



Bharat Petroleum Corporation Ltd.

Investor Presentation

February 2018

**Energising
Business**

**Energising
Society**

**Energising
Environment**

Ek boond paani
"Project BOOND"



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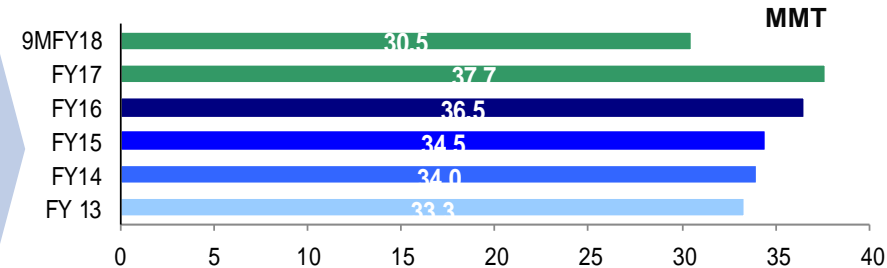
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1. Corporate Overview

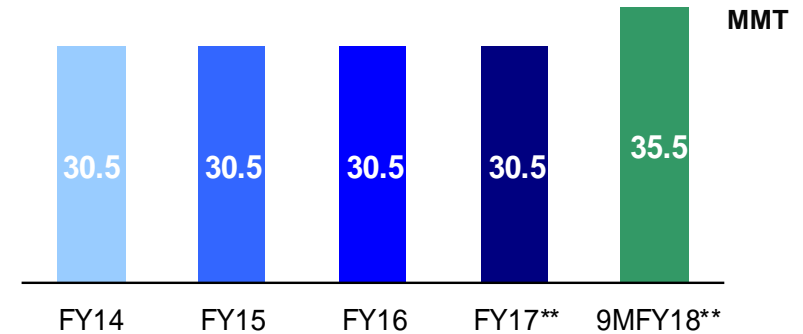
Introduction

- India's 6th largest company by turnover over INR 2,420 bn in FY17 and INR 2,179 bn in FY16
- India's 2nd largest Oil Marketing Company (OMC) with domestic sales volume of over 37.68 MMT in FY17 and 36.53 MMT in FY16
 - Domestic market share of 20% during FY17
- Majority Govt. of India shareholding of 54.93% and explicit Govt. support through under-recovery compensation mechanism
- # 360 ranking on Fortune 2017 global list; ranks 6th among the only seven Indian companies on the list
- The Govt. of India conferred BPCL with "MAHARATNA" status in Sep 2017
- Well positioned to meet market demand across India through Strategically located Refineries and Marketing Infrastructure
- Successful foray into upstream business.
- Ratings at par with the Sovereign
 - Baa2 (Outlook Positive) by Moody's / BBB- (Outlook Stable) by Fitch

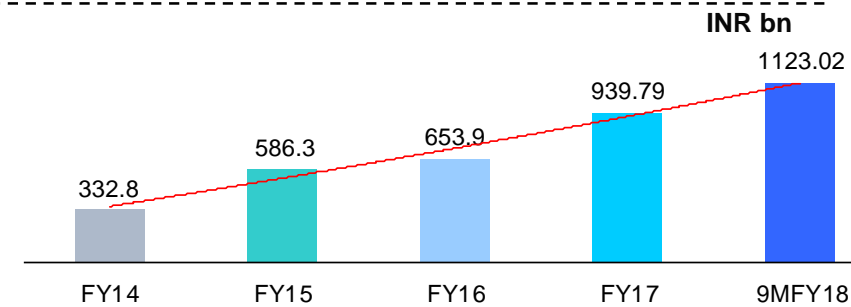
Market Sales



Refining Capacity



Market Capitalization ^



^ Market capitalization figures as on period end

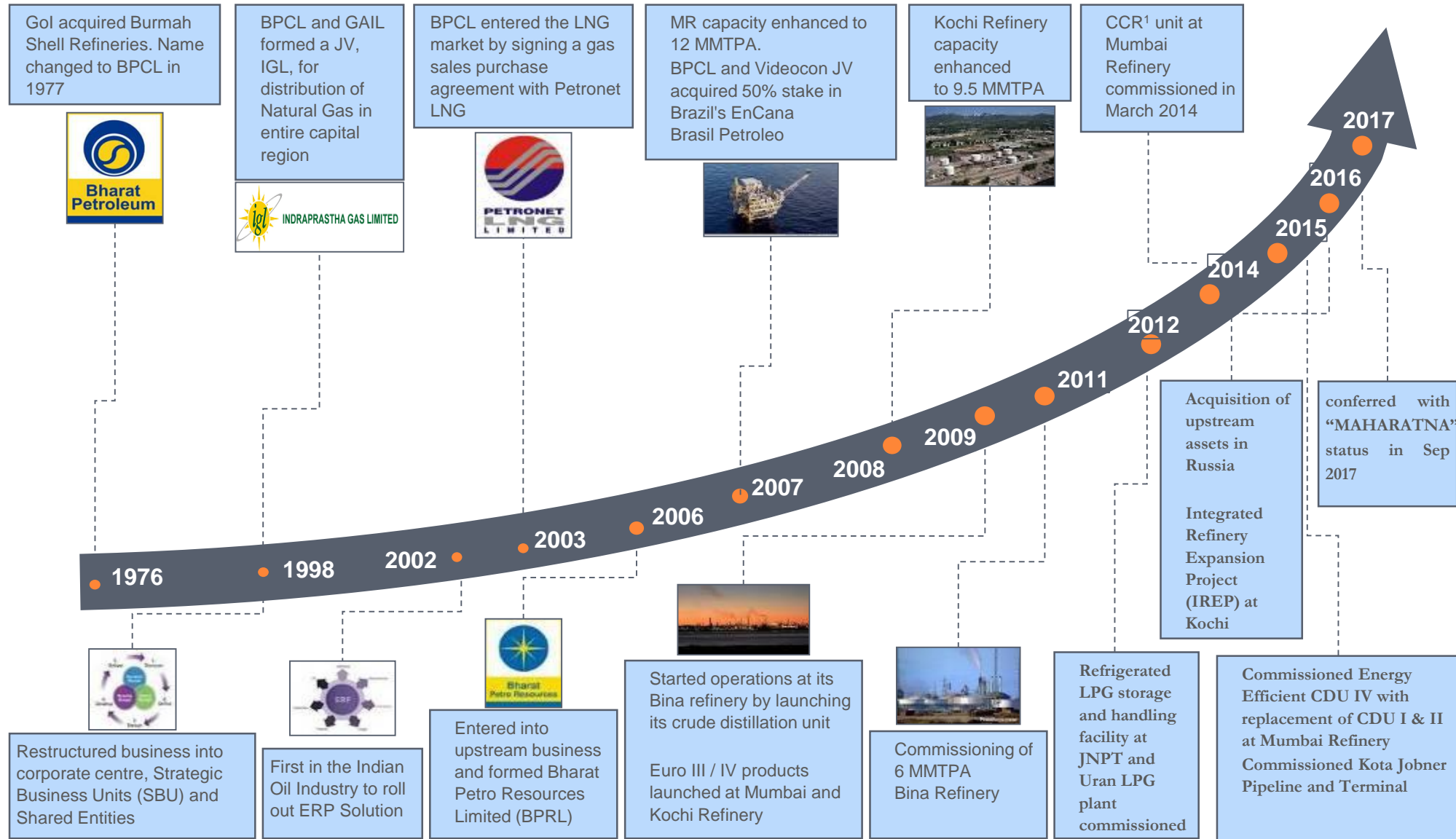
FY means Financial year ending 31st March

** includes additional capacity of IREP; all units are fully commissioned and are under stabilization

Source: National Stock Exchange

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

Important Milestones



Major Subsidiaries/ JVs



Subsidiaries

Joint Ventures & Associates

Upstream

100.00%



Bharat
PetroResources
Limited

Refining

61.65%



Numaligarh
Refinery Limited

Refining

50.00%
Bharat Oman
Refineries Limited

City Gas Distribution

22.50%
Indraprastha Gas
Limited

25.00%
Central UP Gas
Limited

22.50%
Maharashtra
Natural Gas
Limited

49.94%
Sabarmati Gas
Limited

50.00%
Haridwar Natural
Gas Private
Limited

50.00%
Goa Natural Gas
Pvt. Ltd.

