Chairman's address on 57th Annual General Meeting of CPCL

Dear Esteemed Shareholders,

Welcome to the 57th Annual General Meeting of your Company. Let me begin by conveying my best wishes to all of you and thank you for your continued trust and support to the Company and its Management.

Global oil markets are gradually recalibrating after three turbulent years affected first by the Covid-19 pandemic and then by the Geopolitical unrest.

Global oil demand is expected to rise by 6% between 2022 and 2028 to reach 105.7 mb/d supported by robust demand from the petrochemical and aviation sectors.

The primary energy demand of India, the second fastest-growing economy in 2022 and tipped to be the fastest-growing economy in 2023, is estimated to grow at 2.2% annually, significantly higher than the global average of 0.2% until 2050.

Aided by growing industrial and economic base as well as rising urbanization, India's oil demand is projected to rise from the current 5 mb/d to 7 mb/d in 2030 and ~9 mb/d by 2040.

The Oil and Gas sector in India has been instrumental in fueling the growth of the Indian economy and CPCL has been continuously setting an example in ensuring economic prosperity and energy security, in the southern region of the country.

Your Company is cognizant of the accelerated focus towards decarbonization of the sector and is resolute on ensuring a just, orderly and pragmatic energy transition.

Moving on to the physical performance of CPCL, the Financial Year 2022-23 was a landmark year and a testimony of your Company's unwavering commitment to excellence.

Your Company achieved the highest ever crude throughput of 11.3 MMT during the year which corresponds to a capacity utilization factor of 108%.

CPCL processed around 13% of less costly opportunity crudes from Russia (1405 TMT) comprising of Urals, CPC Blend, SOKOL & ESPO. Your Company successfully implemented several profitability and system improvement initiatives.

In all, 28 Nos. of Energy Conservation schemes were implemented during the year which apart from resulting in savings and Fuel & Loss reduction, has resulted in the improvement in the Energy Intensity Index to 89.2 as compared to 96.2 in the previous fiscal.

The energy performance indices w.r.t Fuel and Loss (9.06%) and MBN (74.2) are at their bestever performance level on annual basis.

You company has exceedingly met the market demand of key products like LPG, MS, HSD. CPCL dispatched 241 TMTPA of Lube Oil Base Stocks, the highest dispatch made in last two decades.

As part of Aatmanirbhar Bharat initiative, indigenously produced Missile fuel equivalent to JP-7 was supplied to Defence Research and Development Organization (DRDO) in October 2022.

Your company will also be fulfilling the requirement of Rocket Propulsion fuel - ISROSENE for ISRO's Semi cryogenic engines in the coming years making our nation more self-reliant.

Your company's strong focus on safety has culminated in robust safety performance in FY 2022-23, where a track record of ZERO reportable accidents and fatalities was maintained.

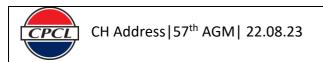
The focus towards highest standards of safety has resulted into accident free 1281 days and fire free 1153 days at the end of FY 2022-23.

Coming to CPCL's Financial Performance in 2022-23, I am happy to share that your Company has recorded the highest ever Turnover of Rs.90,801 Cr, Profit Before Tax of Rs.4808 Crore and Profit After Tax of Rs.3534 Crore on the back of robust operational performance, supported by favourable cracks spreads.

This has resulted in significant reduction in your Company's Debt position to Rs.4,235 Cr as compared to Rs.9,223 Cr in the previous year. Your Company also contributed Rs.17728 Cr. towards the exchequers during the last fiscal.

In view of the all-time high profits, the Board of your Company has recommended a highest ever dividend of 270% on paid-up Equity Share Capital of the Company as on 31.03.2023 amounting to Rs. 27/- per equity share.

Your Company has achieved a CAPEX of about Rs.638 Cr during 2022-23 as against Rs.635 Cr. spent a year earlier.



