 Natural Gas Pipelines
- Expanding City Gas Distribution Network
- PNGRB Authorisation in 23 Geographical Areas in 12 states
- CNG Facilities at Retail outlets
- LNG retailing

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

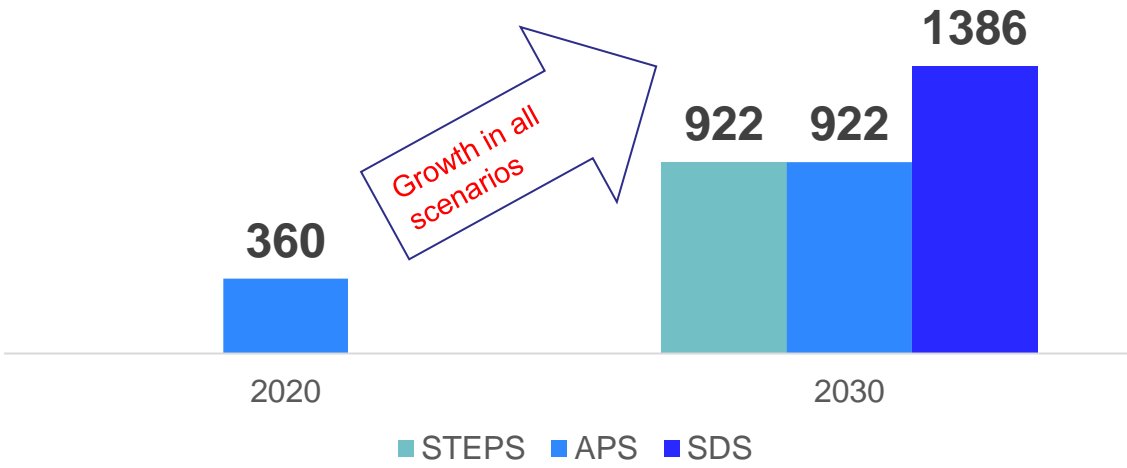


- 9 MMTPA Refinery and Petrochemical Capacity under construction
- 4.6 MMTPA Petrochemical capacity by 2024-25 along with JVCs
- With current expansions, HPCL (Incl JV) will become second largest petchem production facility in country
- Marketing of Petrochemicals
 - Institutional capacity building
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

Expanding footprints in Alternate Energy

Sectoral Overview - Renewables

Renewables Generation : India
(Unit : TWh)



Source: World Energy Outlook 2021
 STEPS: Stated Policies Scenario
 APS: Announced Pledges Scenario
 SDS: Sustainable Development 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 Badaun in UP
- Setting up of EV charging stations at 5000 retail outlets by 2025-26
- Green Hydrogen Production in Refineries

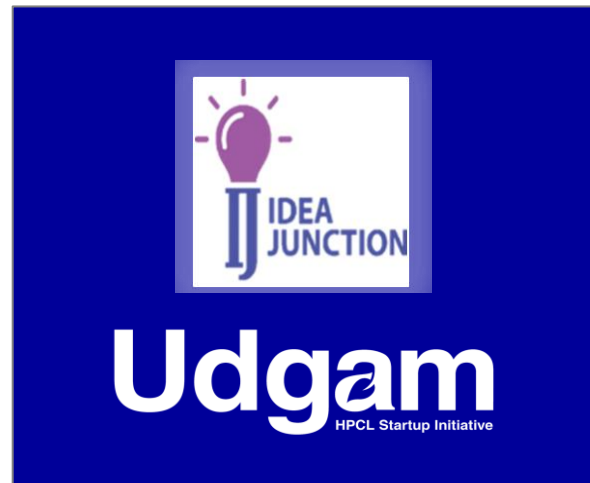
Thrust on R&D , Innovation and Digital Technologies

Own State-of-the Art R&D Centre



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

Leveraging Innovation



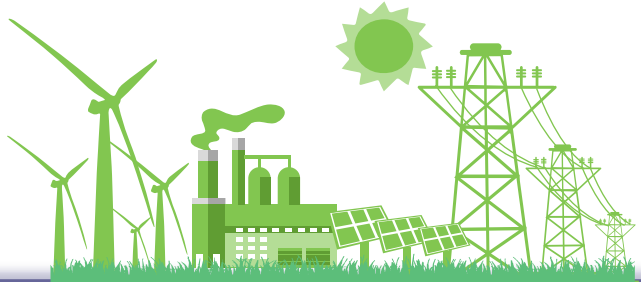
- 'Idea Junction' to capture Innovative Ideas
- Udgam – Leveraging startup ecosystem in India
- 30 focus areas related to energy sector
- 27 startups supported