Pipelines

50.00%
Kochi Salem
Pipeline Pvt.
Limited

11.00%
GSPL India
Transco

11.00%
GSPL India
Gasnet

16.00%
Petronet India
Limited

Aviation Services

50.00%
Bharat Stars
Services Pvt
Limited

37.00%
Delhi Aviation
Fuel Facility (P)
Limited

21.68%
Kannur
International
Airport Ltd.

25.00%
Mumbai Aviation
Fuel Facility (P)
Limited

74.00%
BPCL-KIAL Fuel
Farm Facility Pvt.
Ltd.

Trading Activities

50.00%
Matrix Bharat
Pte Limited

LNG

12.50%
Petronet LNG
Limited

Others

21.10%
FINO Paytech Ltd

Pipelines

100%







Petronet CCK
Limited

2. Business Overview

Diversified Product Offering and Presence Across Value Chain

BHARAT PETROLEUM CORPORATION LIMITED

Refinery	Retail	LPG	Industrial/ Commercial	Aviation	Lubricants	Gas
 <ul style="list-style-type: none"> Refining capacity of 35.5 MMTPA¹ 15% of the country's refining capacity³ 	 <ul style="list-style-type: none"> 26.3% market share² 14,255 retail outlets 115 depots and 13 installations 	 <ul style="list-style-type: none"> 26.3% market share² Currently 4,868 distributors 51 LPG bottling plants 	 <ul style="list-style-type: none"> Currently 7,000 customers 	 <ul style="list-style-type: none"> 24% market share² in ATF 43 Aviation service stations 	 <ul style="list-style-type: none"> 20.2% market share² Currently 16,000 customers More than 1000+ grades of products 	 <ul style="list-style-type: none"> 50+ major LNG customers
<ul style="list-style-type: none"> Strategically located refineries 	<ul style="list-style-type: none"> Pan India presence across products 	<ul style="list-style-type: none"> Various Innovative offerings with ventures in allied business 	<ul style="list-style-type: none"> Reliable, innovative and caring supplier of I&C products 	<ul style="list-style-type: none"> Present at all the major gateways and airports for into plane services 	<ul style="list-style-type: none"> Major OEM tie ups such as Tata Motors, Honda, Genuine Oil, TVS etc. 	<ul style="list-style-type: none"> Emerging Markets
<ul style="list-style-type: none"> Four refineries in Mumbai, Kochi, Numaligarh and Bina 	<ul style="list-style-type: none"> Pioneer in branded retail outlets, branded fuels ex: Speed 	<ul style="list-style-type: none"> Current customer base of 59mn incl. retail and bulk 	<ul style="list-style-type: none"> Pioneer in IT integration and Supply Chain Management 	<ul style="list-style-type: none"> Only OMC to implement "Apron Fuel Management System" 	<ul style="list-style-type: none"> Product customization 	<ul style="list-style-type: none"> 1 JV in LNG; 2 gas pipeline JVs City gas distribution networks in 10 cities

1. Includes capacity from IREP units which are fully commissioned and are currently under stabilisation.
2. Market share includes sale by PSU as well as private oil marketing companies. All figures as of 31st December 2017
3. Source : Ministry of Petroleum and Natural Gas.

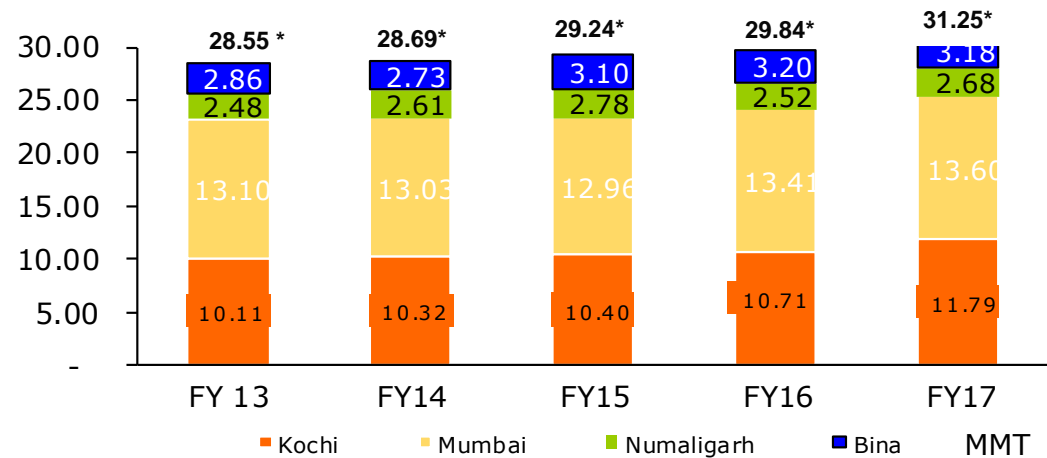
Refining Coverage

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 is considered proportionately because it's a 50:50 JV

** includes additional capacity after IREP - the units are commissioned and are under stabilization

Four Strategically located refineries across India

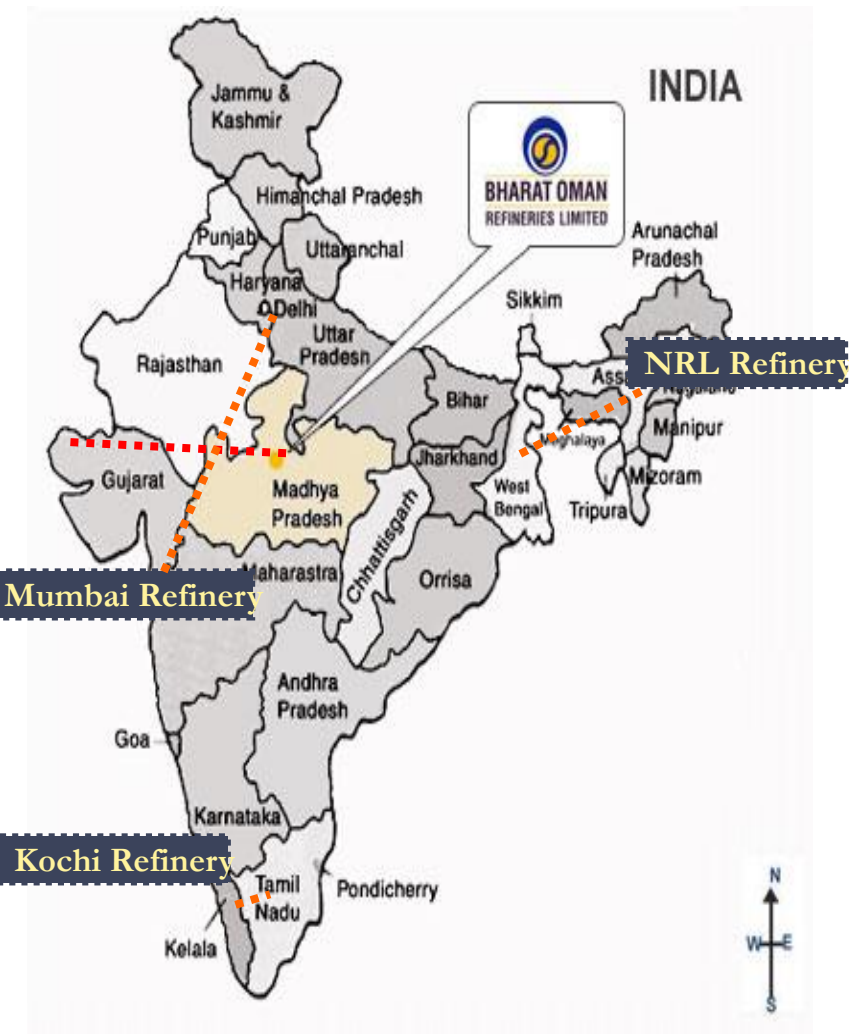
Refinery Utilization rates significantly above global peers

