



Bharat Petroleum Corporation Ltd.

Investor Presentation

November 2016

**Energising
Business**

**Energising
Society**

**Energising
Environment**

Ek boond paani
"Project BOOND"



Disclaimer

No information contained herein has been verified for truthfulness completeness, accuracy, reliability or otherwise whatsoever by anyone. While the Company will use reasonable efforts to provide reliable information through this presentation, no representation or warranty (express or implied) of any nature is made nor is any responsibility or liability of any kind accepted by the Company or its directors or employees, with respect to the truthfulness, completeness, accuracy or reliability or otherwise whatsoever of any information, projection, representation or warranty (expressed or implied) or omissions in this presentation. Neither the Company nor anyone else accepts any liability whatsoever for any loss, howsoever, arising from use or reliance on this presentation or its contents or otherwise arising in connection therewith.

This presentation may not be used, reproduced, copied, published, distributed, shared, transmitted or disseminated in any manner. This presentation is for information purposes only and does not constitute an offer, invitation, solicitation or advertisement in any jurisdiction with respect to the purchase or sale of any security of BPCL and no part or all of it shall form the basis of or be relied upon in connection with any contract, investment decision or commitment whatsoever.

The information in this presentation is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Company. We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date of this presentation or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

Table of Contents

1.	Corporate Overview	4
2	Business Overview	9
3.	Industry Overview	23

1. Corporate Overview

Introduction

- India's 5th largest company by turnover over INR 1,891 bn in FY16 and INR 2,379 bn in FY15
- India's 2nd largest Oil Marketing Company (OMC) with domestic sales volume of over 36.53 MMT in FY16 and 34.45 MMT in FY15
 - Domestic market share of 21% during FY16
- Majority Govt. of India shareholding of 54.93% and explicit Govt. support through under-recovery compensation mechanism
- # 358 ranking on Fortune 2015 global list; ranks 5th among the only seven 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
 - BPCL through its subsidiary BPRL has Participating Interests in 17 blocks across 6 countries
 - Estimated recoverable reserves of about 75 TCF till date in Rovuma basin (Mozambique)
 - Estimated resources of 200+ MMBOE(2) till date in Wahoo basin (Brazil)
- Ratings at par with the Sovereign
 - Baa3 (Outlook Positive) by Moody's / BBB- (Outlook Stable) by Fitch

(1) Also reflected in consistently improving market capitalization

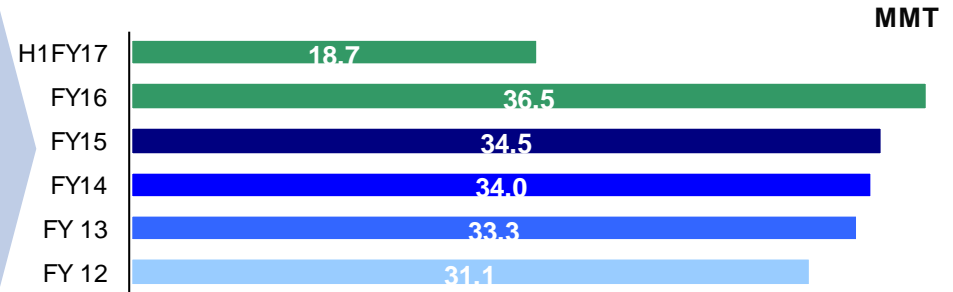
(2) Wood Mackenzie, Company reports

MMBOE - Million barrels of oil equivalent

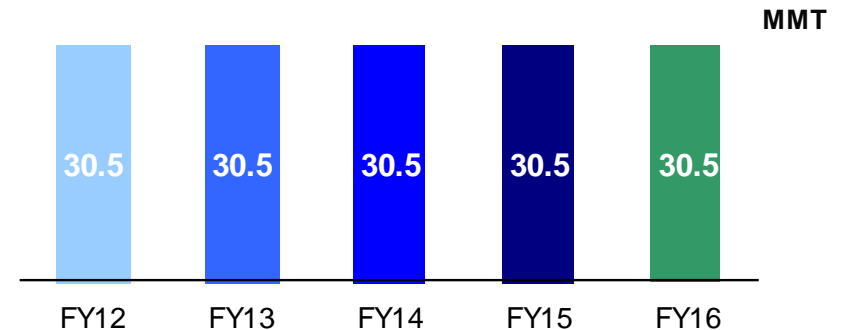
^ Market capitalization figures as on period end

