**Post AGM Press Conference Speech by C&MD BPCL**

**29th August 2022**

Good evening, Ladies and Gentlemen,

It is my pleasure to speak to you on the occasion of the **69th Annual General Meeting** of BPCL.

At the outset, I would like to share with you that with the recent **amalgamation of Bharat Oman Refineries Limited and Bharat Gas Resources Limited with BPCL**, the Company stands to reap immense benefits of integration in the form of tax efficiencies, logistics and manpower synergies, as well as capital structure economies and operational flexibilities.

I am sure, you are already aware of **BPCL’s performance in 2021-22**. Let me share with you some significant highlights:

* **On the physical front**, BPCL registered improved market sales of 42.51 MMT and crude throughput of 30.07 MMT on a standalone basis, as against 38.74 MMT and 26.40 MMT, respectively, in the year 2021-22. BPCL has **achieved the number 1 position in market sales growth** amongst the PSU Oil Marketing Companies.
* **On the financial front,** our Profit After Tax on a standalone basis, stood at ₹ 8,789 crore, as against Profit After Tax of ₹ 19,042 crore in the previous year, the decline mainly attributable to one-time gain on the sale of stake in Numaligarh Refinery Limited in the year 2021-22. Besides this, during the year, the gains due to higher refining margins were more than offset by the lower marketing margins and lower inventory gains, dragging our profits down.
* Continuing our tradition of rewarding shareholders, the Board of Directors **declared a total dividend of ₹ 16 per share** on earnings of ₹ 41.31 per share for the year.

After the unprecedented tumult of the COVID pandemic, the **global economy and particularly the energy sector** **has been witnessing challenges** of a different kind and magnitude since the past few months. The high levels of inflation, exacerbated by the recent geopolitical tensions, is hurting the growth momentum globally. For the country, particularly the financial health of domestic Oil Marketing Companies has been under tremendous pressure.

The world is witnessing a shift taking place away from traditional energy sources and towards cleaner energy solutions. Recognizing the need to diversify and create additional revenue streams as the energy landscape undergoes transformation, BPCL has, during 2021-22, **created two new Business Units, namely, Renewable Energy and New Businesses**, to pursue clean energy business and consumer retailing business in a focused manner. This initiative is a part of our overall strategy across the **six pillars of future growth** that we have identified for creating sustainable value for all our stakeholders, while also providing a hedge against the risk of any decline in the oil and gas business. **These six pillars are - Petrochemicals, Gas, Renewables, New Businesses, that is, Consumer Retailing, E-mobility and Upstream**. The core business of refining and marketing of petroleum products will continue to provide stability and funding bandwidth.

Elaborating on these six pillars, I would like to highlight that enhancing the presence in **Petrochemicals** space is the topmost priority for BPCL. In this direction, we have planned **Ethylene Cracker project at Bina Refinery and the Polypropylene project at Kochi Refinery**, for which feasibility studies and other pre-project activities are underway. The projects are likely to take around four years for completion once the environmental clearance is received and are expected to come on stream by 2026-27. Once commissioned, these will increase the share of petrochemicals in the Company’s product portfolio from around 1% currently to about 8%.

In the **City Gas Distribution segment of the natural gas** business in the country, BPCL now has licenses for developing CGD networks in 25 GAs on a standalone basis and a total of 50 GAs, inclusive of JVs. Success in the past few rounds of CGD bidding has seen BPCL emerge as one of the top 3 CGD players in the country. Further, commercial operations have started at 8 new GAs during the year 2021-22, while work in other GAs is progressing well.

Contributing to climate stabilization and aligned with national priorities, BPCL has announced its aspiration to achieve net-zero emissions in Scope 1 and Scope 2 by 2040, a first among PSU Oil Marketing Companies, and has formed an Energy Transition Council to drive this objective. A detailed roadmap is being laid out including critical milestones to be achieved at various stages in the journey. The **Renewable Energy** business unit, while undertaking commercial ventures in the renewables space, will be a major driver and contributor to the Company’s green initiative. BPCL has planned to scale up its renewable energy portfolio from less than 50 megawatts today to 1 gigawatt by 2025 and 10 gigawatts by 2040 and has begun exploring various organic and inorganic opportunities in this direction. Participating wholeheartedly in the national Biofuels program, BPCL recently achieved 10% blending of ethanol in petrol and is committed to increasing the blending percentage in line with the roadmap laid by the government.

**Consumer retailing** is a fast-growing segment in the country, and we are making novel moves by reimagining this business. With initial focus on small towns and rural areas, the recently created business unit New Businesses has developed a unique digitally enabled omni-channel business model to provide fuel and non-fuel offerings to the lowest strata of the Indian market, through engagement of rural women folk entrepreneurs called "Urja Devis". In its first year of formation, the business has already opened 30 "In & Out stores" in Tehsils and enrolled 300 Urja Devis in rural areas. The business is working towards creating 1,500 In & Out stores and engaging 15,000 Urja Devis in the year 2022-23.