935-km cross country pipeline to source crude to BORL

Bina Refinery

- Bharat Oman Refineries Limited (BORL) -BPCL Interest 50% 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 operating at more than 100% of the design capacity during FY17
- Low cost capacity expansion from 6 MMTPA to 7.8 MMTPA
- GRM of \$11.8/bbl during FY17 and \$11.60/bbl during 9MFY18

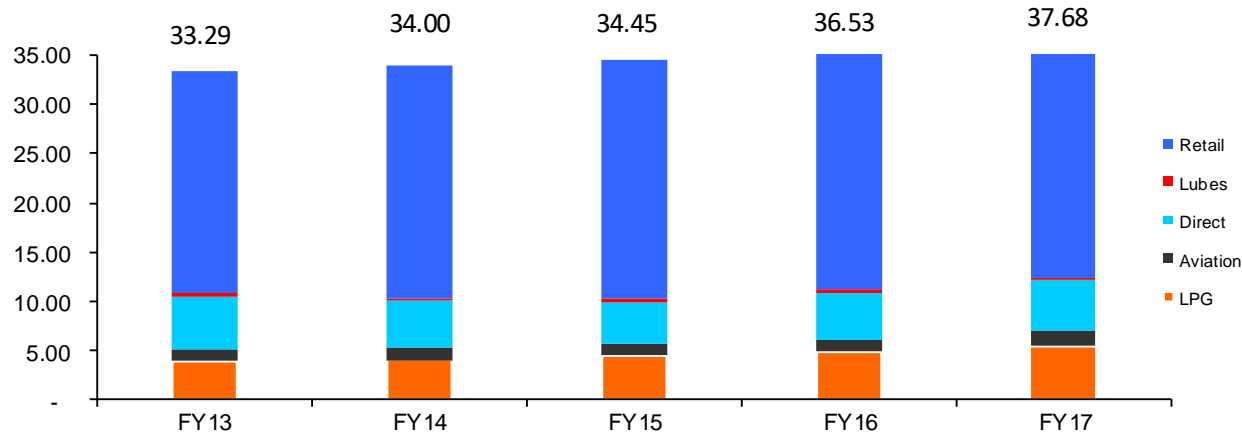
Pipelines :



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

Marketing Operations and Efficiencies

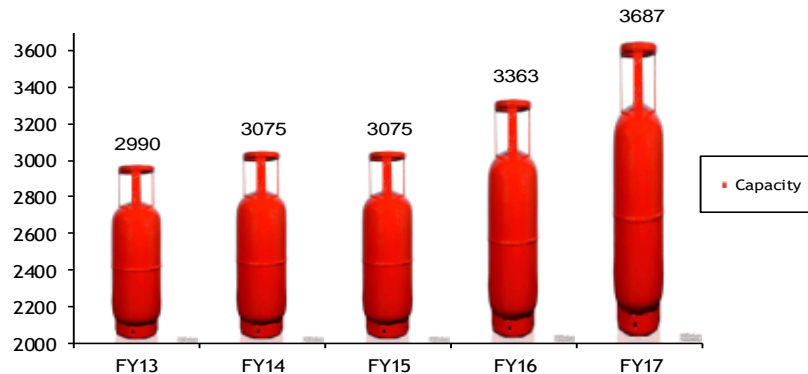
SBU Market Sales (MMT)



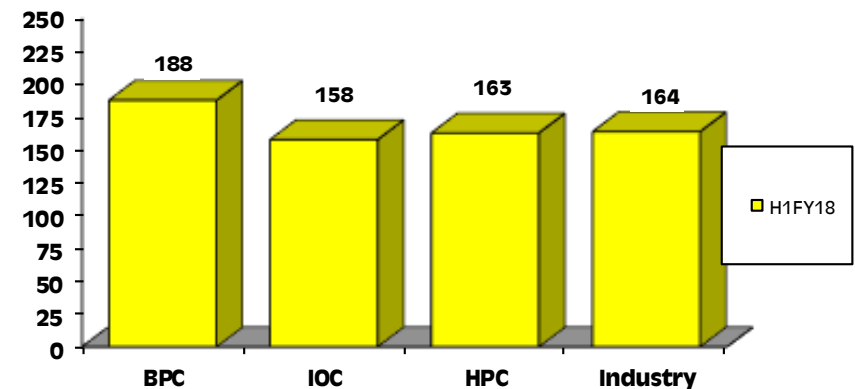
Retail Market Share of MS & HSD *

- MS > 26.80%
- HSD > 26.60%

LPG Bottling Plant Capacity (TMTPA)



Thru'put per Outlet BPC Vs. Industry (KL)

