



# Bharat Petroleum Corporation Ltd.

## Investor Presentation

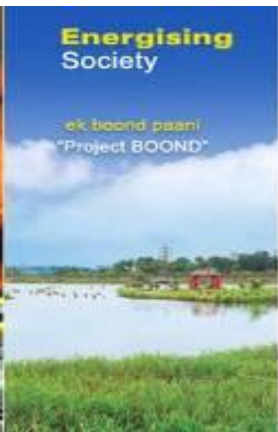
September 2013

**Energising  
Business**

**Energising  
Society**

**Energising  
Environment**

एक बंधन पूर्ण  
"Project BOOND"



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# 1. Corporate Overview

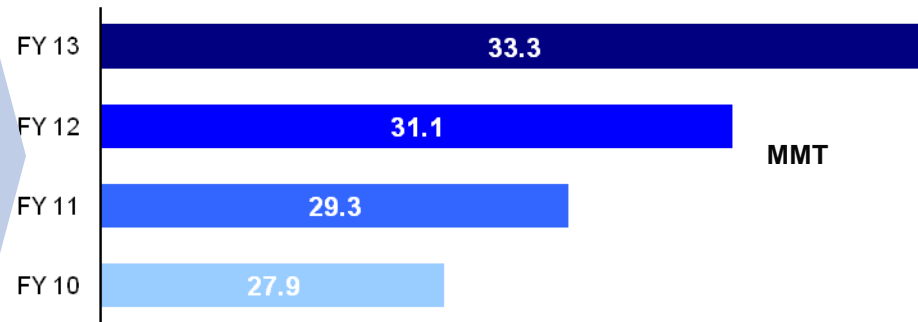
# Introduction

- India's 3rd largest company by turnover over INR 2,400 bn in FY13
- India's 2nd largest Oil Marketing Company (OMC) with sales volume of over 33 MMT in FY13
  - Domestic market share of 21.25% in FY13 v/s 20.58% in FY12
- Majority Govt. of India shareholding of 54.93% and explicit Govt. support through under-recovery compensation mechanism
- # 225 ranking on Fortune 2012 global list; One of only eight Indian companies on the list
- Well positioned to meet market demand across India through Strategically located Refineries and Marketing Infrastructure
- India's only OMC with a successful foray into upstream business <sup>(1)</sup>. BPCL through its subsidiary BPRL has acquired Participating Interests in 25 blocks across 6 countries
  - Estimated recoverable reserves of about 35-65 TCF till date in Rovuma basin (Mozambique)
  - Estimated resources of 200+ MMBOE<sup>(2)</sup> till date in Wahoo basin (Brazil)
- Ratings at par with the Sovereign
  - Baa3 (Outlook Stable) by Moody's / BBB- (Outlook Stable) by Fitch

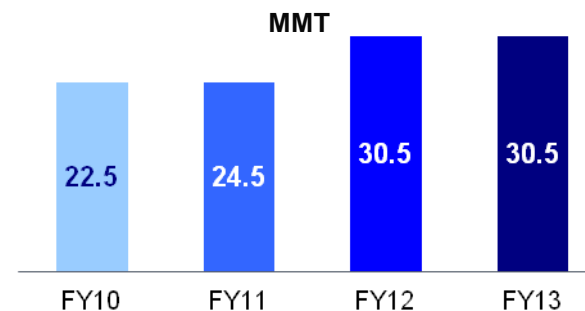
(1) Also reflected in consistently improving market capitalization  
 (2) Wood Mackenzie, Company reports  
 MMBOE - Million barrels of oil equivalent