In the **electric mobility space**, towards addressing the range anxiety related to four-wheelers, we have introduced a novel concept of Highway Fast Charging Corridor. After successful pilot on 900 km stretch of the Chennai-Trichy-Madurai highway, (NH-45), we plan to scale this facility across 200 highway corridors with around 2,000 Retail Outlets in the year 2022-23. Besides, we are providing charging facility at our Retail Outlets in alliance with the EV partners as well as exploring opportunities across segments of the EV value chain like battery swapping. We are committed to converting around **7,000** conventional **Retail Outlets into Energy Stations** in the medium to long term, providing multiple fueling options.

Talking about the **upstream business**, Bharat PetroResources Limited, our wholly owned upstream subsidiary, achieved a major milestone in the development of one of its biggest exploration assets – the BM Seal 11 Concession in Brazil, with the consortium submitting Declaration of Commerciality for the oil and gas discovery in December 2021. BPCL has recently received the approval of Cabinet Committee of Economic Affairs for the proposed investment of approximately USD 1.6 billion in the asset. The submission of Field Development Plan and Final Investment Decision are likely to take place shortly, after which construction will commence. In Mozambique, where BPRL along with other consortium members is developing the two-train LNG project, the security situation is improving, and the consortium is working towards an early restart of the project.

Leveraging the power of digitalisation, we are sailing ahead on our digital transformation journey under our **‘Project Anubhav’**, which has delivered innovative applications and solutions with exceptional features, thereby enhancing Trust, Convenience and Personalization for our esteemed customers, while improving transparency and efficiency in our operations. Applications like HelloBPCL, IRIS, Urja, UFill, Advanced Loyalty Program and SalesBuddy have become powerful brands today and are seeing increased usage day by day.

For BPCL, community development has been an integral part of our corporate philosophy, and our **Corporate Social Responsibility** initiatives encapsulate our expression of oneness with communities. BPCL, a conscientious corporate citizen, has always been at the forefront of service to society and nation building, including during the COVID times. In the nation’s fight against the pandemic, we have been contributing wholeheartedly in various ways, including providing oxygen from our refineries and setting up COVID-care facilities in the vicinity to ease the burden on government healthcare system.

In the wake of the prevailing high crude oil prices and the fluidity seen in the global economy, BPCL is **closely monitoring** the evolving situation, recalibrating its responses, and taking all necessary actions and initiatives to ensure continued sound financial health, improve upon efficiencies, build on capabilities and create new capacities leveraging technology.

BPCL, an immensely adaptable, pragmatic and agile organization, will continue to add new glorious chapters to its journey in the years ahead by working diligently to create outstanding value for all its stakeholders.

**Thank You**

**About Bharat Petroleum Corporation Ltd. (BPCL):**



Fortune Global 500 Company, Bharat Petroleum is the second largest Indian Oil Marketing Company and one of the premier integrated energy companies in India, engaged in refining of crude oil and marketing of petroleum products, with a significant presence in the upstream and downstream sectors of the oil and gas industry. The company attained the coveted Maharatna status, joining the elite club of companies having greater operational & financial autonomy.

Bharat Petroleum’s Refineries at Mumbai & Kochi and subsidiary Bharat Oman Refineries Ltd., at Bina, Madhya Pradesh have a combined refining capacity of around 35.3 MMTPA. Its marketing infrastructure includes a network of installations, depots, energy stations, aviation service stations and LPG distributors. Its distribution network comprises over 20,000 Energy Stations, over 6,200 LPG distributorships, 733 Lubes distributorships, and 123 POL storage locations, 54 LPG Bottling Plants, 61 Aviation Service Stations, 4 Lube blending plants and 4 cross-country pipelines.

Bharat Petroleum is integrating its strategy, investments, environmental and social ambitions to move towards a sustainable planet. The company has chalked out the plan to offer electric vehicle charging stations at around 7000 energy stations over next 5 years.

With a focus on sustainable solutions, the company is developing a vibrant ecosystem and a road-map to become a Net Zero Energy Company by 2040, in Scope 1 and Scope 2 emissions.  Bharat Petroleum has been partnering communities by supporting innumerable initiatives connected primarily in the areas of education, water conservation, skill development, health, community development, capacity building and employee volunteering. With ‘Energising Lives’ as its core purpose, Bharat Petroleum’s vision is to be the most admired global energy company leveraging talent, innovation & technology.

**For further details please get in touch with:**

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