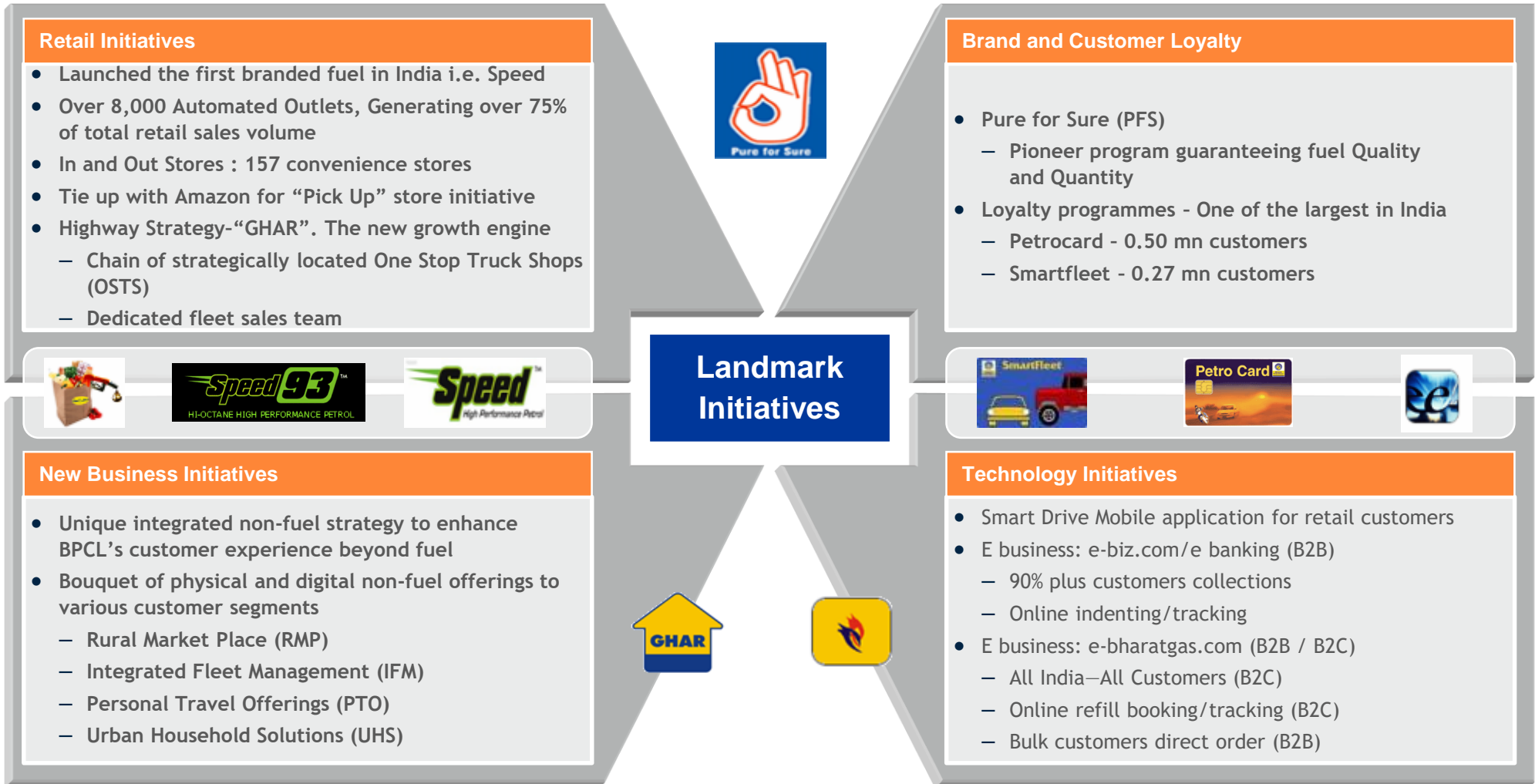


* Market share includes sale by PSU as well as private oil marketing companies during 9MFY18

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

Efficient Marketing Operations and Infrastructure

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



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

- Integrated Refinery Expansion Project (IREP) at Kochi – Increased refining capacity from 9.5 MMTPA to 15.5 MMTPA along with modernization of existing facilities to produce future quality fuels – Fully Commissioned – stabilization in process
- Mumbai Refinery – Gasoline Hydro-treatment Unit
- Bina Refinery – Creeping Capacity Expansion from 6 MMTPA to 7.8 MMTPA
- Investments in Gas pipelines – GIGL & GITL pipelines in Joint Venture
- Kochi – Diversification into Niche Petrochemicals – Propylene Derivatives Petrochemical Project (PDDP)
- Retail : Network expansion with infrastructure growth and upgradation
- LPG import terminal at Haldia, West Bengal

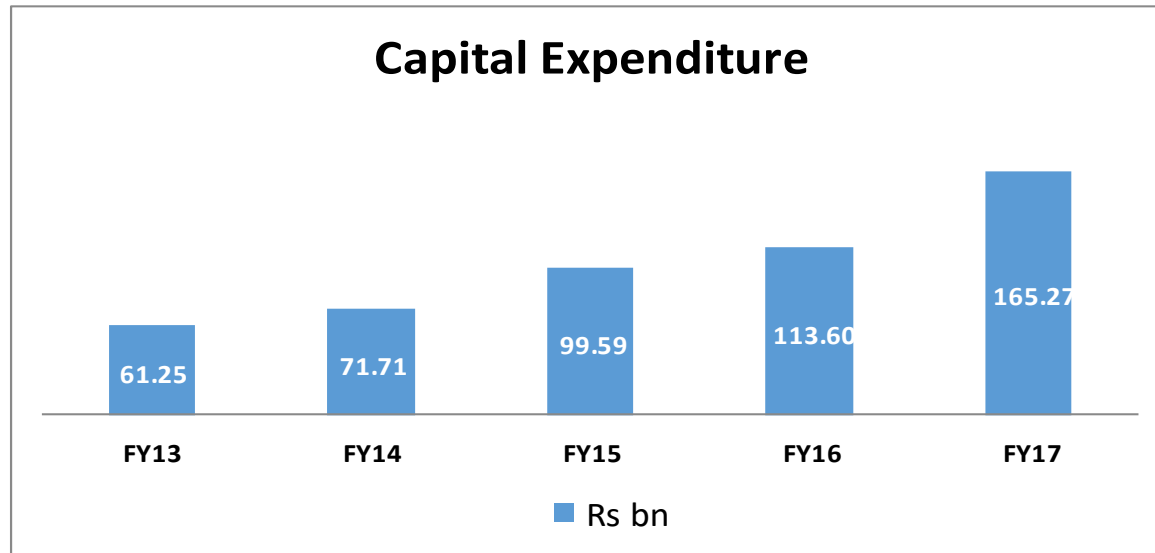
Significant Expansion in Downstream & Marketing network to drive future growth

Upcoming projects

- Funding for upstream developments and new assets
- Refineries – Upgrade/ Expansion / De-bottlenecking
- Investments in Gas
- Expansion of marketing infrastructure across all business verticals

More expansions in Upstream, Downstream business & Marketing network

Capex Strategy

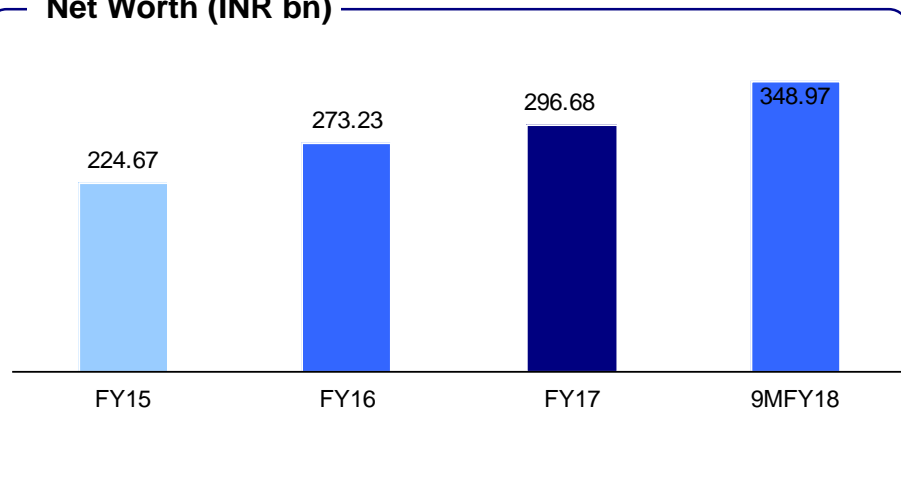


- Strategically expanding upstream activities through inorganic and organic growth opportunities
- Investment in refining and distribution capacity to bridge the gap between sales volumes and production
- Expand capacities and improve efficiencies at existing installation and refineries
- Create opportunities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