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

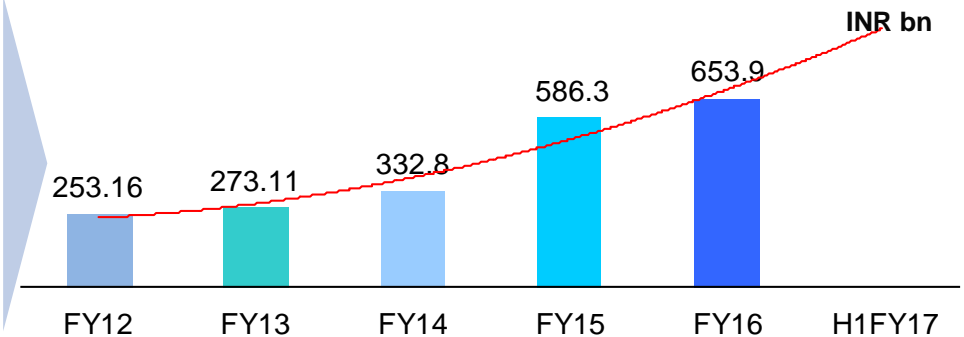
Market Sales



Refining Capacity



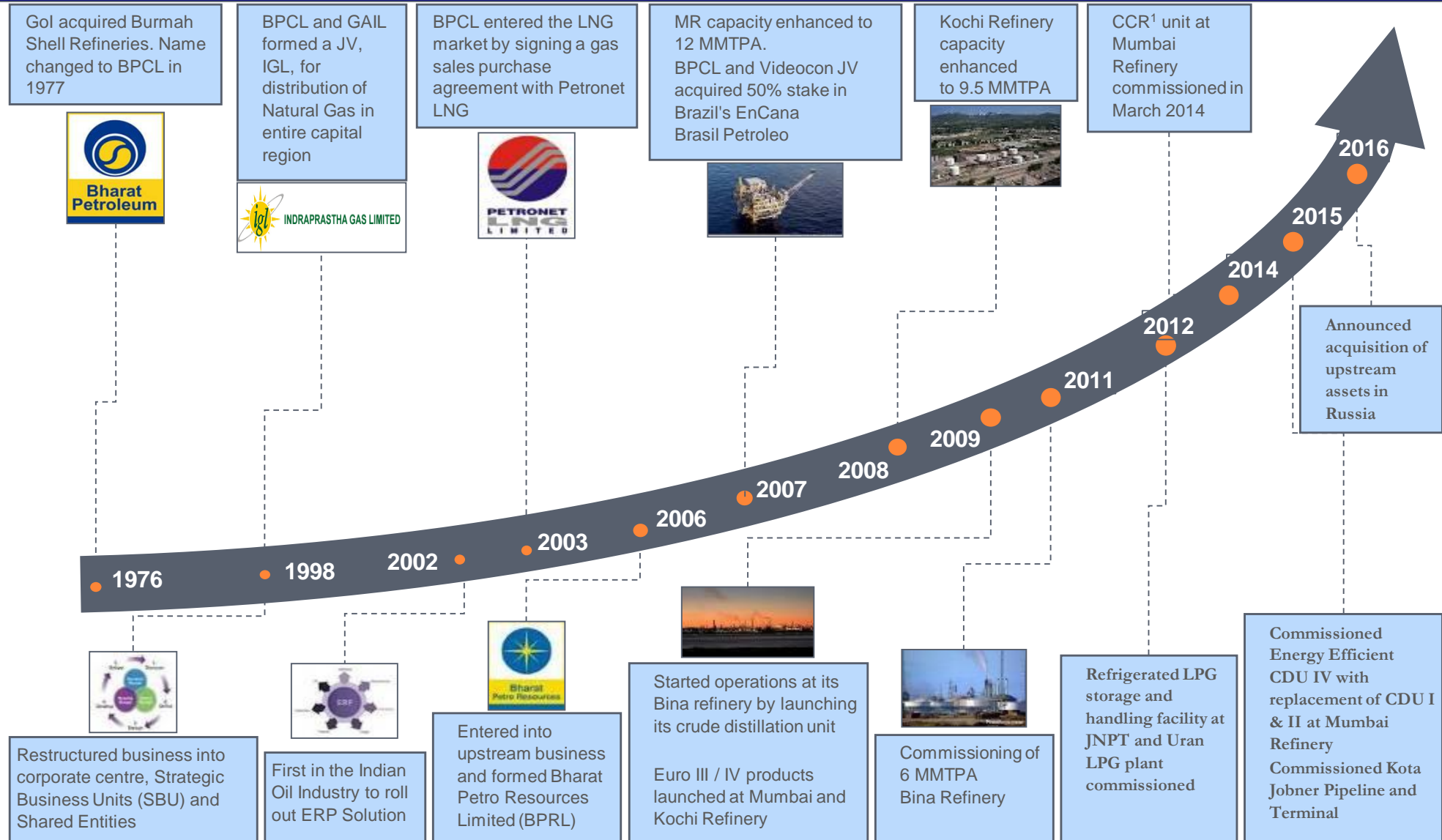
Market Capitalization^



Source: National Stock Exchange

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

Important Milestones



1. CCR: Continuous Catalytic Regeneration Reformer Unit.

Major Subsidiaries/ JVs



Subsidiaries

Joint Ventures

Upstream

100.00%



Bharat
PetroResources
Limited

Pipelines

99.96%



Petronet CCK
Limited

Refining

61.65%



Numaligarh
Refinery Limited

Aviation Services

74.00%

BPC-KIAL Fuel
Farm Facility
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

