

Dear Esteemed Shareholders,

Welcome to the 56th Annual General Meeting of CPCL. Let me begin by extending my best wishes to each one of you for the Azadi Ka Amrit Mahotsav.

As the economy continues to rebound from the devastation caused by the pandemic, India's oil demand is projected to increase to approx. 5.2 million barrels per day during the current fiscal, a jump by nearly 8% over the last year. Further, domestic oil demand is projected to rise at the fastest pace in the world to reach around 9 million barrels per day by 2040.

Moving on to CPCL's performance in 2021-22, Your Company achieved a throughput of 9.04 MMTPA in 2021-22 as compared to 8.24 MMTPA in the previous year. During the year, your Company recorded an increase in direct sales by about 11 %, from 570 TMT in 2020-21 to 631 TMT. This growth was possible because of introduction of new value-added products like Mineral Turpentine Oil (MTO) apart from the wide range of products like Propylene, Paraffin wax and Petcoke.

As far as energy conservation measures are concerned, we have made critical inroads this year. The Energy Intensity Index (EII) improved to 96.2 as compared to 102.3 in the previous year. Operational availability was enhanced during the year to the extent of 96.5% as compared to 92.6% in the previous year, which is a result of the successful implementation of Reliability improvement strategies.

Your Company continuously strives to create an intrinsically safe ecosystem by adopting the best practices in the industry. This focus has translated into incident-free 1060 days and fire-free 932 days.

Coming to CPCL's financial performance, it is heartening to note that the your Company has achieved the highest ever turnover of Rs 60,402 Cr with a Profit Before Tax of Rs.1,832 Cr and a profit after tax of Rs.1,342 Cr. During 2021-22, CPCL's contribution towards the exchequer was Rs. 18,922 Cr. Average crude prices increased to nearly 78 US\$/bbl in 2021-22 as against 44 U\$/bbl during the previous year. I am also happy to add that the impressive performance from the previous year has continued during the first quarter of 2022-23.

Coming to dividends, I am glad to share that on the back of good all round performance & profitability, the Board has recommended a dividend of 20% to the Equity Share Holders.

As regards CAPEX performance during 2021-22 is concerned, CPCL achieved a CAPEX of about Rs.635 Cr, against Rs.583 crores during 2020-21.

Your Company is also setting up a new grass root refinery of 9 MMTPA capacity at Nagapattinam in JV mode with IndianOil and other strategic partners. The new Refinery will be built at an estimated cost of Rs. 31,580 Cr. and produce BS-VI Petrol & Diesel and Polypropylene as a value-added product. The project is expected to be completed by June 2025.

Speaking about Human Resources, your Company believes in holistic and meaningful employee engagement and the development of its human resources. As a responsible public sector organization, your Company also believes in constantly going beyond the realms of business to contribute to the development and well-being of society.

One of our CSR focus areas has been education and the skill development sector. We have been delivering best-in-class training programs at CPCL Refinery Engineering School Of Training [RESOT]. Over the years, on an annual basis, about 25,000 person-hours of knowledge-sharing sessions are conducted across multidisciplinary participants.

Your Company is also a pioneer in skill development, running its polytechnic college to impart high-quality industry-based technical knowledge to develop competency skills. Every year around 200 students pass out from the polytechnic.

Keeping in sync with the triple objectives formulated by the Government of India under the Procurement schemes for MSMEs, CPCL has consistently exceeded the 25% MSME procurement target, including SC/ST and women MSMEs, for three years now.

I must underline that your Company complies with the guidelines issued by the Department of Public Enterprises as applicable to public sector undertakings, the details of which are provided in the Corporate Governance Report forming part of the Annual Report.

Let me assert that your Company is focused on strengthening infrastructure, improving operational excellence, implementing best practices and enhancing network productivity. As we move forward, the focus will be on strengthening the existing businesses of Refining.

Speaking of the future, I must share that CPCL is completely aligned with national green priorities, and we are already working on various initiatives to mitigate our carbon footprint and move towards net zero. While traditional ways like tree plantation drive are in place, your Company is also exploring green hydrogen technologies, biofuels usage, Compressed Bio Gas (CBG) facilities and other sustainable energy horizons.

Ladies and Gentlemen, let me thank The Government of India, particularly the Ministry of Petroleum & Natural Gas, your holding Company, IndianOil and Naftiran Intertrade Company Ltd. for their continued support.

I must also thank the Government of Tamil Nadu, Controller & Auditor General of India, Central Vigilance Commission, Oil Industry Development Board, Oil Industry Safety Directorate, Centre for High Technology, Petroleum & Explosives Safety Organization, and other statutory & regulatory authorities, banks and financial institutions for their guidance and valuable support. Let me also convey my sincere gratitude to all our valued stakeholders, including our customers, contractors and vendors, for their patronage and support.

On behalf of the Board members of CPCL, I would also like to share our appreciation for the valuable contributions made by the non-executive directors Shri Manoj Sharma, Shri Amitabh Mathur & Shri Myneni Narayana Rao during their tenure on the CPCL Board.

Last but not least, I thank each of you, our valued shareholders, for joining us today and look forward to your continued support in strengthening and improving your Company's performance in the coming years.

*Stay healthy, Stay safe.*

*Jai Hind.*