TCF- Trillion cubic feet of gas  
 FY means Financial year ending 31st March

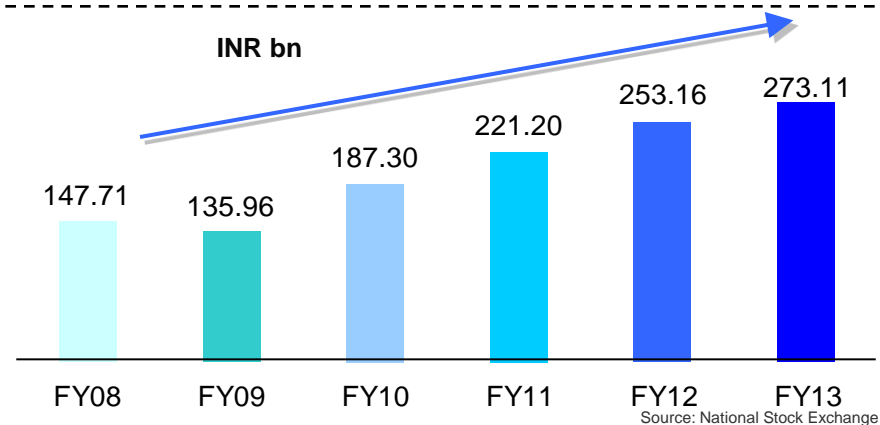
## Market Sales



## Refining Capacity

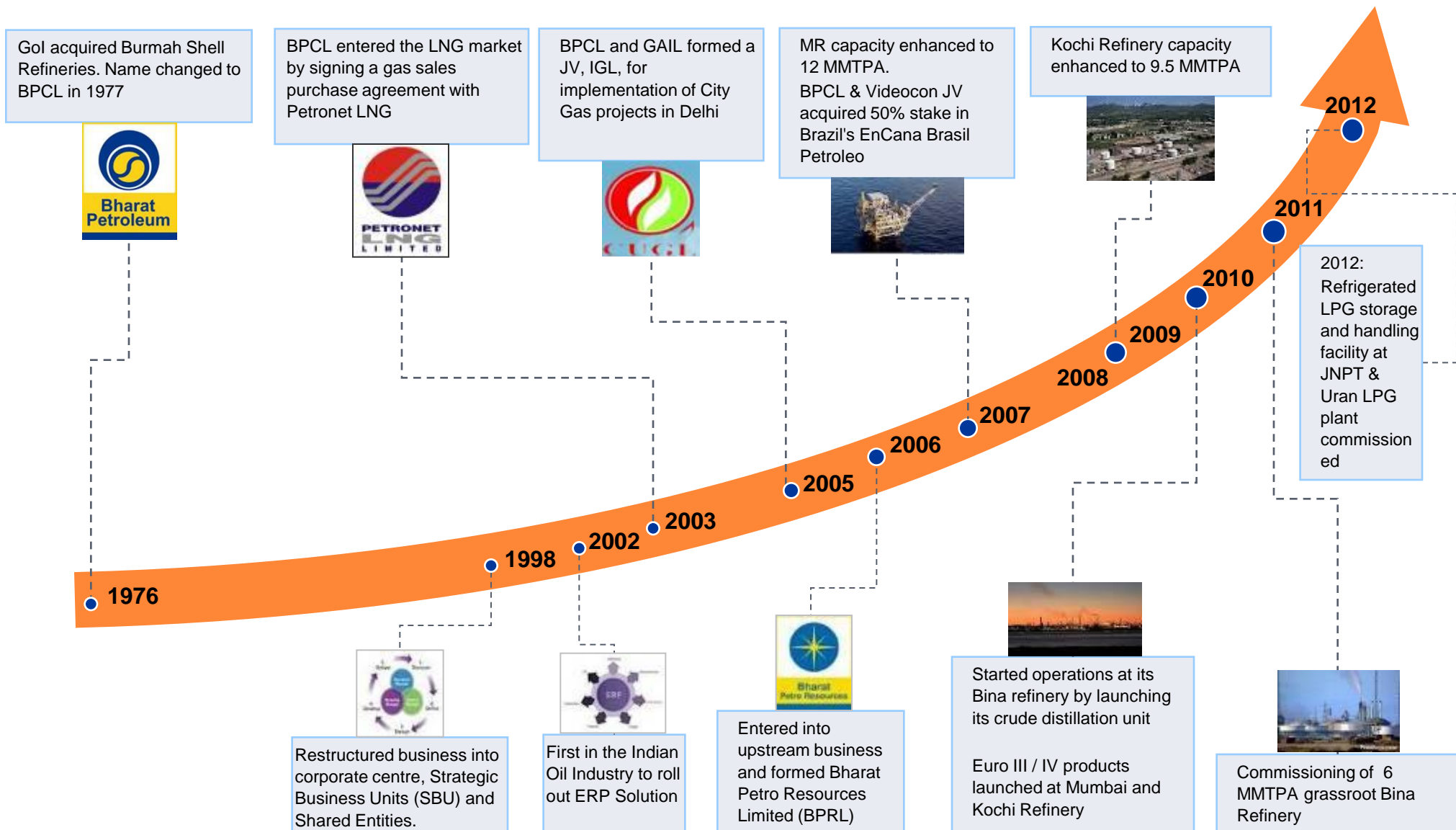


## Market Capitalization

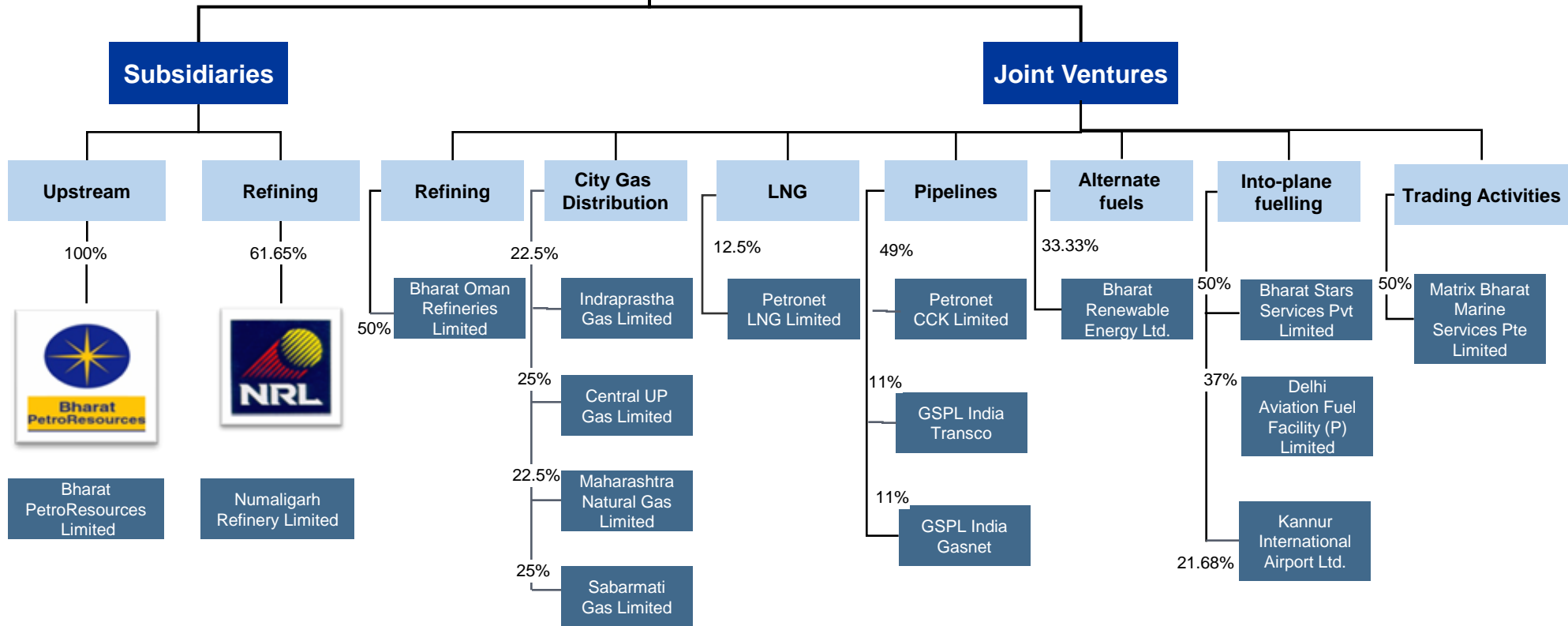


India's Leading Oil and Gas Company with presence across the Hydrocarbon Value Chain

# Important Milestones











# Major Subsidiaries/ JVs



# Key Business Verticals

## BHARAT PETROELUM CORPORATION LIMITED

| Refinery                                                                                                                                                                                                                        | Retail                                                                                                                                                                                                                          | Upstream                                                                                                                                                                                                      | Gas                                                                                                                                                                  | Industrial / Commercial                                                                                                                                         | Lubricants                                                                                                                                                                                    | LPG                                                                                                                                                                                                                             | Aviation                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <ul style="list-style-type: none"> <li>Refining capacity of 30.5MMTPA</li> <li>14% of the country's refining capacity<sup>(1)</sup></li> </ul> |  <ul style="list-style-type: none"> <li>27.5% market share*</li> <li>11,637 retail outlets</li> <li>115 depots and 12 installations</li> </ul> |  <ul style="list-style-type: none"> <li>PI in 25 oil &amp; gas blocks</li> <li>11 blocks in India and 14 overseas</li> </ul> |  <ul style="list-style-type: none"> <li>Currently 43 major LNG customers</li> </ul> |  <ul style="list-style-type: none"> <li>Currently 7,000 customers</li> </ul> |  <ul style="list-style-type: none"> <li>23.3% market share*</li> <li>Currently 16,000 customers</li> </ul> |  <ul style="list-style-type: none"> <li>25.9% market share*</li> <li>Currently 2,948 distributors</li> <li>49 LPG bottling plants</li> </ul> |  <ul style="list-style-type: none"> <li>23% market share* in ATF</li> <li>36 Aviation service stations</li> </ul> |
| <ul style="list-style-type: none"> <li>Strategically located refineries</li> </ul>                                                                                                                                              | <ul style="list-style-type: none"> <li>Pan India presence across products</li> </ul>                                                                                                                                            | <ul style="list-style-type: none"> <li>Global spread into pure play Exploration</li> </ul>                                                                                                                    | <ul style="list-style-type: none"> <li>Emerging Markets</li> </ul>                                                                                                   | <ul style="list-style-type: none"> <li>Reliable, innovative and caring supplier of I&amp;C products</li> </ul>                                                  | <ul style="list-style-type: none"> <li>Major OEM tie ups such as Tata Motors, Honda, Genuine Oil</li> </ul>                                                                                   | <ul style="list-style-type: none"> <li>Various Innovative offerings with ventures in allied business</li> </ul>                                                                                                                 | <ul style="list-style-type: none"> <li>Present at all the major gateways &amp; airports for into plane services</li> </ul>                                                                           |
| <ul style="list-style-type: none"> <li>Four refineries in Mumbai, Kochi, Numaligarh and Bina</li> </ul>                                                                                                                         | <ul style="list-style-type: none"> <li>Pioneer in branded retail outlets, branded fuels ex: Speed</li> </ul>                                                                                                                    | <ul style="list-style-type: none"> <li>Only Indian OMC to have made significant discoveries</li> </ul>                                                                                                        | <ul style="list-style-type: none"> <li>One JV in LNG and 4 city gas distribution JV's</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>Pioneer in IT integration and Supply Chain Management</li> </ul>                                                         | <ul style="list-style-type: none"> <li>Product customization</li> </ul>                                                                                                                       | <ul style="list-style-type: none"> <li>Current customer base of 37.1mn incl. retail and bulk</li> </ul>                                                                                                                         | <ul style="list-style-type: none"> <li>Only OMC to implement "Apron Fuel Management System"</li> </ul>                                                                                               |