49.90%

Sabarmati Gas
Limited

Haridwar Natural
Gas Private
Limited

Pipelines

50.00%

Kochi Salem
Pipeline Pvt.
Limited

11.00%

GSPL India
Transco

11.00%

GSPL India
Gasnet

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

Trading Activities

50.00%

Matrix Bharat
Pte Limited









LNG

12.50%

Petronet LNG
Limited

Key Business Verticals

BHARAT PETROLEUM CORPORATION LIMITED

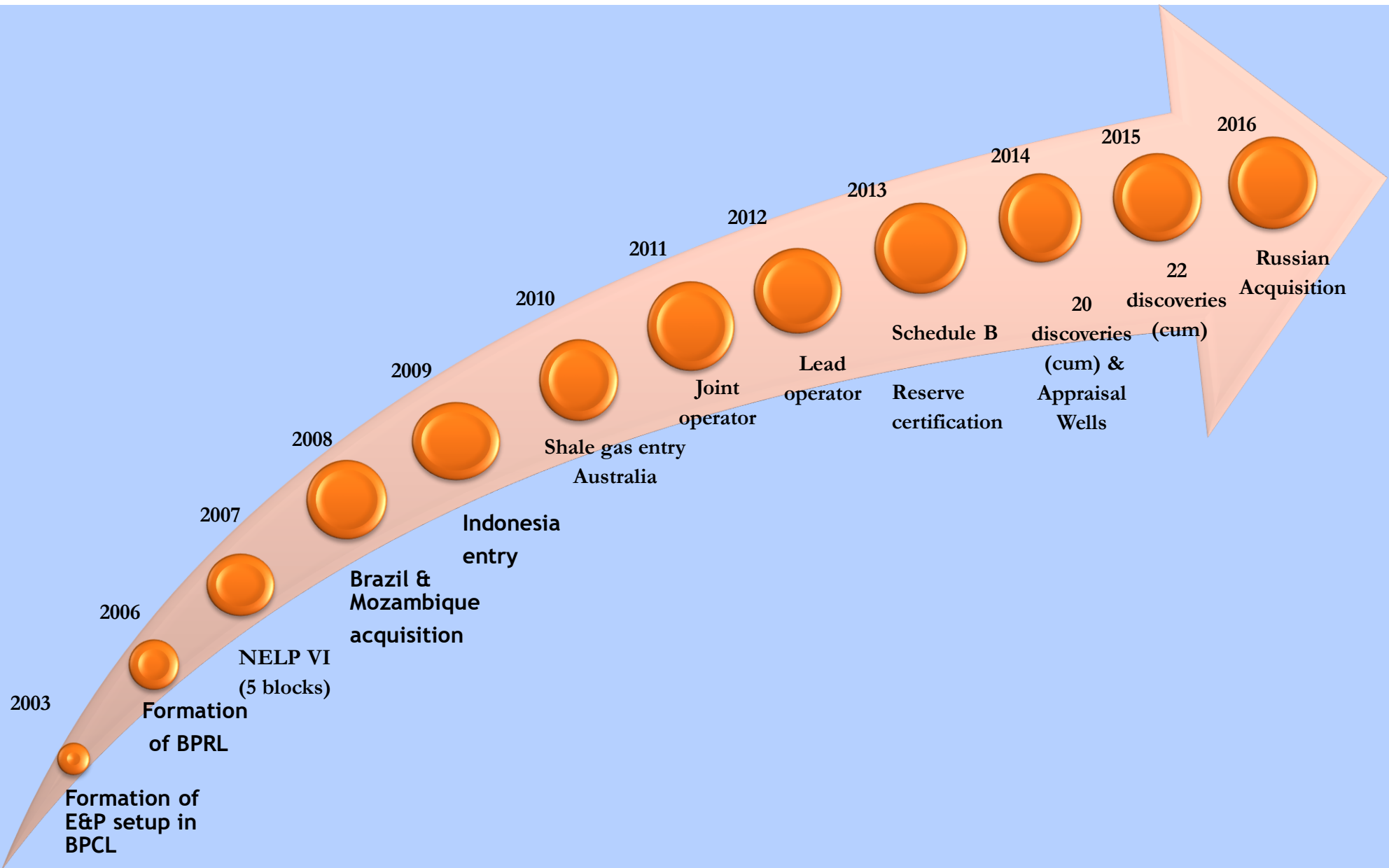
Refinery	Retail	Upstream	Gas	Industrial / Commercial	Lubricants	LPG	Aviation
 <ul style="list-style-type: none"> Refining capacity of 30.5MMTPA 13% of the country's refining capacity⁽¹⁾ 	 <ul style="list-style-type: none"> 26.8% market share* 13,501 retail outlets 118 depots and 13 installations 	 <ul style="list-style-type: none"> PI in 17 oil & gas blocks 7 blocks in India and 10 overseas 	 <ul style="list-style-type: none"> Currently 54 major LNG customers 	 <ul style="list-style-type: none"> Currently 7,000 customers 	 <ul style="list-style-type: none"> 18.4% market share* Currently 16,000 customers More than 1000+ grades of products 	 <ul style="list-style-type: none"> 25.7% market share* Currently 4,494 distributors 50 LPG bottling plants 	 <ul style="list-style-type: none"> 23.4% market share* in ATF 40 Aviation service stations
<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"> Global spread into pure play Exploration 	<ul style="list-style-type: none"> Emerging Markets 	<ul style="list-style-type: none"> Reliable, innovative and caring supplier of I&C products 	<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"> Various Innovative offerings with ventures in allied business 	<ul style="list-style-type: none"> Present at all the major gateways & airports for into plane services
<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"> Only Indian OMC to have made significant discoveries 	<ul style="list-style-type: none"> One JV in LNG City Gas Distribution Network in 10 cities 	<ul style="list-style-type: none"> Pioneer in IT integration and Supply Chain Management 	<ul style="list-style-type: none"> Product customization 	<ul style="list-style-type: none"> Current customer base of 51 mn incl. retail and bulk 	<ul style="list-style-type: none"> Only OMC to implement "Apron Fuel Management System"