Leveraging Digital Technologies



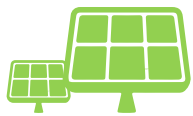
- Digital strategy in place
- Digital initiatives are under execution
- ERP modernization in progress
- Demand Forecasting
- Integrated Payment solutions
- AR/VR based Training
- Video Analytics

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.
- HPCL is in the process of developing a **validated roadmap** with the help of a world-renowned consultant 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 at level of 10.8%
- 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



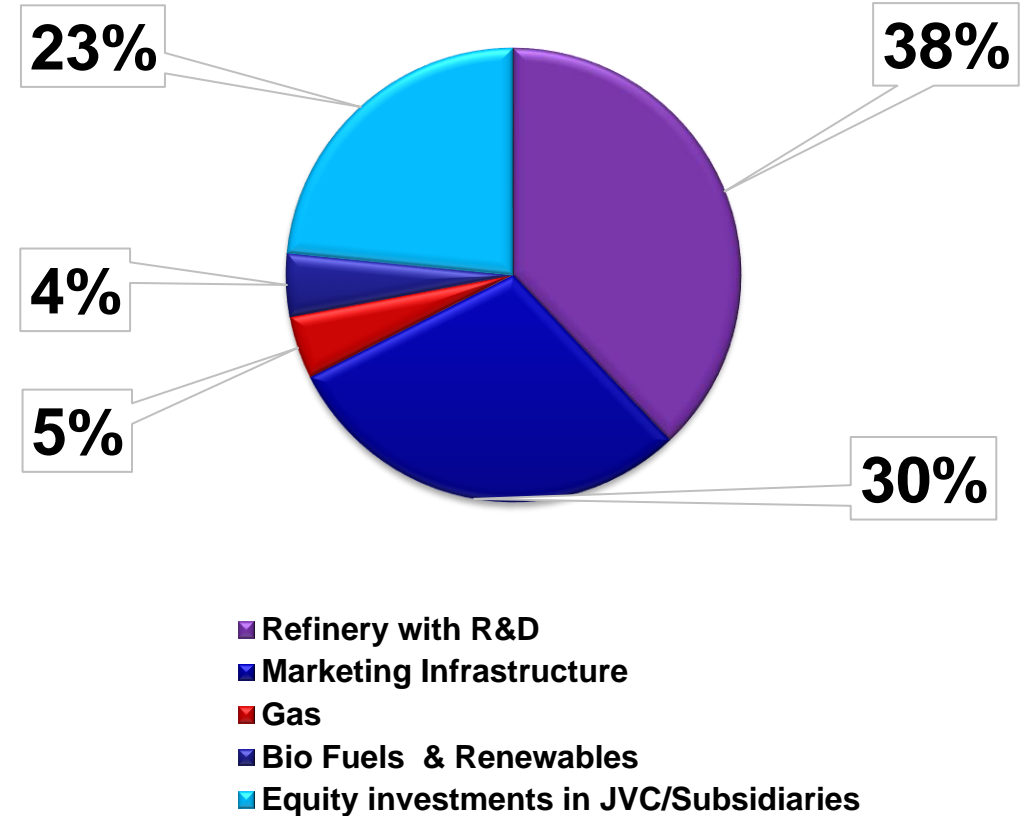
GRI Based Sustainability report

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
Total	14,500

Capex 2022-23



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

Refining



~100,000 Crore

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

Pipelines



~6,000 Crore

- 2.2 MMTPA Hassan Cherlappalli LPG Pipeline
- Barmer- Palanpur Pipeline
- Bathinda – Sangrur Pipeline

Natural Gas



~15,000 Crore

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

Marketing



~4,000 Crore

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



Mr. Pushp Kumar Joshi, Chairman & Managing Director, Additional in-charge of Dir- Marketing

- 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. Vinod Shenoy, Director – Refineries

- He is a Bachelor in Chemical Engineering from IIT Bombay and brings with him rich experience of over 3 decades in the Refinery divisions and Corporate Departments of HPCL with wide exposure to the Petroleum Industry.
- He also holds the directorship on the Boards of HPCL Mittal Energy Ltd, HPCL Rajasthan Refinery Limited, Mangalore Refinery and Petrochemicals Ltd., Ratnagiri Refinery and Petrochemicals Ltd and Prize Petroleum company Ltd.



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.

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Thank you