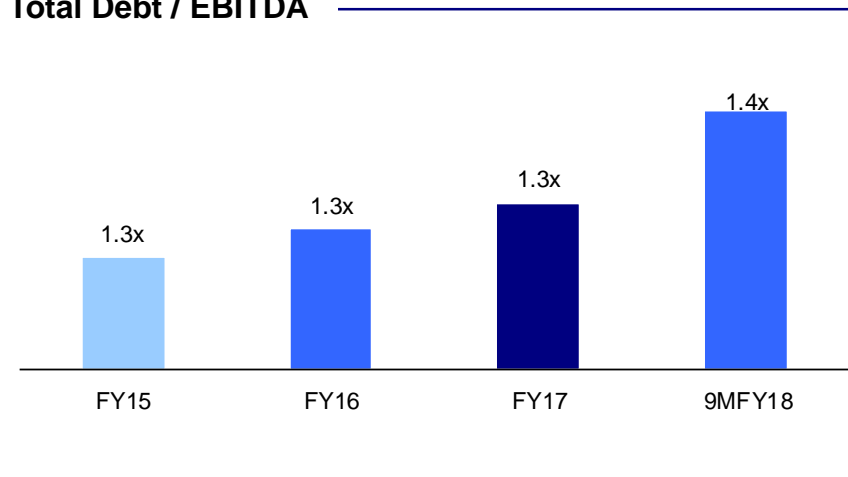
Significant Expansion in Upstream and Downstream business to drive future growth

Improved Financial Performance

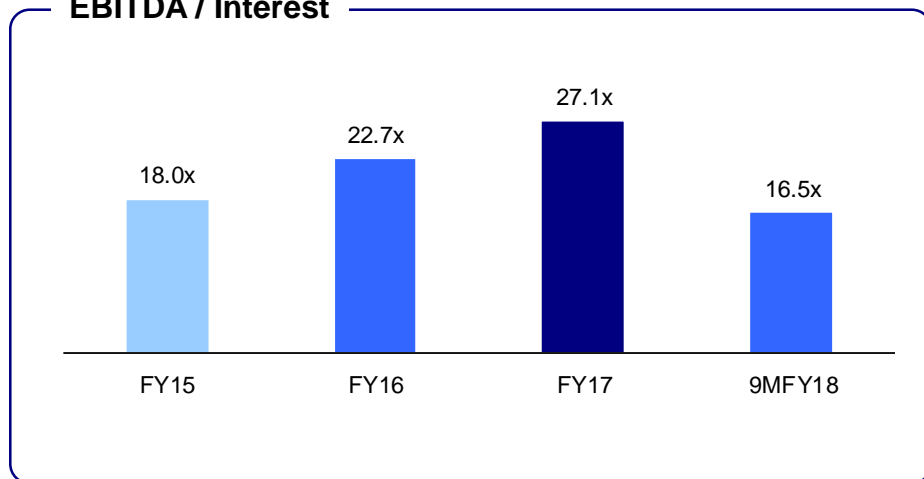
Net Worth (INR bn)