(1) Source : Ministry of Petroleum and Natural Gas

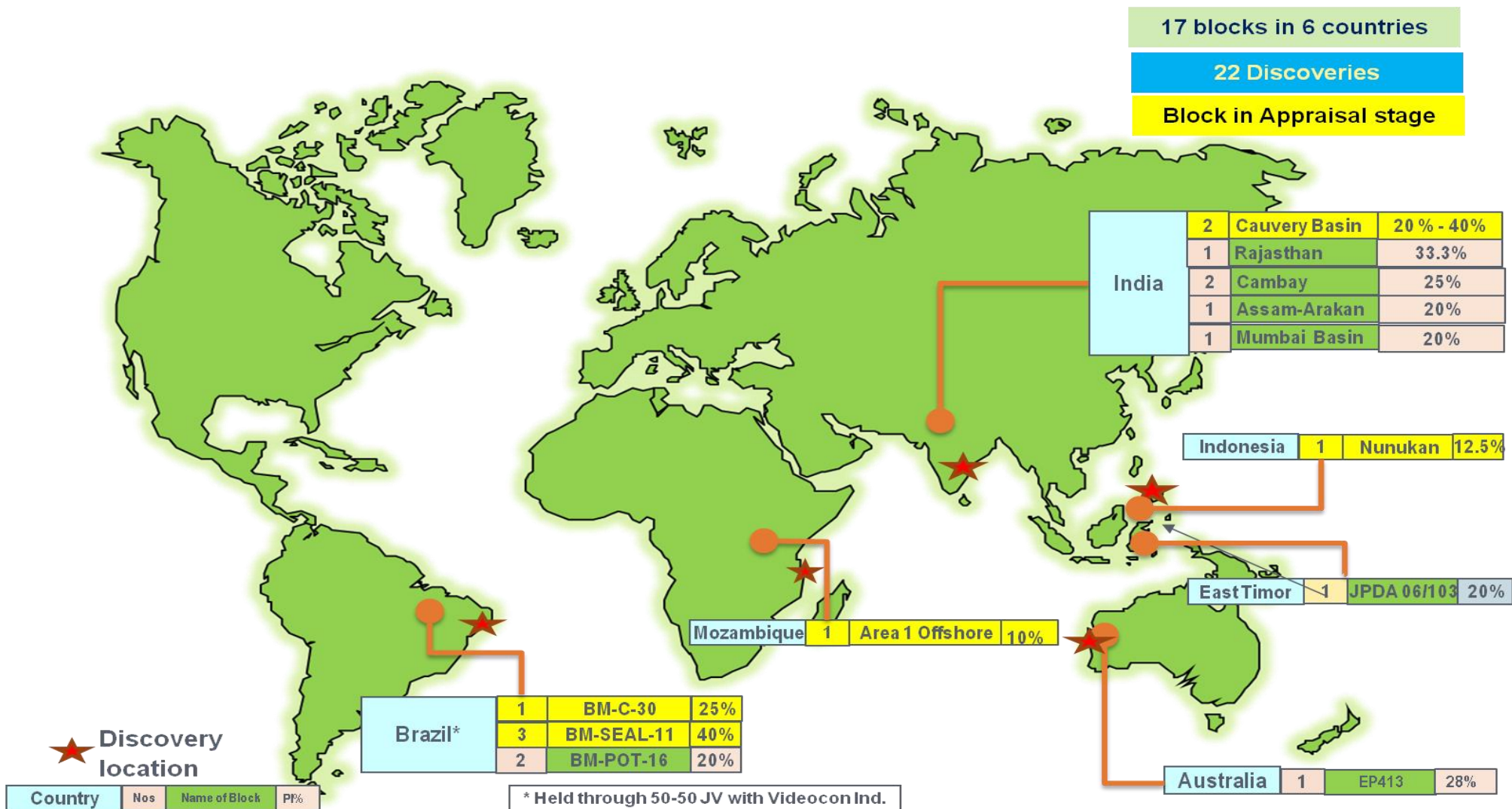
* Market share includes sale by PSU as well as private oil marketing companies. All figures as of 31st March 2016

2. Business Overview

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



Upstream Global Spread



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

Global Upstream Footprint

Within India

Exploration Block	Operator	BPRL Stake	Partners
NELP - IV			
CY-ONN-2002/2	ONGC	40.0%	
NELP - VI			
CY-ONN-2004/2	ONGC	20.0%	
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

Australia & East Timor

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

Brazil

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

* BPCL's effective stake held through 50:50 JV with Videocon

Mozambique

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

Indonesia

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

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

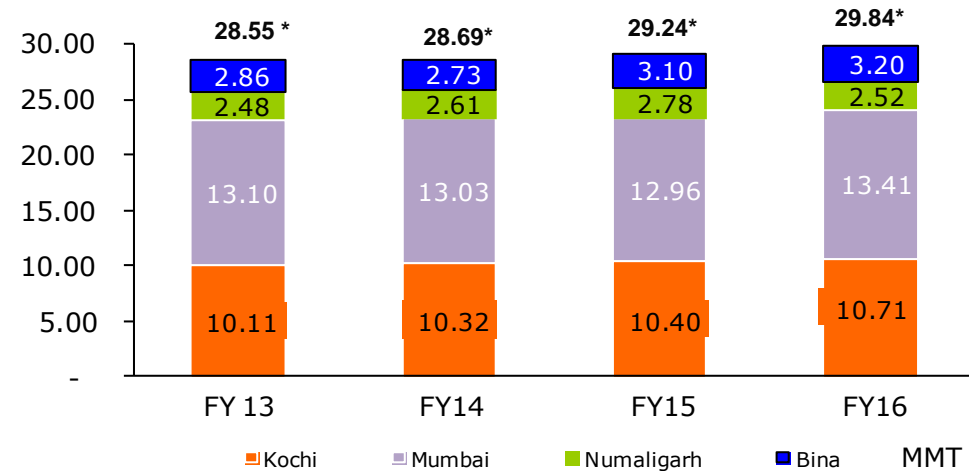
Refining Coverage

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 is considered proportionately 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) -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 FY15
- Low cost capacity expansion from 6 MMTPA to 7.8 MMTPA
- GRM of \$11.7/bbl during FY16 and \$11.5/bbl during H1FY17

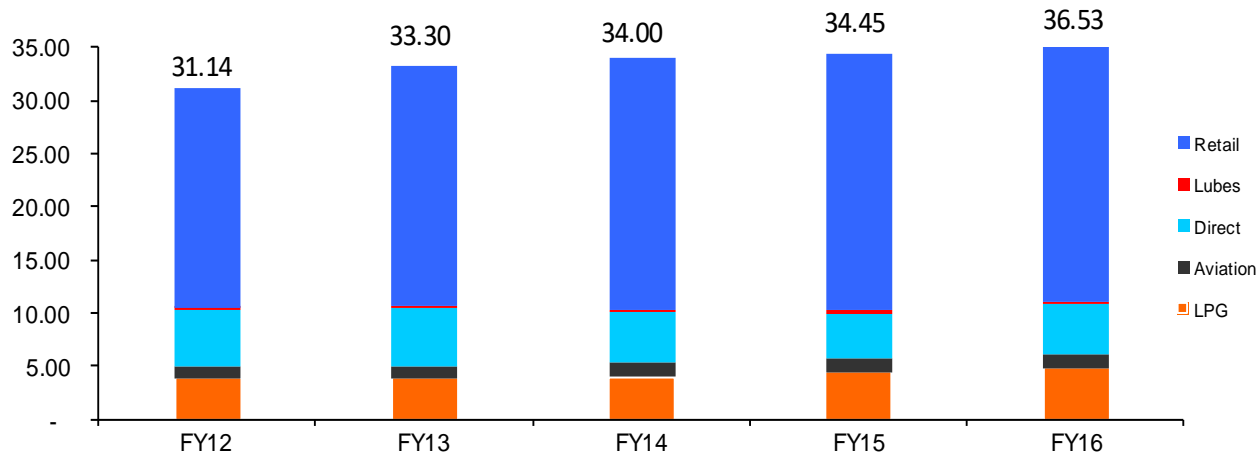
Pipelines :