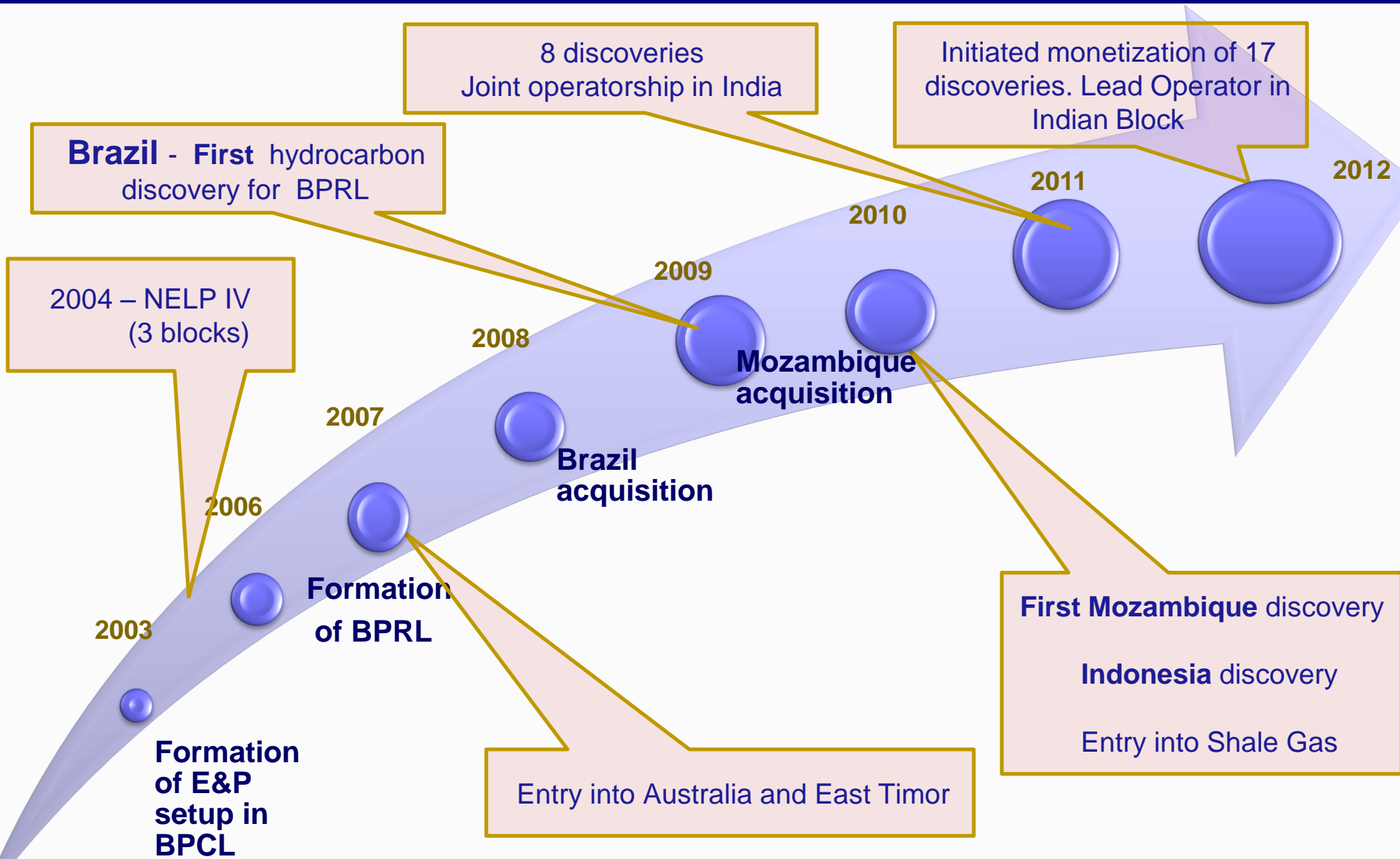
(1) Source : Ministry of Petroleum and Natural Gas

\* Market share includes sale by PSU oil marketing companies. All figures as of 31<sup>st</sup> March 2013

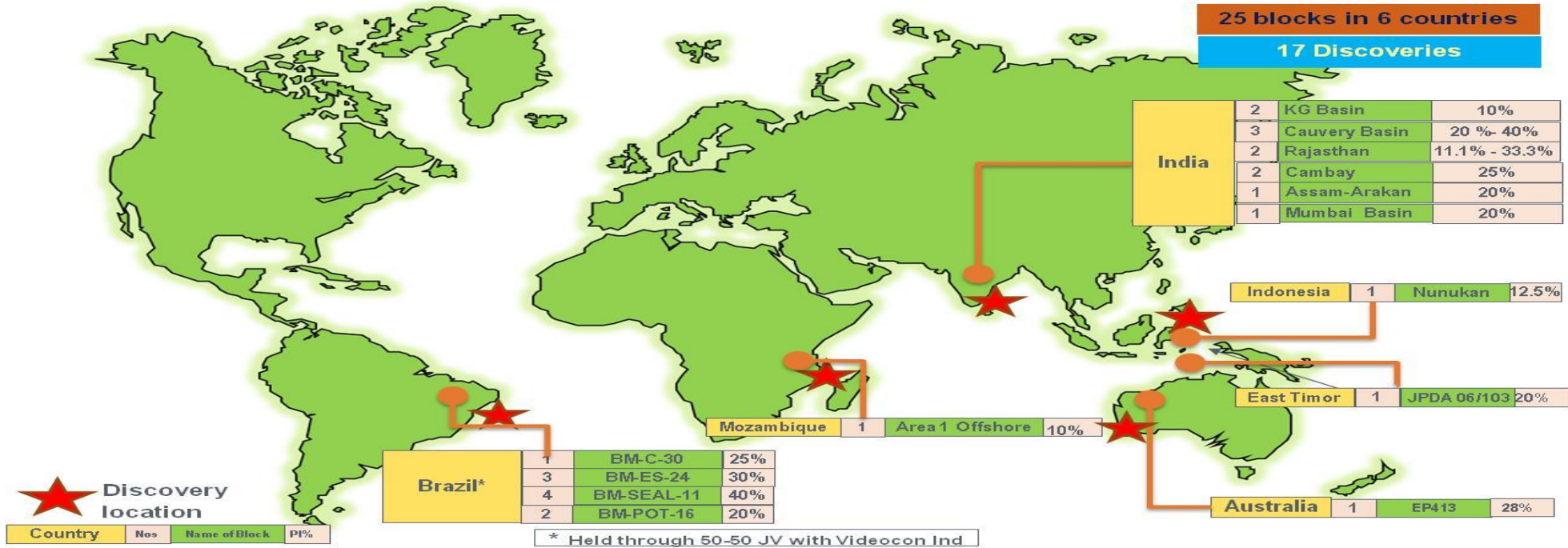


## 2. Business Overview

# BPRL's Upstream Story over the years.....



# Upstream Global Spread



## Mozambique

| Fields          | Recoverable resources (TCF) |
|-----------------|-----------------------------|
| Prosperidade    | 17-30+                      |
| Golfinho /Atum  | 10-30+                      |
| Orca / Linguado | 3-6 +(initial estimates)    |

## Brazil

| Concession | Well                | Net Pay    |
|------------|---------------------|------------|
| BM-C -30   | Wahoo - 1           | 65m        |
|            | Barra and Barra1    | 18 m & 12m |
| BM-SEAL-11 | Farfan and Farfan 1 | 40m & 51m  |
|            | Cumbe               | 17m        |
| BM-ES-24A  | Grana Padano        | 30m        |

Successful discoveries in Upstream to help BPCl achieve higher level of Vertical Integration