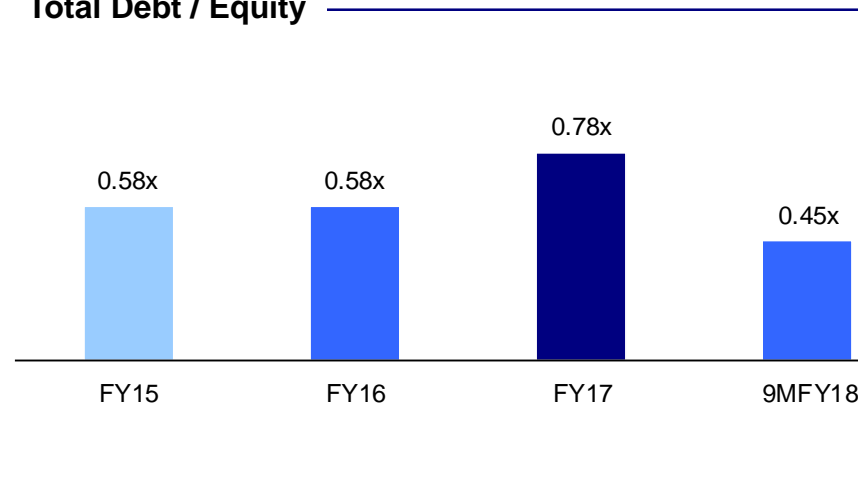
Total Debt / EBITDA



EBITDA / Interest

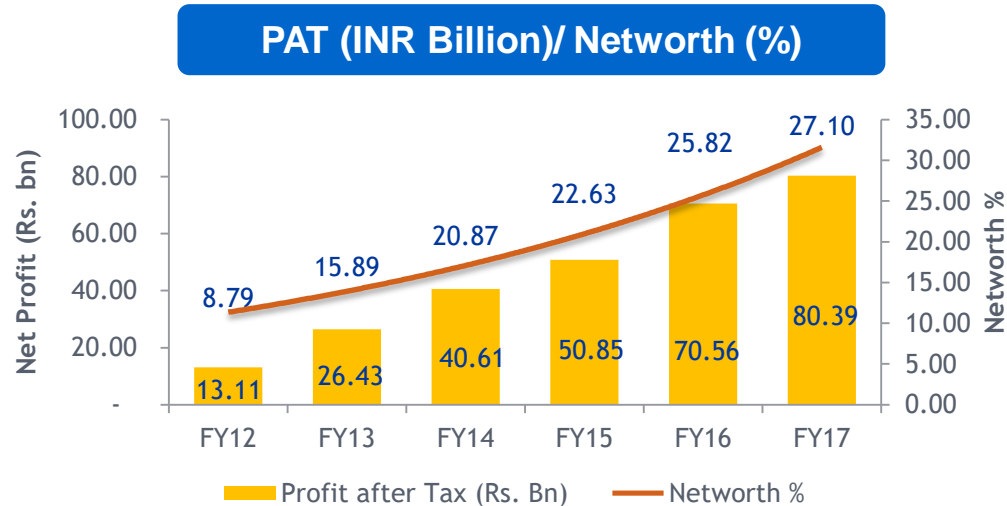


Total Debt / Equity

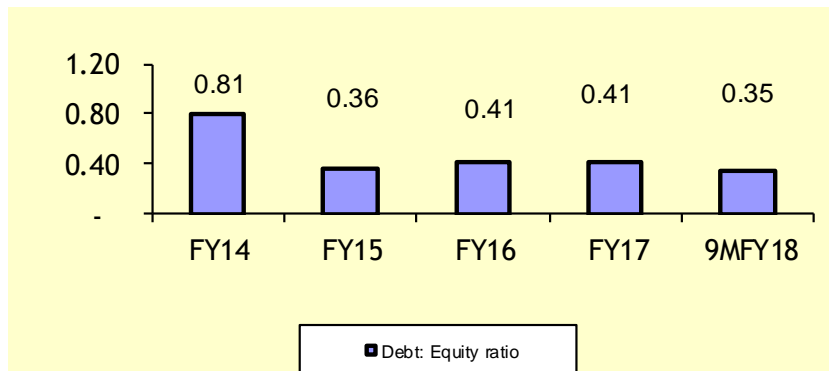


Stable Earnings and Sound Financial Leverage driving Credit Strength

Improved Financial Performance

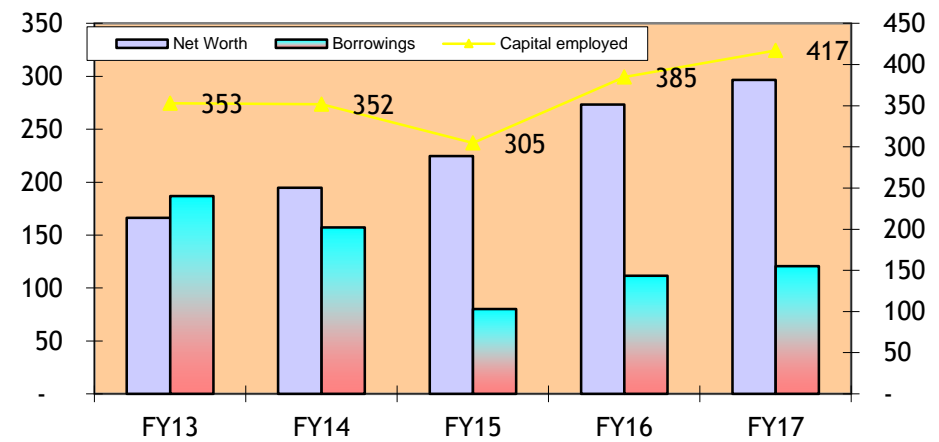


Adjusted Debt-Equity Ratio ⁽¹⁾



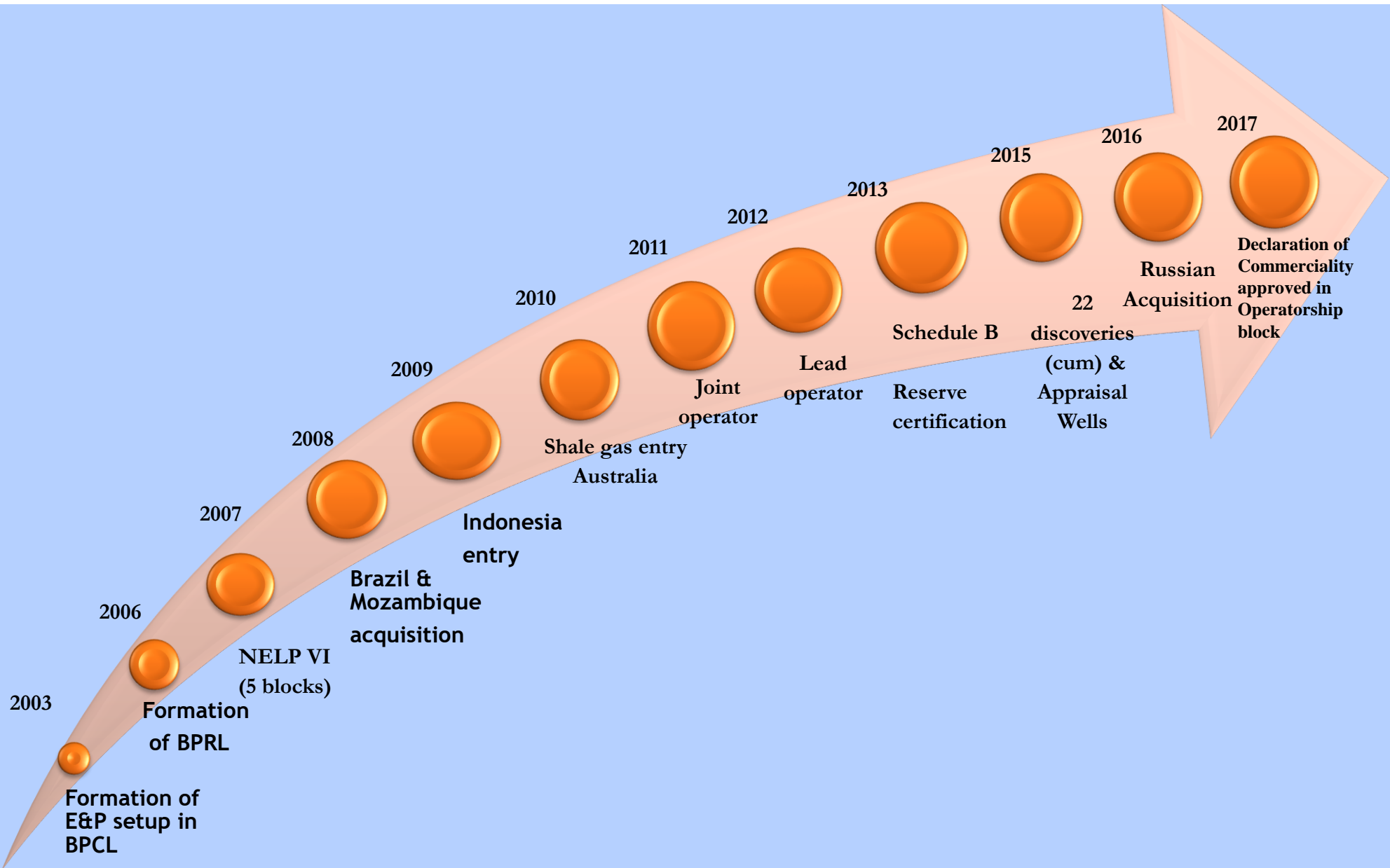
(1) Adjusted for bonds outstanding as on period end

Adjusted Capital Employed (INR Billion) ⁽¹⁾



Stable Earnings and Sound Financial Leverage driving Credit Strength

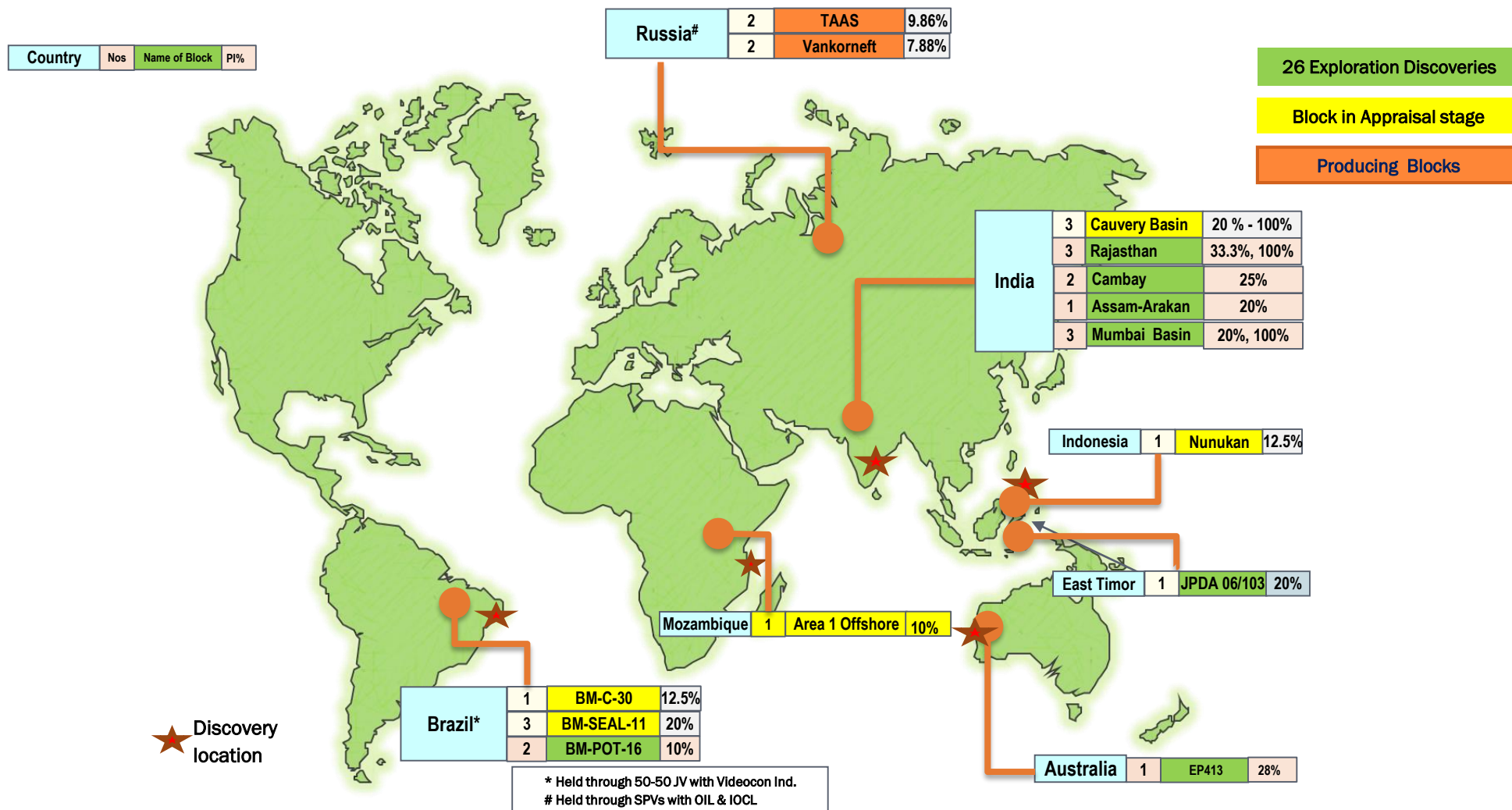
BPRL's Upstream Story over the years.....