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

Marketing Operations and Efficiencies

SBU Market Sales (MMT)



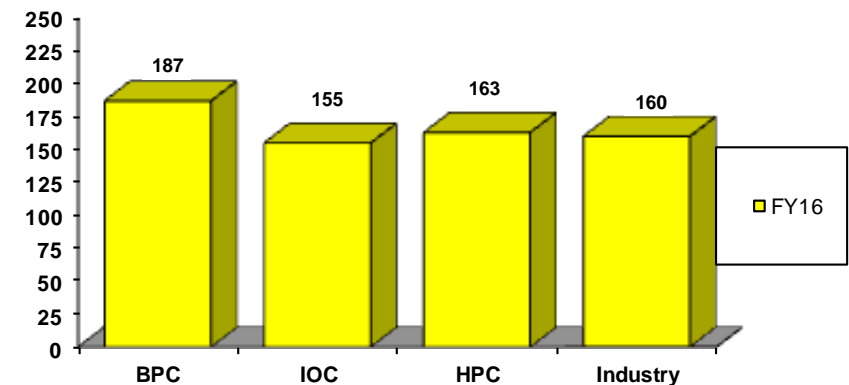
Retail Market Share of MS & HSD *

- MS > 27.11%
- HSD > 27.57 %

LPG Bottling Plant Capacity (TMTPA)



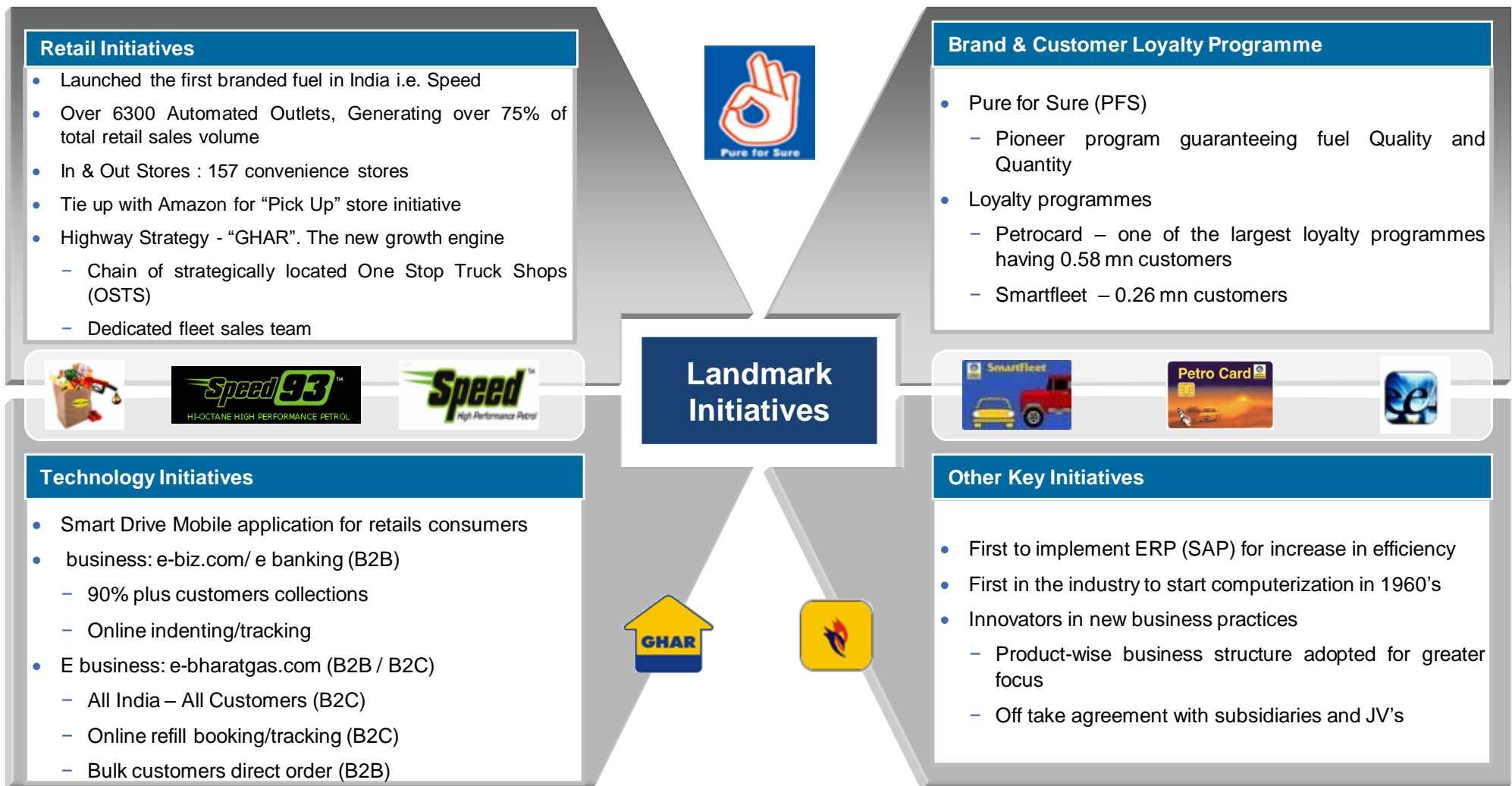
Thru'put per Outlet BPC Vs. Industry (KL)



* Market share includes sale by PSU as well as private oil marketing companies Apr-Sep 2016

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

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 – Commissioning activities are underway
- Mumbai Refinery – DHT Installation
- 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