# Global Upstream Footprint

## Within India

| Exploration Block | Operator   | BPCL Stake* | Partners                           |
|-------------------|------------|-------------|------------------------------------|
| <b>NELP - IV</b>  |            |             |                                    |
| CY/ONN/2002/2     | ONGC       | 40.0%       | ONGC                               |
| <b>NELP- VI</b>   |            |             |                                    |
| KG/DWN/2004/2     | ONGC       | 10.0%       | ONGC, GAIL, GSPC, HPCL             |
| KG/DWN/2004/5     | ONGC       | 10.0%       | ONGC, GAIL, GSPC, HPCL, OIL        |
| CY/ONN/2004/1     | ONGC       | 20.0%       | ONGC                               |
| CY/ONN/2004/2     | ONGC       | 20.0%       | ONGC                               |
| RJ/ONN/2004/1     | GAIL       | 11.1%       | GAIL, GSPC, HPCL, Hallworthy, NFPL |
| <b>NELP - VII</b> |            |             |                                    |
| RJ/ONN/2005/1     | HOEC, BPRL | 33.33%      | HOEC, IMC                          |
| <b>NELP - IX</b>  |            |             |                                    |
| CB/ONN/2010/11    | GAIL, BPRL | 25.0%       | GAIL, EIL, BIFL, MIEL              |
| AA/ONN/2010/3     | OIL        | 20.0%       | OIL, ONGC                          |
| CB-ONN-2010/8     | BPRL       | 25.0%       | GAIL, EIL, BIFL, MIEL              |
| MB-OSN-2010/2     | OIL        | 20.0%       | OIL, HPCL                          |

## Australia & East Timor

| Exploration Block | Operator   | BPCL Stake* | Partners                                                   |
|-------------------|------------|-------------|------------------------------------------------------------|
| JPDA 06-103       | Oilex      | 20.0%       | Oilex, GSPC, Videocon, Japan Energy, Pan Pacific Petroleum |
| EP-413            | ARC Energy | 27.8%       | ARC Energy, Norwest, John Geary                            |

\* BPCL's stake held through its 100% owned subsidiary, BPRL

## Brazil

| Exploration Block | Operator  | BPCL Stake* | Partners                          |
|-------------------|-----------|-------------|-----------------------------------|
| SEAL-M-349        | Petrobras | 20.0%       | Petrobras, Videocon               |
| SEAL-M-426        | Petrobras | 20.0%       | Petrobras, Videocon               |
| SEAL-M-497        | Petrobras | 20.0%       | Petrobras, Videocon               |
| SEAL-M-569        | Petrobras | 20.0%       | Petrobras, Videocon               |
| ES-24-588         | Petrobras | 15.0%       | Petrobras, Anadarko, Videocon     |
| ES-24-661         | Petrobras | 15.0%       | Petrobras, Anadarko, Videocon     |
| ES-24-663         | Petrobras | 15.0%       | Petrobras, Anadarko, Videocon     |
| C-M-30-101        | Anadarko  | 12.5%       | Anadarko, Videocon, BP and Maersk |
| POT-16-663        | Petrobras | 10.0%       | Videocon, Petrobras, Petrogal, BP |
| POT-16-760        | Petrobras | 10.0%       | Videocon, Petrobras, Petrogal, BP |

## Mozambique

| Exploration Block       | Operator | BPCL Stake* | Partners                                                                |
|-------------------------|----------|-------------|-------------------------------------------------------------------------|
| Mozambique Rovuma Basin | Anadarko | 10.0%       | Anadarko, PTTEP <sup>(1)</sup> , Mitsui & Co., ENH, Videocon Industries |

## Indonesia

| Exploration Block          | Operator  | BPCL Stake* | Partners                              |
|----------------------------|-----------|-------------|---------------------------------------|
| Nunukan PSC, Tarakan Basin | Partamina | 12.5%       | Pertamina, MEDCO, Videocon Industries |

(1) PTTEP has acquired the 8.5% stake from Cove Energy (subject to regulatory approvals)

Partnership with established Oil & Gas operators expected to generate optimal returns for BPCL

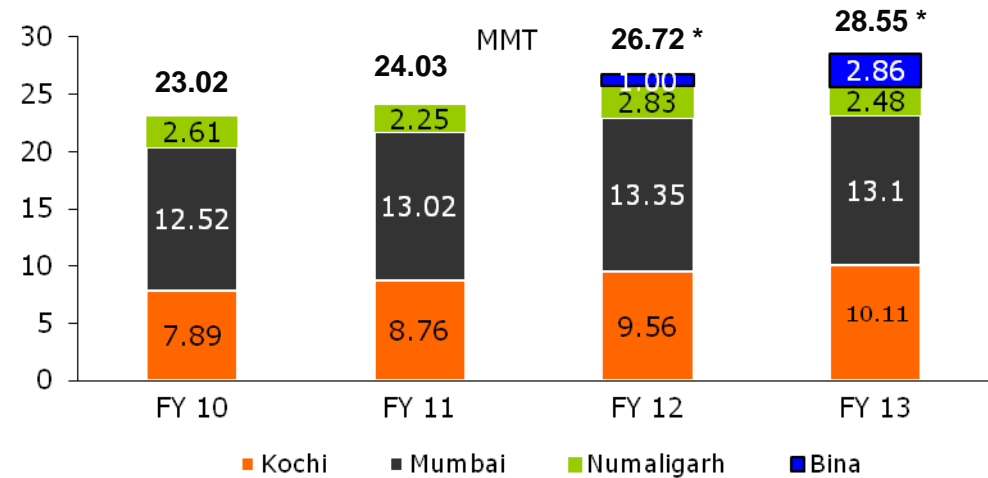
# Refining Coverage

## Installed Capacity

### Refining Capacity



## Refining Throughput



- Capacity Utilization consistently above global peers for KR and MR
- State of the art refinery at Bina - High Nelson Complexity Index of 9.1

\* Bina Refinery throughput mentioned as 1 MMT against a total of 2 MMT because it's a 50:50 JV

Four Strategically located refineries across India

Refinery Utilization rates significantly above global peers

935-km cross country pipeline to source crude to BORL

# Bina Refinery

- Bharat Oman Refineries Limited (BORL) - BPCCL Interest 49% with 120,000 bpd (6 MMT) Refining capacity at BINA
- State of art technologies - High Nelson Complexity Index 9.1
- Associated Facilities - SPM, Crude Oil Terminal, 935-km cross country crude oil pipeline from Vadinar to Bina (VBPL)
- Graded improvement in operations with the Refinery achieving more than 100% of the design capacity in the recent months
- GRM of 9.1 \$/bbl during 2012-13

Pipelines : ■■■■■■■■

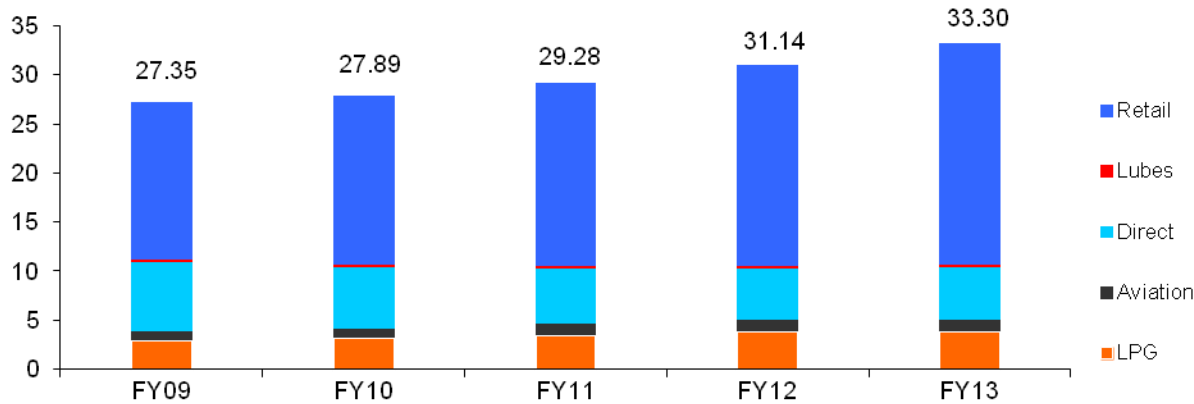


*Bina refinery to consolidate refining portfolio required to support downstream retailing market in Northern India.*