As shared with you last year, Your company, along with Indian Oil Corporation Limited (IOCL) is implementing a 9 MMTPA Cauvery Basin Refinery & Petrochemicals Project (CBRPL) at Nagapattinam at an estimated cost of Rs.31,580 Cr.

The refinery complex will produce LPG, Petrol, Diesel and ATF meeting BS-VI specifications and Polypropylene as a value-added product.

The project is being implemented in Joint Venture mode with CPCL & IOCL having equity contribution of 25% each and remaining 50% by Strategic/Financial partners.

The Certificate of incorporation of the Joint Venture Company was received from the Ministry of Corporate Affairs in January 2023.

I wish to inform you that the land acquisition and transfer have commenced & are presently in advanced stage of completion.

The project is scheduled to be completed in 45 Months from Land acquisition and accordance of statutory approvals.

Speaking about Human Resources, your company believes in empowering its employees by creating a diverse and inclusive work environment that promotes personal and professional growth as well as empowerment of women workforce.

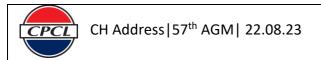
Your company's High performing work culture, talent nurturing practices, safety centric procedures, fosters and strengthens people to deliver high operational efficiency.

Beyond business, your company has been prioritizing in sustaining and maintaining long-term relationships with stakeholders by focusing on pragmatic social changes.

With the Corporate Social Responsibility (CSR) vision of "Strive for Educated, Healthy, Economically Developed and Environmentally Protected community around the Refinery",

Your company had contributed about Rs.6 Crore towards

- fostering community development activities,
- skill development,
- employment opportunities,
- infrastructure development and



providing health care facilities,

all of which has empowered the community as a whole.

For promoting sporting activities, your Company has been a proud sponsor of the 44th Chess Olympiad held at Chennai, and title sponsorship of the 36th Federation cup volley-ball championship at Karaikal.

In sync with Government of India's thrust on the MSME sector, CPCL has consistently exceeded the 25% MSME procurement target, including SC/ST and women MSMEs, for four years now and in 2022-23, about 39% of all procurements were made from MSME Vendors.

CPCL received the Certificate of Appreciation from the Ministry of MSME for the highest procurement during 2021-22 from SC-ST category under Micro, Small Enterprises (MSEs) amongst Miniratna Central Public Sector Enterprises (CPSEs)

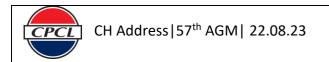
With regard to Corporate Governance, I must assure you that your Company complies with the guidelines issued by the Department of Public Enterprises as applicable to public sector undertakings, the details of which are provided in the Corporate Governance Report, forming part of the Integrated Annual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

Your company has always believed that strong business performance and high ethical standards go hand in hand.

While serving the needs of our stakeholders, the company is also taking steps to ensure, that we live up to wider obligations towards society. This includes minimizing environmental impact, investing in positive social change and ensuring that governance decisions are meeting the expectations of your company's stakeholders. Your company is also leveraging various technologies to diversify into sustainability measures like setting up Compressed Bio-Gas plant, Green Hydrogen plants and producing Bio-fuels.

All the initiatives are in line with achieving the operational Net Zero Target of 2046.

Summing Up, I must assure you that we shall continue to stay focused on strengthening the core business of Refining while at the same time evaluate other opportunities in order to emerge as a major energy player in the future.



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

I take this opportunity to thank the Government of Tamil Nadu, Comptroller & Auditor General of India, Central Vigilance Commission, Petroleum Planning and Analysis Cell, Oil Industry Development Board, Oil Industry Safety Directorate, Centre for High Technology, Petroleum & Explosives Safety Organization, other regulatory and statutory 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 Mrs. Sobhana Surendran, Mr. Rajeev Ailawadi and Mr. S. Krishnan during their tenure on the Board.

I thank all, our valued shareholders, for joining us today and look forward to your constant support in strengthening your Company's performance in the coming years.

Thank You

Jai Hind!