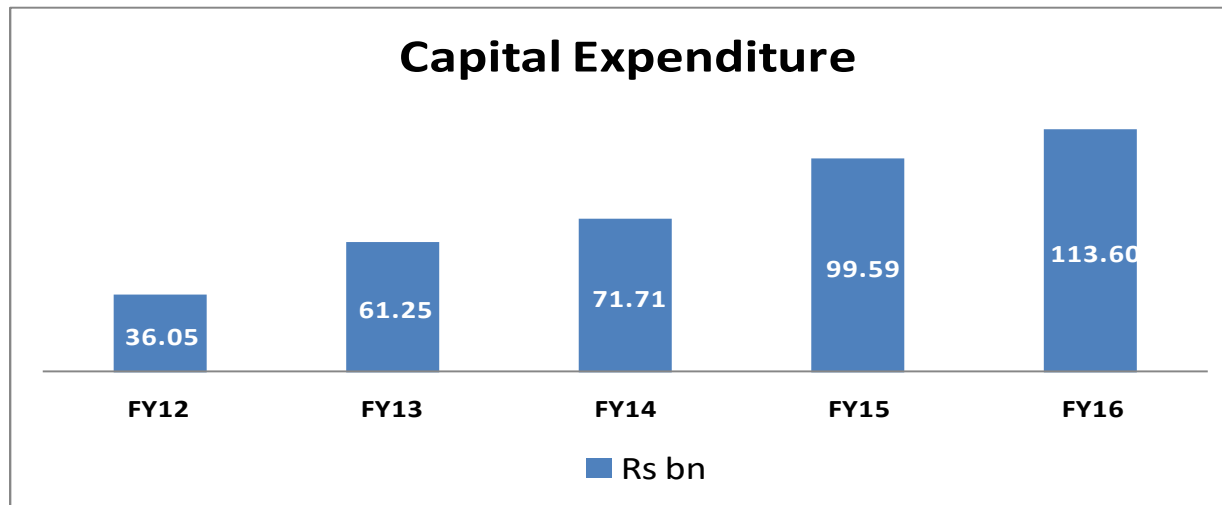
Significant Expansion in Downstream & Marketing network to drive future growth

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

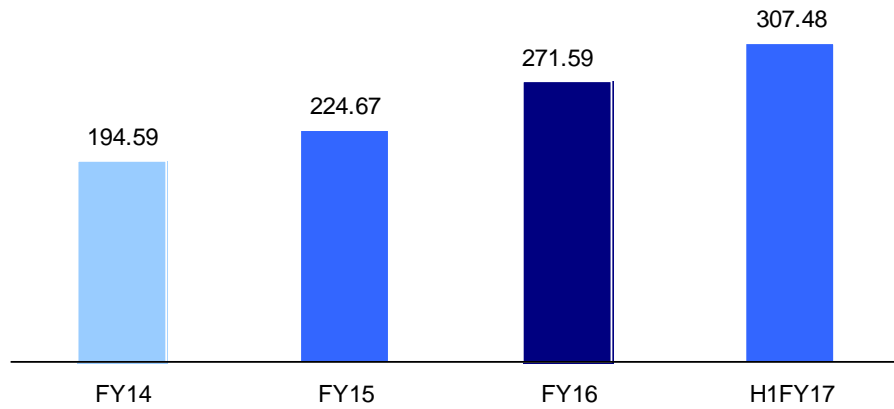


- Strategically expanding upstream activities through inorganic and organic growth opportunities
- Investment in refining and distribution capacity to bridge the gap between sales volumes and production
- Expand capacities and improve efficiencies at existing installation and refineries
- Create opportunities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

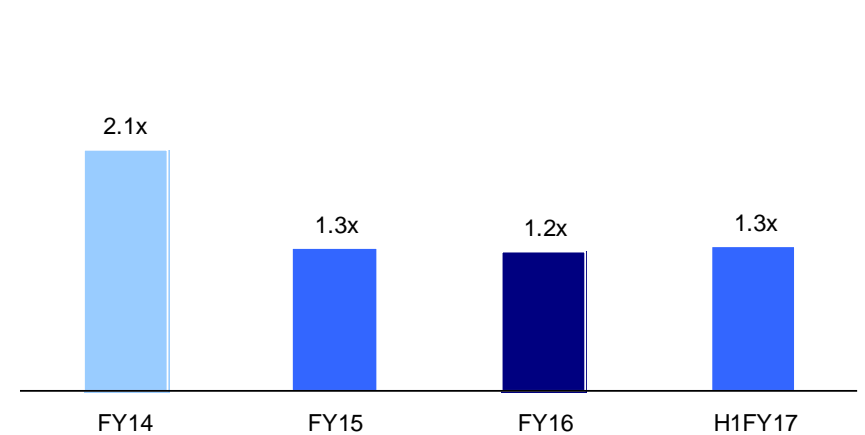
Significant Expansion in Upstream and Downstream business to drive future growth

Improved Financial Performance

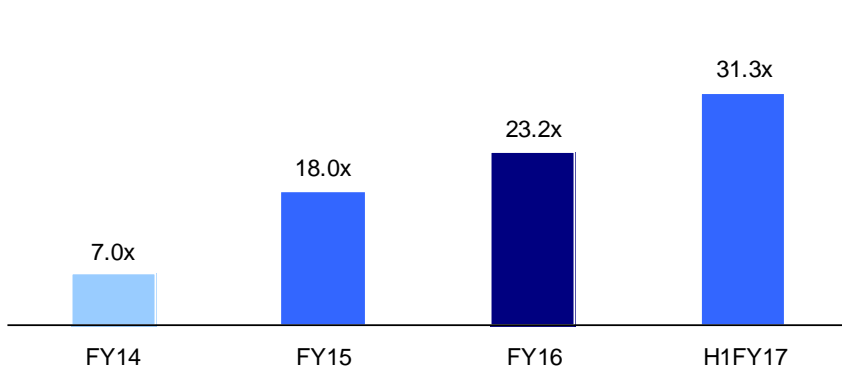
Net Worth (INR bn)