Bina refinery to consolidate refining portfolio required to support downstream retailing market in Northern India

# Marketing Operations and Efficiencies

## SBU Market Sales (MMT)



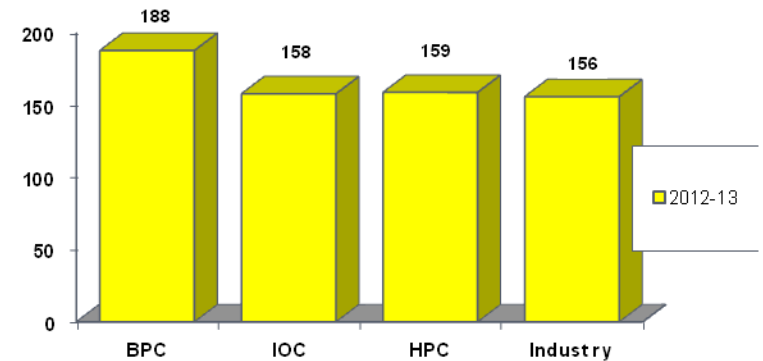
## Retail Market Share of MS & HSD \*

- MS > 28.30%
- HSD > 28.56%

## LPG Bottling Plant Capacity (TMT)



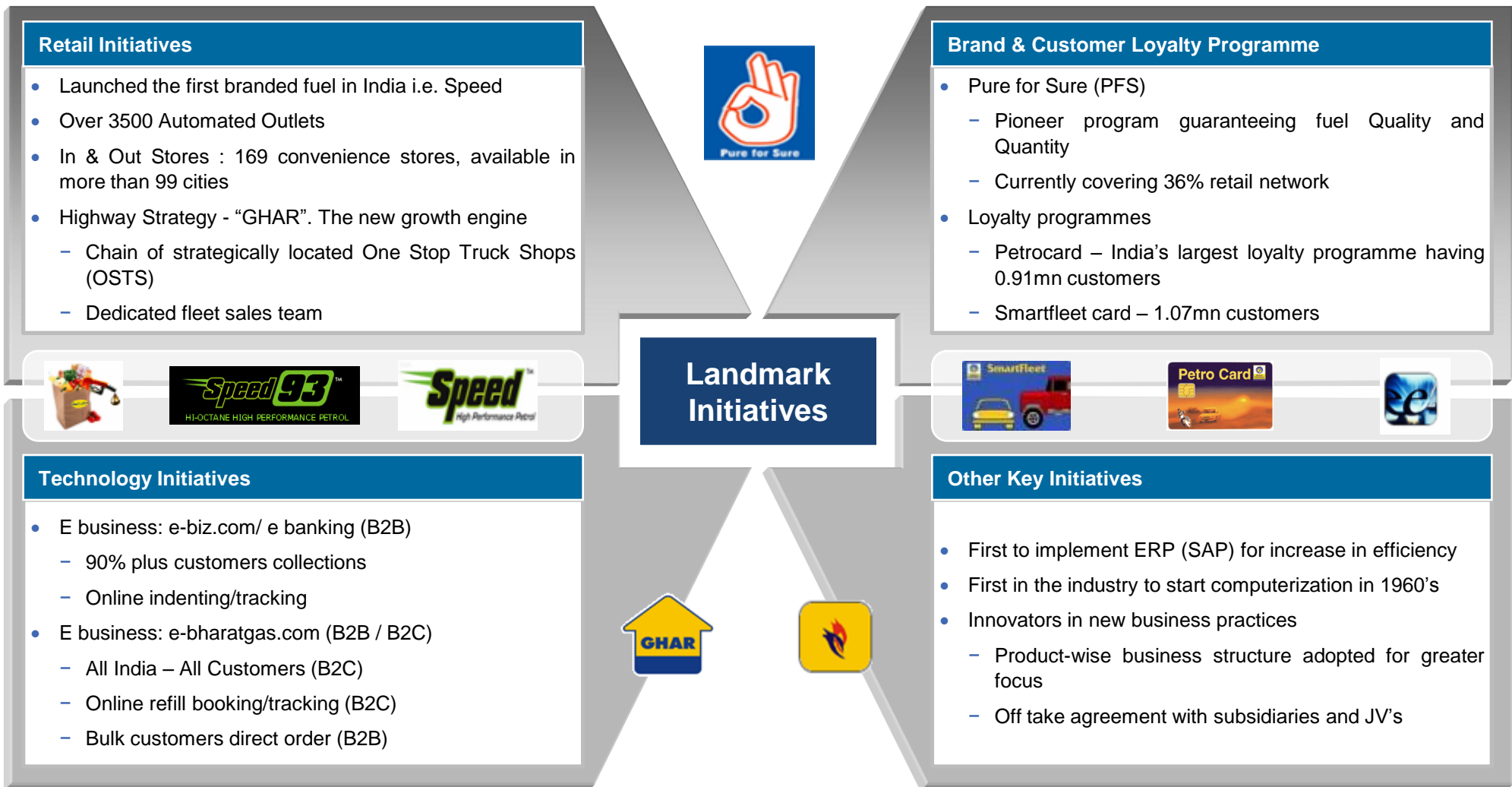
## Thruput per Outlet BPC Vs. Industry (KL)



\* Market share includes sale by PSU oil marketing companies. All figures as of 31st March 2013

Leading Player with a Diversified product portfolio and a well-established Marketing and Distribution network

# Marketing Expertise and Industry Pioneer Status

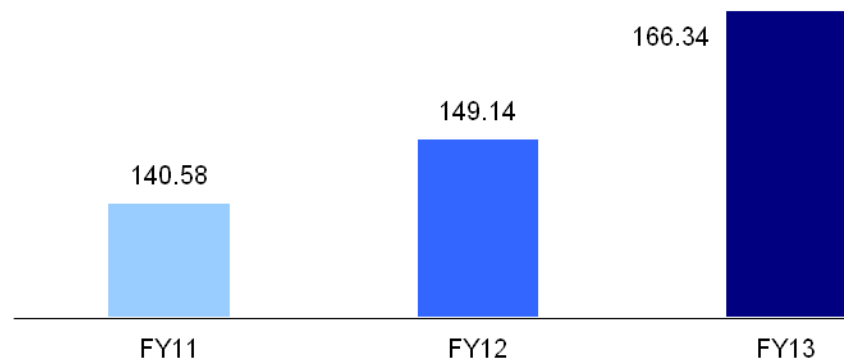


Continuous innovation to extend customer focus and improve operational and financial efficiency