Upstream Global Spread

BPCL through its subsidiary BPRL has Participating Interests in 22 blocks across 6 countries and Equity Participation in Vankor and Taas in Russia

- Estimated recoverable reserves of about 75 TCF till date in Rovuma basin (Mozambique)
- Production 20 MMTPA by Vankor (currently at peak) and 1.2 MMTPA by Taas



Global Upstream Footprint

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

Within India

Exploration Block	Operator	BPCL Stake	Partners
NELP—IV			
CY/ONN/2002/2	ONGC	40.0%	ONGC
NELP—VI			
CY/ONN/2004/2	ONGC	20.0%	ONGC
NELP—VII			
RJ/ONN/2005/1	HOEC, BPRL	33.33%	IMC
NELP—IX			
CB/ONN/2010/11	GAIL, BPRL	25.0%	EIL, BIFL, MIEL
AA/ONN/2010/3	OIL	20.0%	ONGC
CB-ONN-2010/8	BPRL, GAIL	25.0%	EIL, BIFL, MIEL
MB-OSN-2010/2	OIL	20.0%	HPCL
DSF 2016			
5 Blocks	BPRL	100.0%	-

Brazil

Exploration Block	Operator	BPCL Stake ¹	Partners
BM-SEAL-11 (3 blocks)	Petrobras	20.0%	Videocon
BM-C-30 (1 block)	Anadarko	12.5%	Videocon, BP and Maersk
BM-POT-16 (2 blocks)	Petrobras	10.0%	Videocon, Petrogal, BP

Mozambique

Exploration Block	Operator	BPCL Stake	Partners
Mozambique Rovuma Basin	Anadarko	10.0%	PTTEP, Mitsui and Co., ENH, OVL-OIL

Russia

Exploration Block	Operator	BPCL Stake	Partners
Vankor (2 Blocks)	Vankorneft	7.89% ²	Rosneft, OIL, IOCL, OVL
Srednebotuobinskoe (2 Blocks)	TYNGD	9.87% ³	Rosneft, BP, OIL, IOCL

Australia and East Timor

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

Indonesia

Exploration Block	Operator	BPCL Stake	Partners
Nunukan PSC, Tarakan Basin	Pertamina	12.5%	Videocon Industries

1. BPCL's effective stake held through 50:50 JV with Videocon.
2. BPCL's effective stake held through its 33% stake in the JV with Oil India and Indian Oil for the 23.9% stake acquisition of JSC Vankorneft (Vankor)
3. BPCL's effective stake held through its 33% stake in the JV with Oil India and Indian Oil for the 29.9% stake acquisition of Tass-Yuryakh Neftegazodobysha (TYNGD)

BPRL – Successful acquisition of TYNGD and Vankor assets in Russia in 2016

- BPRL along with an Indian Consortium, acquired:
 - Participatory shares representing 29.9% of the charter capital of TYNGD
 - 23.9% equity stake in Vankorneft
- BPRL formed BISPL, a wholly owned subsidiary company in Singapore for enabling the above mentioned acquisition
- BISPL, with the above mentioned partners, through joint ventures formed two special purpose vehicles (SPVs) which holds the acquired stakes in the two Russian Assets
 - Taas India Pte. Ltd.
 - Vankor India Pte. Ltd.
- BISPL holds 33% stakes in each of the two SPVs

TYNGD – Srednebotuobinskoe Field (2 Licenses)

- BPRL effective interest: 9.87%
- 2015 Oil Production: c.22 mbbbl/d gross to the field; c.2.2 mbbbl/d net to BPRL
 - Gross production expected to increase to 100 mbbbl/d (c.9.9 mbbbl/d net to BPRL) in the next 2-3 years

Vankorneft – Vankor Fields (2 Licenses)

- BPRL effective interest: 7.89%
- 2015 Oil Production: c.440 mbbbl/d gross to the field; c.34.7 mbbbl/d net to BPRL

Highly Experienced Management Team



Mr. D Rajkumar, Chairman & Managing Director

- 32 years of experience, out of which almost 15 years of board experience as MD of BPCL's JV and subsidiary companies
- Has experience in marketing, to pipeline projects and across the integrated upstream and downstream oil sector



Mr. S. Ramesh, Director Marketing

- Almost 36 years of industry experience.
- He also holds a position of Director on the Boards of our JV, Bharat Star Services Pvt. Ltd and Bharat Stars Services (Delhi) Pvt. Ltd.
- He has had the distinction of heading three major Business Units viz. Lubes, LPG and Retail apart from spearheading Brand, PR & New Initiatives in the Company



Mr. R. Ramachandran, Director Refineries

- Almost 34 years of industry experience
- He also holds the position of Director on the Board of Bharat Oman Refineries Ltd. and permanent invitee on the Board of Numaligarh Refinery Ltd.
- Prior to his current position, he held the post of Managing Director, Bharat Oman Refineries Ltd. Has varied experience in Refinery Operations, Product Planning, Technical Services, Project Conceptualization, Project Financing and setting up of grass root Refinery and Revamps.



Mr. K. Sivakumar, Director Finance

He has over 30 years of Industry experience. He also holds the position of Director in other group companies i.e. Bharat PetroResources Ltd and Bharat Oman Refineries Limited.
He has worked in various facets of Finance, Internal Audit, ERP and overseen the Governance, Risk and Control aspects in the Corporation.