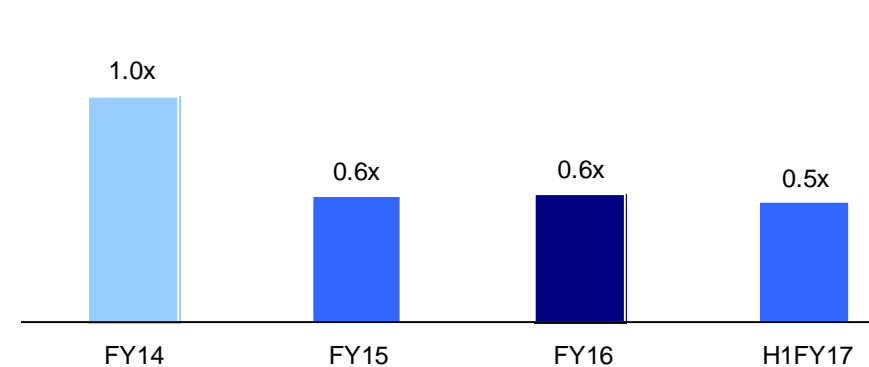
Total Debt / EBITDA



EBITDA / Interest



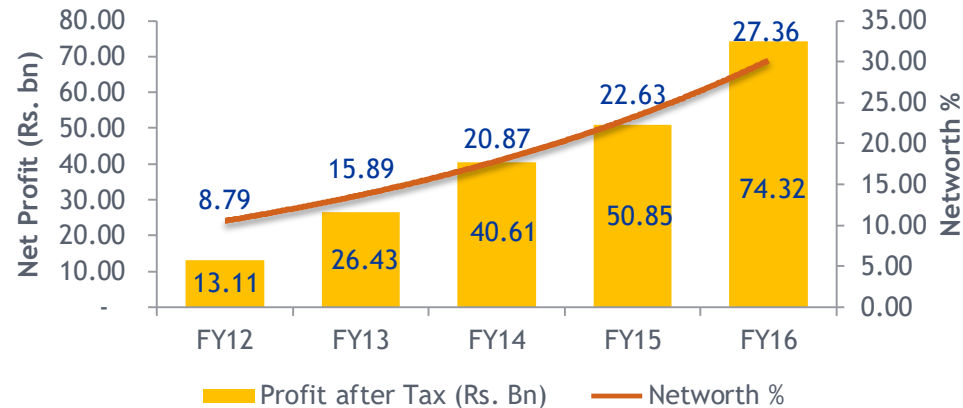
Total Debt / Equity



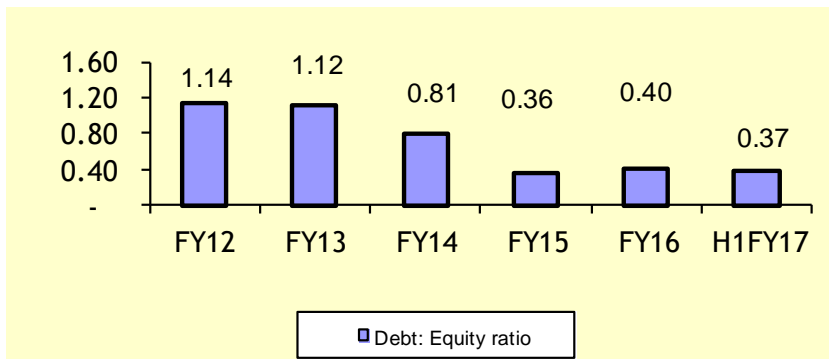
Stable Earnings and Sound Financial Leverage driving Credit Strength

Improved Financial Performance

PAT (INR Billion)/ Network (%)

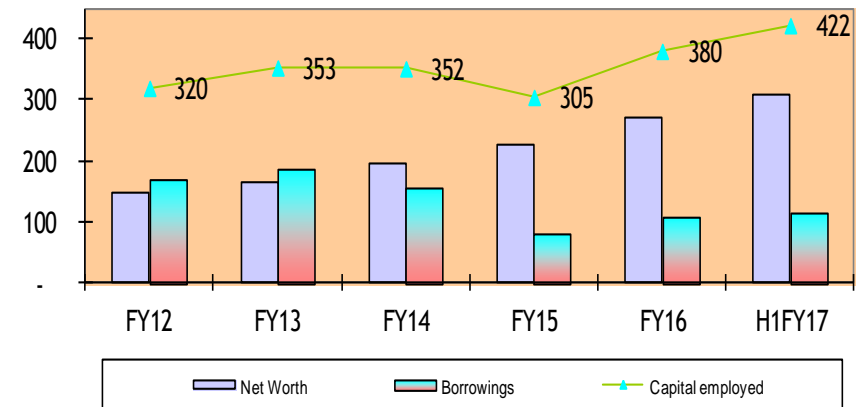


Adjusted Debt-Equity Ratio ⁽¹⁾



(1) Adjusted for bonds outstanding as on period end

Adjusted Capital Employed (INR Billion) ⁽¹⁾



Stable Earnings and Sound Financial Leverage driving Credit Strength

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 Refinery Ltd., Bharat Oman Refineries Ltd. and Matrix Bharat Pte 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



Mr. P Balasubramanian, Director (Finance)

- Over 30 years of industry experience. He also holds the position of Director in Bharat PetroResources Ltd (BPRL), Bharat Oman Refineries Ltd. (BORL) and of Chairman in Delhi Aviation Fuel Facilities Pvt. Ltd. and permanent invitee on the board of Numaligarh Refinery Ltd.
- He has been responsible for the entire Corporate Finance function including Corporate Treasury, Corporate Finance, Taxation, Investor Relations, Risk Management and overseeing the Corporate Governance structures.