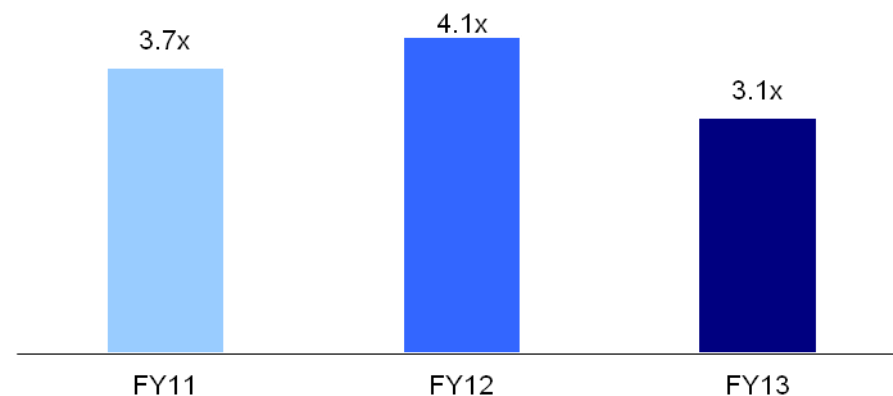


# Stable Financial Performance

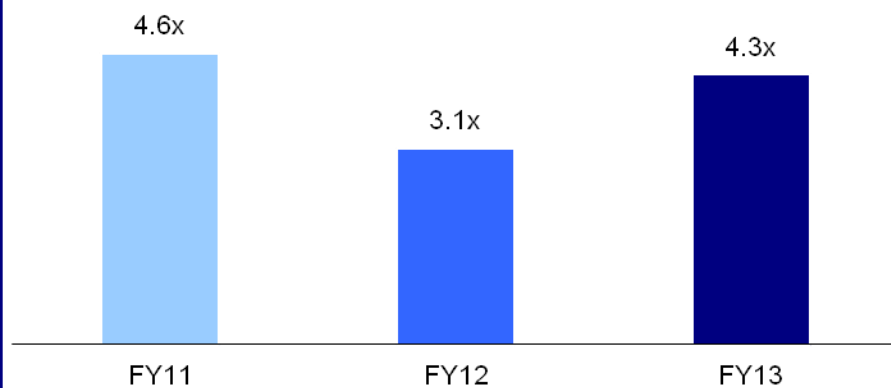
Net Worth (INR bn)



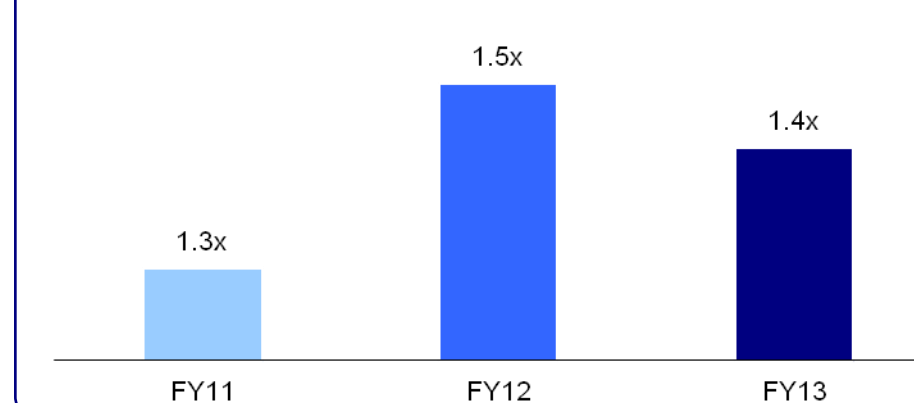
Total Debt / EBITDA



EBITDA / Interest



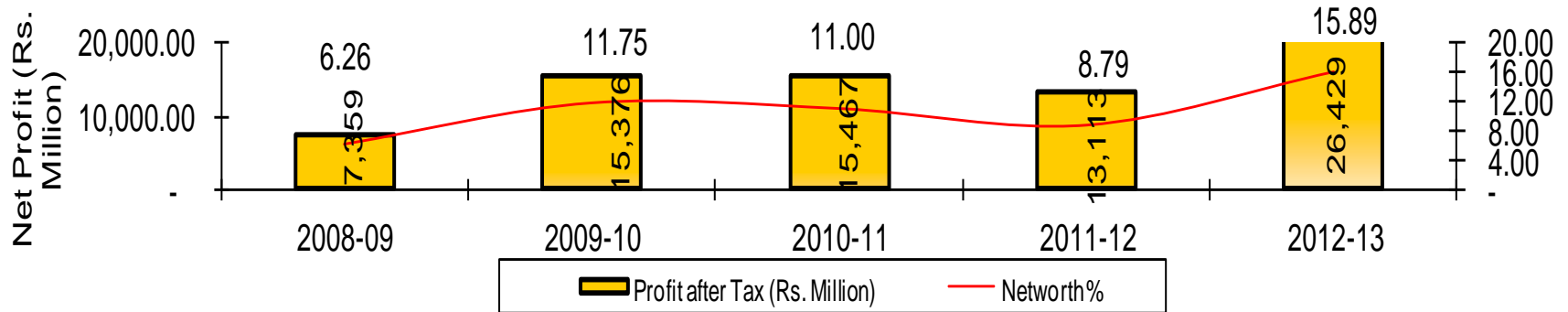
Total Debt / Equity



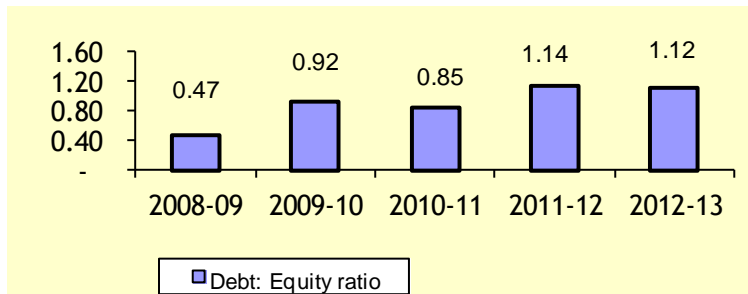
Stable Earnings and Sound Financial Leverage driving Credit Strength

# Stable Financial Performance

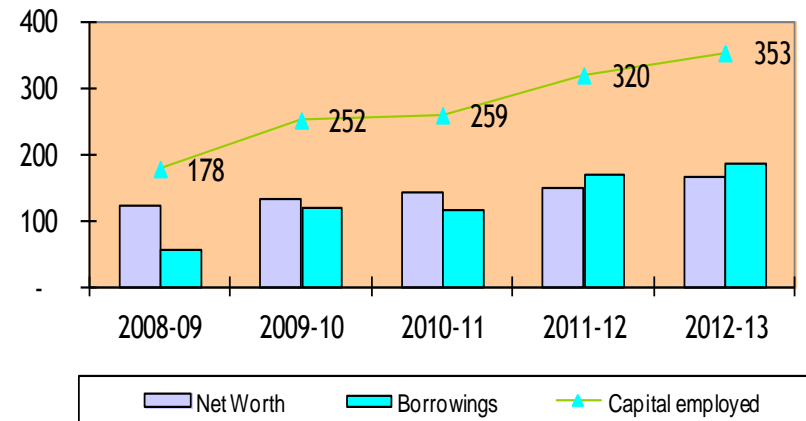
**PAT (INR Million)/ Networth (%)**



**Adjusted Debt-Equity Ratio <sup>(1)</sup>**



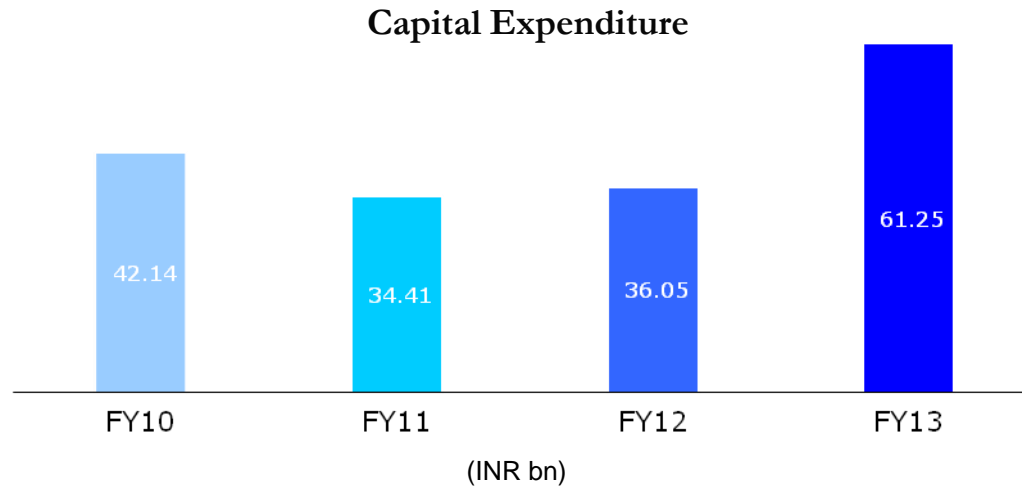
**Adjusted Capital Employed (INR Billion) <sup>(1)</sup>**