Mr. K Padmakar, Director Human Resources

- Over 33 years of experience with BPCL
- He has had experience across HR and ERP functions

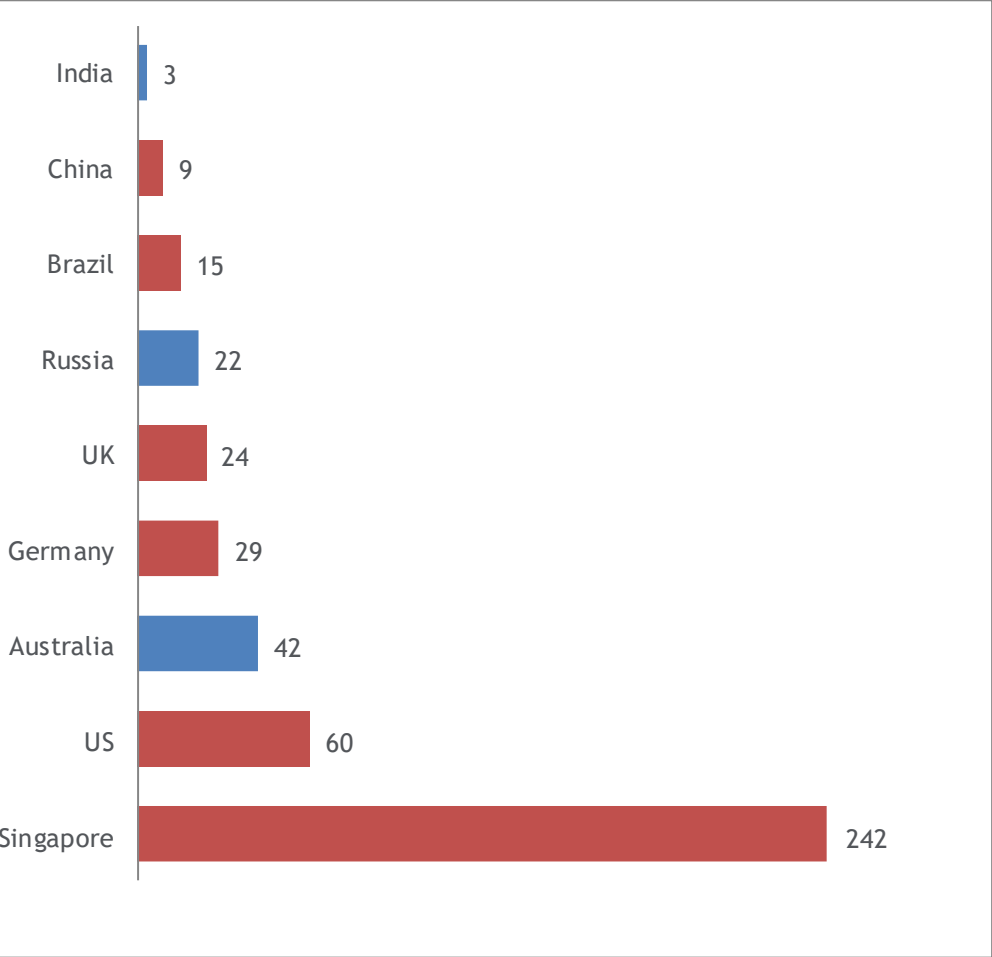
The Senior Management team has in-depth Knowledge and Extensive Experience in the Oil and Gas industry

3. Industry Overview

India – Attractive Industry Dynamics

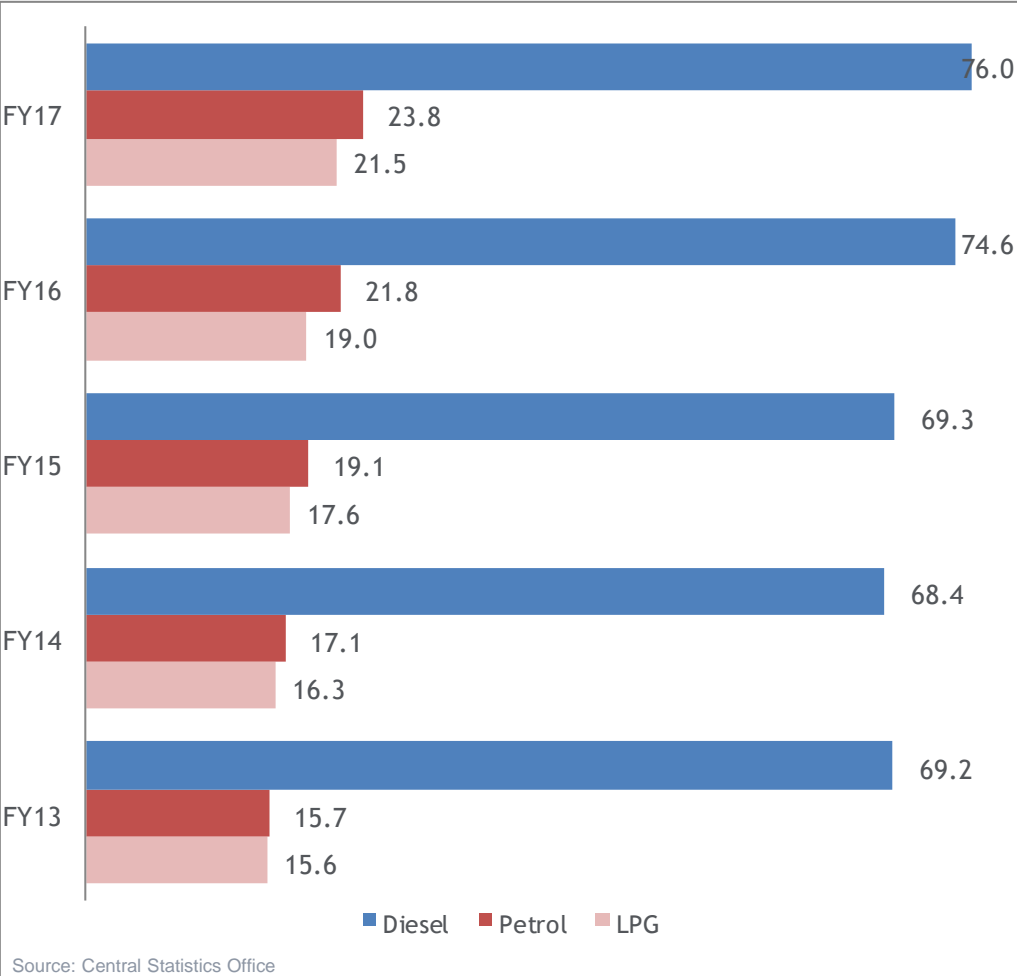
Significant potential for domestic O&G companies given low per-capita oil consumption and growing demand.

Per Capita Oil Consumption
bbl/day per 1,000 People



Source: Oil Consumption from BP Statistical Review 2016, Population from World Bank, Estimates 2015

India Oil Demand
Million Tonnes



Source: Central Statistics Office

Indian Oil Industry

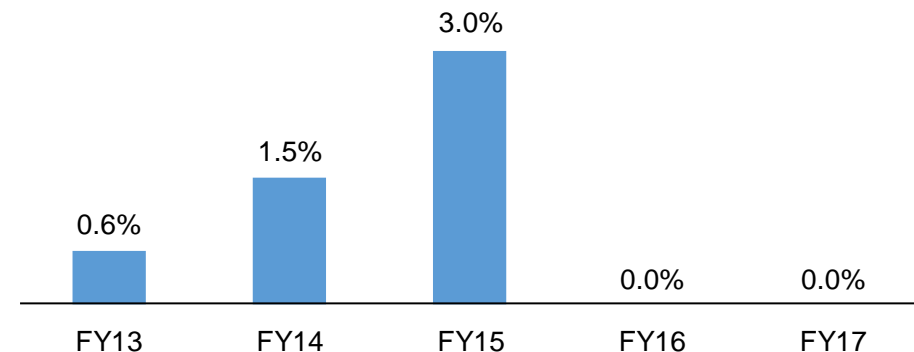
Compensation of Under Recoveries

- Prices of retail sales of LPG and PDS Kerosene Oil are capped by the Government of India (GoI)
- Under-recoveries determined and compensated 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) – Deregulation announced effective 19th October 2014
- Gasoil – Bulk sales completely deregulated since January 2013
- Restricted supply/Targeted subsidies for cooking fuel products
- LPG DBTL scheme - Domestic LPG fully enrolled
- SKO PDS DBTK scheme – launched on pilot basis in 4 districts and now implemented in the state of Jharkhand

% Sharing of Under Recoveries by OMCs



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



Thank You