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. S P Gathoo, Director Human Resources

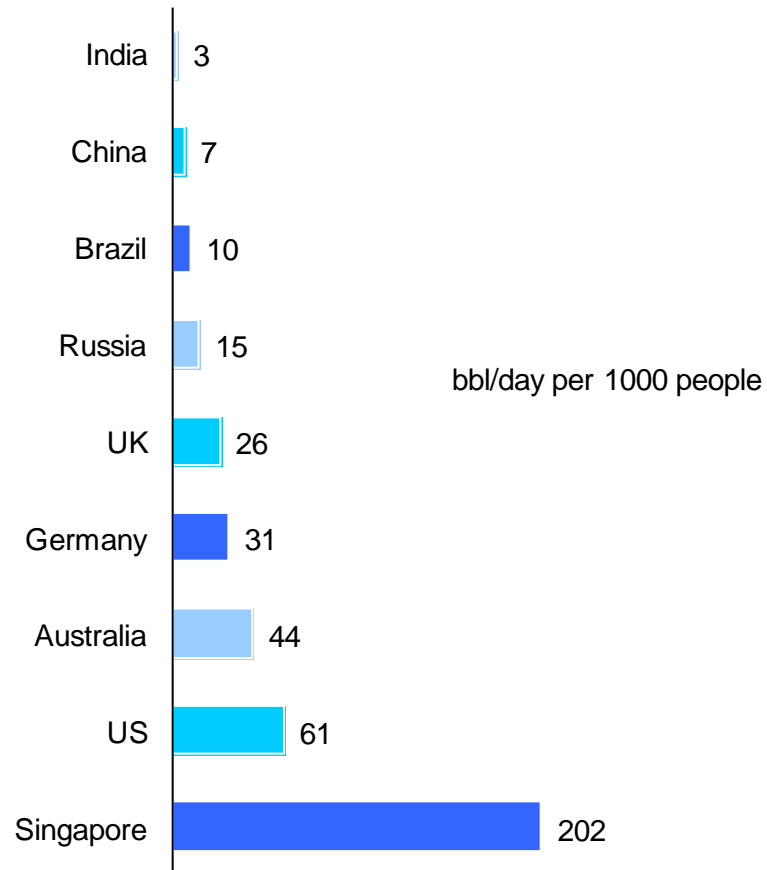
- Over 26 years of experience with BPCL and prior to that worked with BHEL and NTPC Limited
- He also holds the position of Chairman in Petronet India Ltd and Petronet CCK Ltd.
- He has had experience across business vertical such as Lubricants, Business & Information Technology and HR function

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

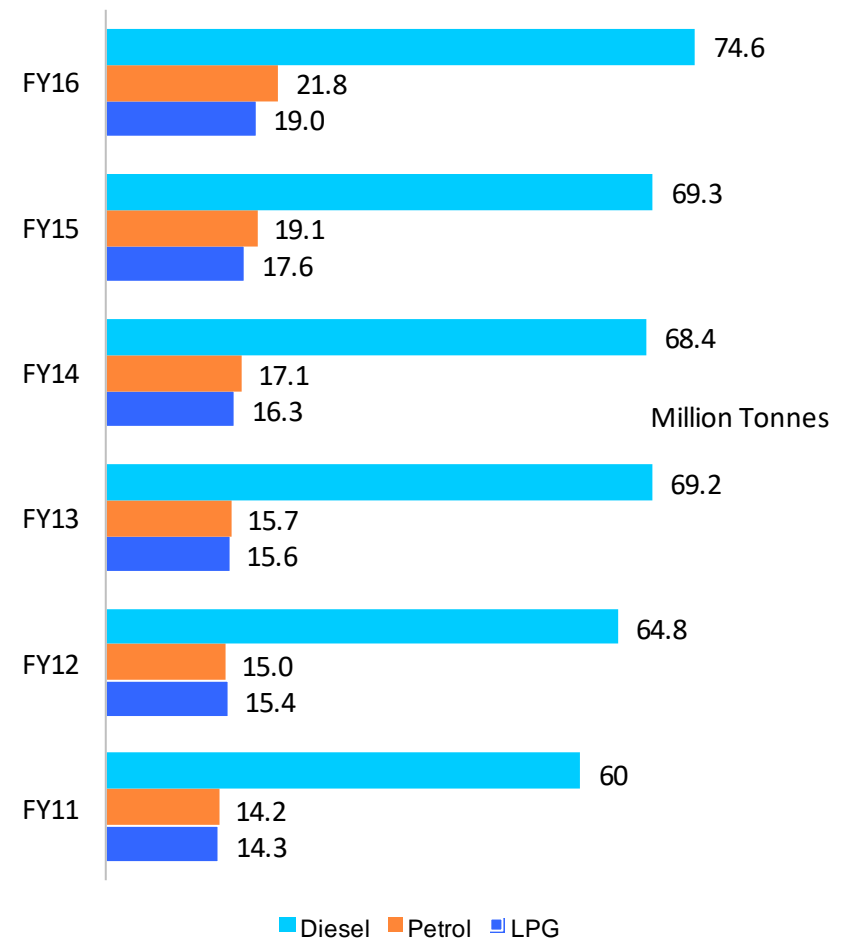
3. Industry Overview

India - Oil and Gas Demand

Per Capita Oil Consumption



India Oil Demand



Source: CIA World Factbook, Central Statistics Office, Estimates 2012

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

Indian Oil Industry

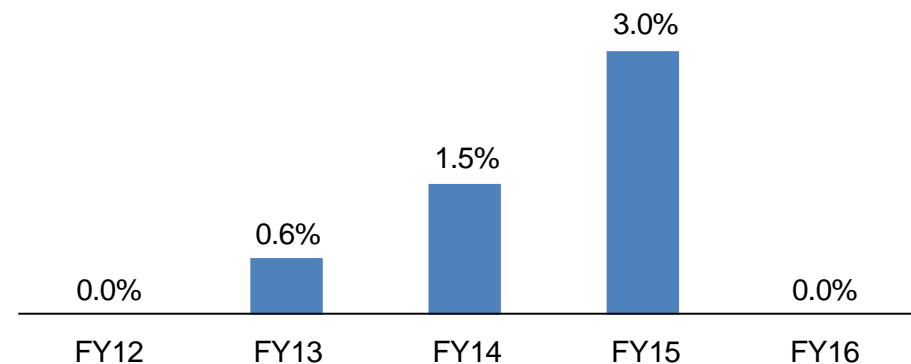
Sharing of Under Recoveries

- Prices of retail sales of LPG and PDS 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 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 – To launch soon

% Sharing of Under Recoveries by OMCs



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



Thank You