(1) Adjusted for bonds outstanding as on 31<sup>st</sup> March 2013

Stable Earnings and Sound Financial Leverage driving Credit Strength

# Future Strategy



- Strategically expand its upstream activities through inorganic and organic growth opportunities
- Investment in refining and distribution capacity to bridge the gap between sales volumes and production
- Expand capacities and improve efficiencies at existing installation and refineries
- Create opportunities with the manufacture of niche petrochemicals
- Improve margin and value through facility upgrades

Significant Expansion in Upstream and Downstream business to drive future growth

## Ongoing projects – thriving to be self sufficient integrated source of fuel supply

- **Integrated Refinery Expansion Project (IREP) at Kochi – Increasing refining capacity from 9.5 MMTPA to 15.5 MMTPA along with modernization of existing facilities to produce future quality fuels**
- **Mumbai Refinery – Catalytic Cracking Reformat (CCR) unit & Replacement of CDU I & II**
- **Investments in Gas pipelines – GIGL & GITL pipelines in Joint Venture**
- **Retail : Network expansion with infrastructure growth and upgradation**
- **Expansion of marketing infrastructure across all business areas**

Significant Expansion in Downstream & Marketing network to drive future growth

# Upcoming projects

- Kochi - Foray into Niche Petrochemicals
- Funding for upstream developments and new assets
- Mumbai Refinery – Upgrade/de-bottlenecking
- Bina Refinery – Creeping Expansion
- Investments in Gas
- Kota – Jubner pipeline – Augmentation of existing product pipeline
- Expansion of marketing infrastructure across all business areas
- Investment of Rs. 40,000 crore on Upcoming and Ongoing project over the period of next 5 years

More expansions in Upstream, Downstream business & Marketing network

# Highly Experienced Management Team



## **Mr. S Varadarajan, Chairman & Managing Director**

- Over 30 years of industry experience. He also holds the position of Chairman in Numaligarh Refineries Ltd. & position of Director in Bharat PetroResources Ltd (BPRL) and Petronet LNG Limited (PLNG).
- He has been responsible for the overall Treasury Management, Risk Management, Corporate Accounts, Taxation and Budgeting. In addition to finance, he has handled marketing as head of sales for the retail business in southern region and also led the corporate strategy team
- He is also entrusted with additional charge of Director (Finance) currently



## **Mr. K K Gupta, Director Marketing**

- Over 33 years of industry experience.
- He is also a Director on the Boards of Bharat PetroResources Ltd (BPRL), Indraprastha Gas Ltd., Sabarmati Gas Ltd. etc
- He has had the distinction of heading three major Business Units viz. Lubes, LPG and Retail



## **Mr. B K Datta , Director Refineries**

- Over 33 years of industry experience
- He is also a Director on the Boards of Bharat Oman Refineries Ltd., Bharat PetroResources Ltd (BPRL) and Numaligarh Refinery Ltd.
- He has held multiple key positions across business verticals such as Refineries, Integrated Information Systems, Supply Chain Management.



## **Mr. S P Gathoo , Director Human Resources**

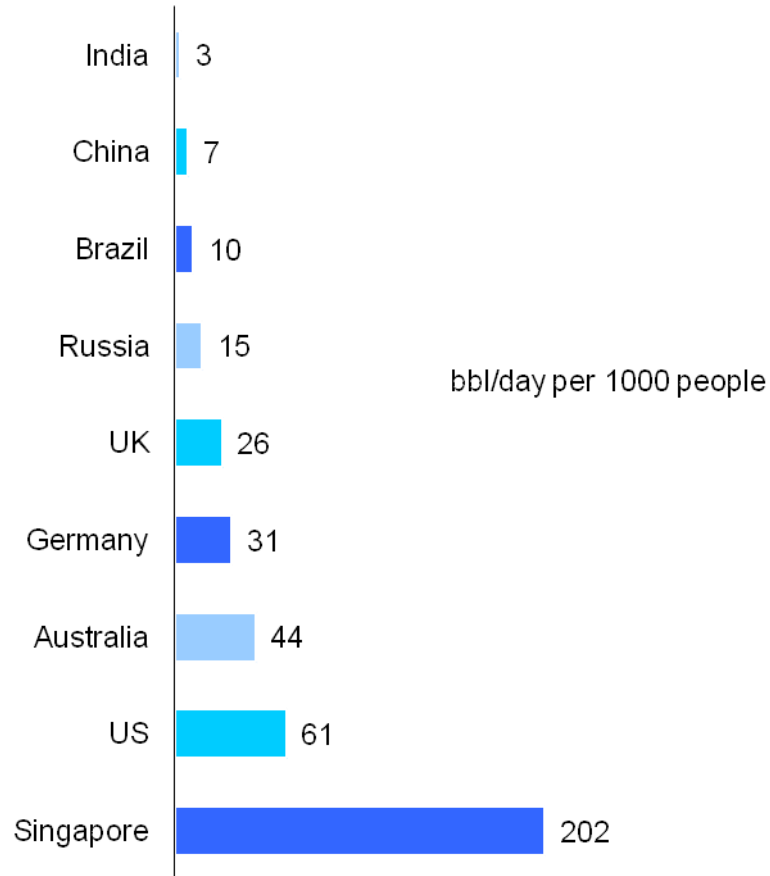
- Over 26 years of experience with BPCL and prior to that worked with BHEL and NTPC Limited
- He also holds the position of Director on the Boards of Bharat Oman Refineries Limited.
- He has had experience across business vertical such as Lubricants, Business & Information Technology and HR function

The Senior Management team has in-depth Knowledge and Extensive Experience in the Oil and Gas industry

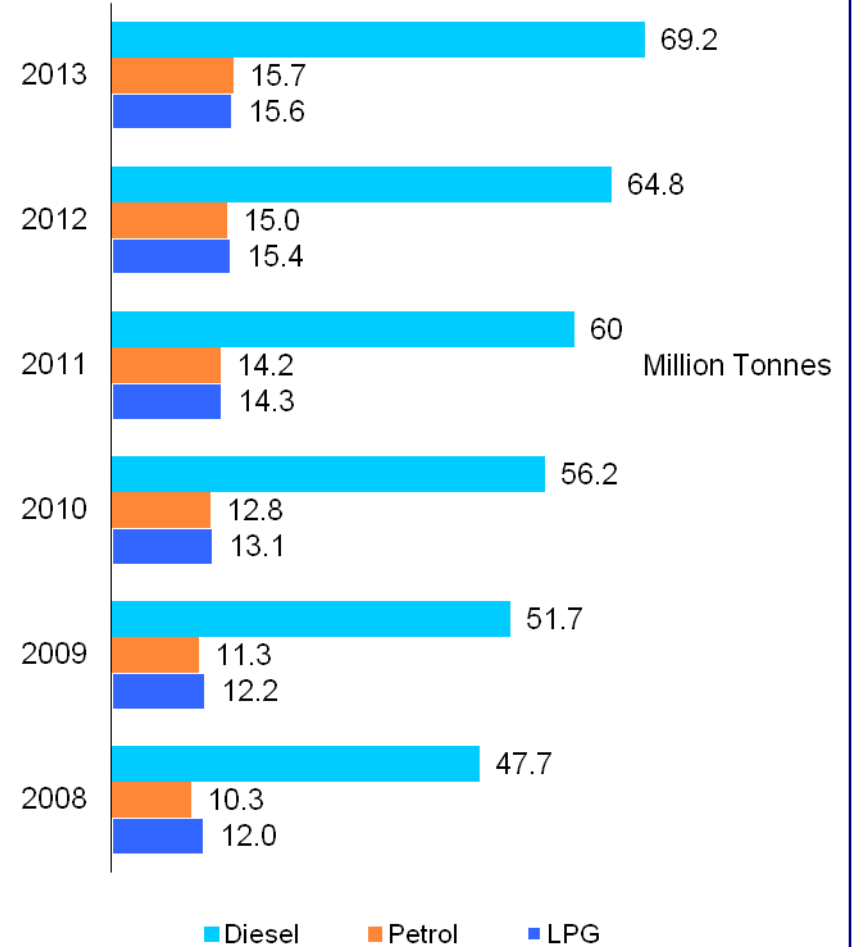
### 3. Industry Overview

# India - Oil and Gas Demand

## Per Capita Oil Consumption



## India Oil Demand

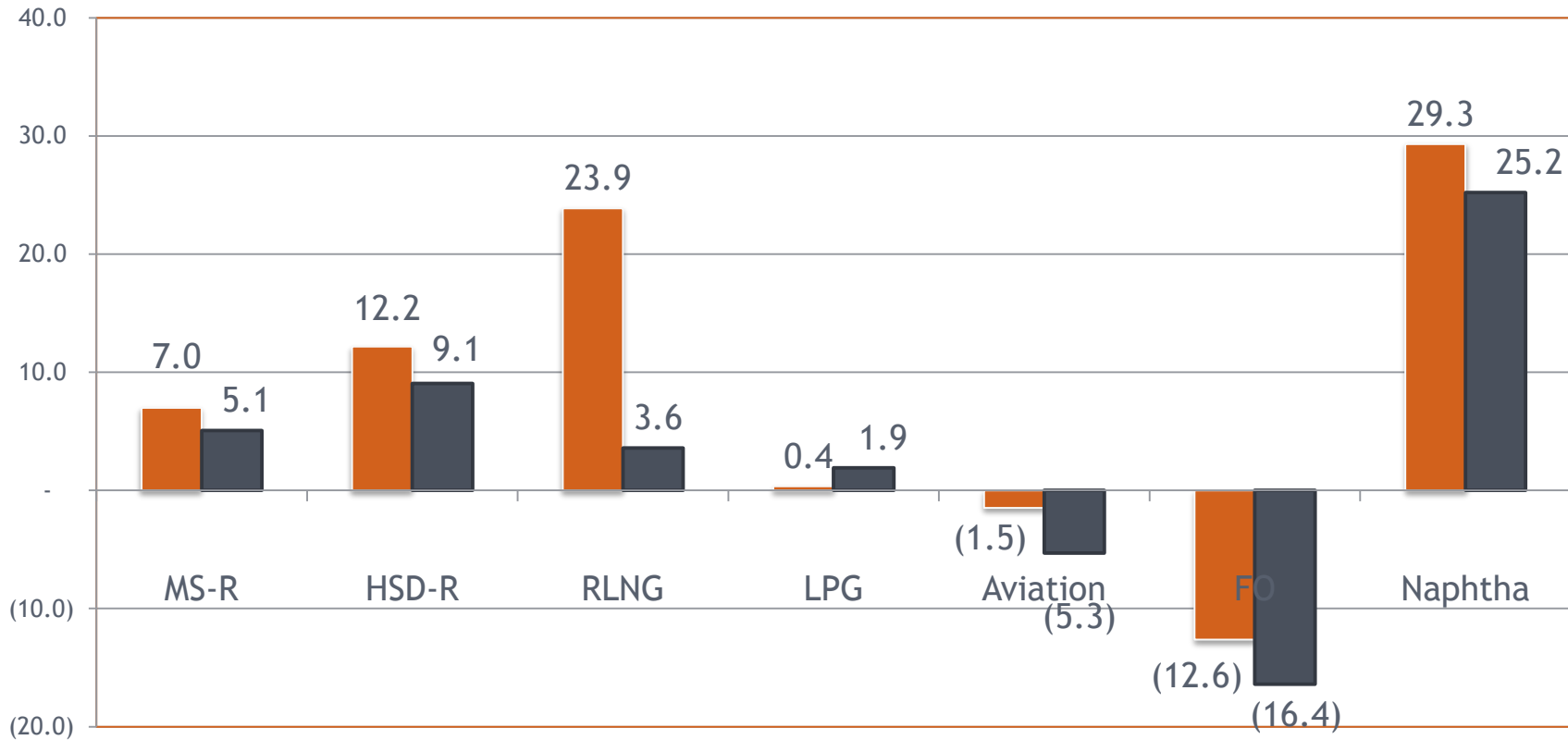


Source: CIA World Factbook, Central Statistics Office

Significant Potential for Domestic O&G Companies given the Low per-capita Oil Consumption and Growing demand.



# Industry (PSU) Vs BPC sales growth (%) during FY13



| Overall Growth (%) |      |
|--------------------|------|
| Industry (PSU)     | 3.16 |
| BPC                | 6.94 |

■ BPC ■ Industry

# Indian Oil Industry

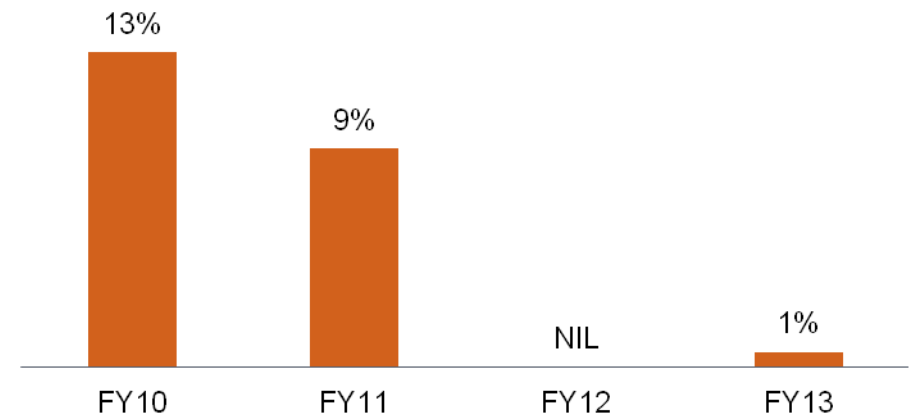
## Sharing of Under Recoveries

- Prices of retail sales of diesel, LPG and Kerosene Oil are capped by the Government of India (GoI)
- Under-recoveries shared among GoI, the public sector OMCs and the public sector upstream companies (ONGC, OIL and GAIL)
- Under-recoveries determined and allocated provisionally by the GoI on quarterly basis
- Govt. has consistently compensated OMCs including BPCL for under recoveries and ensured reasonable profitability

## Positive Policy actions

- Petrol Prices De-regulated completely
- Gasoil (Retail) – Regular consumer price increases
- Gasoil – Bulk sales completely deregulated
- Restricted supply/Targeted subsidies for cooking fuel products

## % Sharing of Under Recoveries by OMCs



Strategic position in the Indian economy with way to deregulation of fuel sector in the country



**Thank You**