

29 February 2024

To,

**The BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai – 400001

**Scrip Code: 500870**

**National Stock Exchange of India Limited**

Exchange Plaza, Bandra Kurla Complex,

Plot No. C/1, 'G' Block,

Bandra (East), Mumbai – 400051

**Symbol : CASTROLIND**

**Subject: 1. Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Electronic copy of Notice of 46th Annual General Meeting (“AGM”) and the Annual Report of Castrol India Limited for the financial year ended 31 December 2023**

**2. Intimation of cut-off date to determine the eligibility of members to cast their votes through remote e-voting and e-voting during the 46th Annual General Meeting**

Dear Sir/Madam,

Pursuant to applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we wish to inform you that the 46<sup>th</sup> Annual General Meeting ("AGM") of the Company will be held on Thursday, 28 March 2024 at 2:30 p.m. Indian Standard Time (IST), through Video Conferencing/Other Audio-Visual Means("VC/OAVM").

We are enclosing electronic copy of the Annual Report for the financial year ended 31 December 2023 including the Audited Financial Statements for the financial year ended 31 December 2023 and the Notice of the 46<sup>th</sup> AGM which is being sent by email to those Members whose email addresses are registered with the Company/Depository Participant(s). The Annual Report and Notice of the 46<sup>th</sup> AGM are available on the website of the Company at:

[https://www.castrol.com/en\\_in/india/home/investors/annual-reports.html#tab\\_2023](https://www.castrol.com/en_in/india/home/investors/annual-reports.html#tab_2023).

In terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has fixed Thursday, 21 March 2024 as the cut-off date to determine the eligibility of the Members to cast their vote by remote e-voting and e-voting during the 46<sup>th</sup> AGM to be held on Thursday, 28 March 2024 through VC/OAVM facility.

**Registered address:**

Castrol India Limited

CIN: L23200MH1979PLC021359

Technopolis Knowledge Park, Mahakali Caves Road, Andheri (East), Mumbai – 400093

Tel: +9122-66984100 / Fax: +9122-66984101

Customer Service Toll Free No: 1800222100 / 18002098100



Request you to take the above on record.

Thank you.

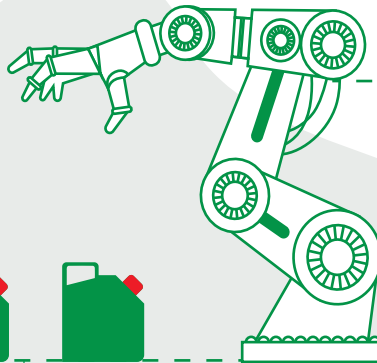
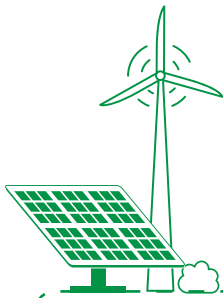
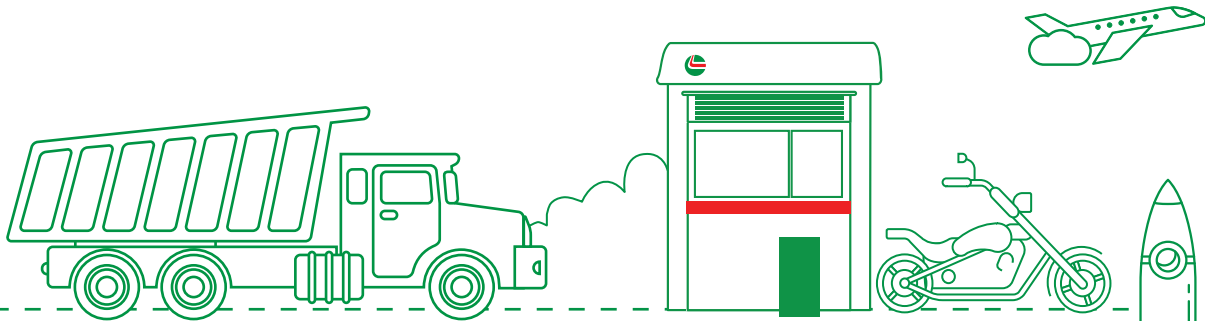
Yours faithfully,  
**For Castrol India Limited**

**Hemangi Ghag**  
**Company Secretary & Compliance Officer**

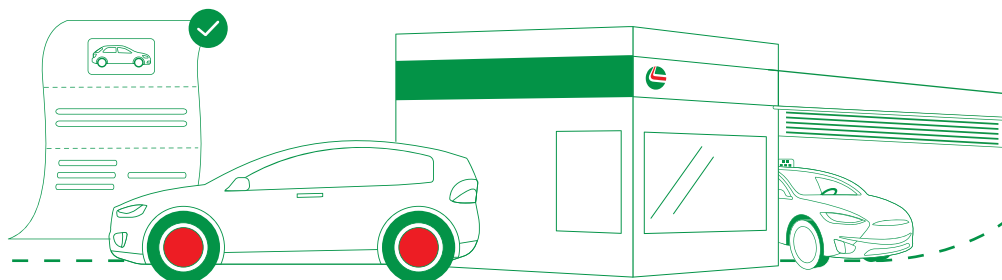
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Accelerating progress:

# Onward, Upward, Forward



ANNUAL REPORT  
**2023**





# Corporate Information

## Board of Directors

**R Gopalakrishnan**  
Independent Director & Chairman

**Uday Khanna**  
Independent Director

**Sangeeta Talwar**  
Independent Director

**Rakesh Makhija**  
Independent Director

**Sandeep Sangwan**  
Managing Director

**Deepesh Baxi**  
Chief Financial Officer &  
Wholetime Director

**Mayank Pandey**  
Wholetime Director

**Saugata Basuray**  
Wholetime Director

**Sashi Mukundan**  
Nominee Director

**Udayan Sen**  
Nominee Director

**Nicola Buck**  
Nominee Director

## Company Secretary & Compliance Officer

**Hemangi Ghag**

## Auditors

**Deloitte Haskins & Sells LLP**  
Chartered Accountants

## Bankers

Deutsche Bank  
The Hongkong and Shanghai  
Banking Corporation Ltd.

State Bank of India

Citibank N.A.

DBS Bank Ltd.

J P Morgan Chase Bank N.A.

Standard Chartered Bank

## Registered Office

Technopolis Knowledge Park,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai - 400 093, India  
CIN: L23200MH1979PLC021359

Tel: +91-22-6698 4100

Fax: +91-22-6698 4101

[investorrelations.india@castrol.com](mailto:investorrelations.india@castrol.com)

[www.castrol.co.in](http://www.castrol.co.in)

## Registrar & Transfer Agent

KFin Technologies Limited  
Selenium Tower-B,  
Plot No. 31-32 Gachibowli,  
Financial District,  
Nanakramguda,  
Hyderabad - 500 032

Toll-free No.: 1800-3094-001

[einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

[www.kfintech.com](http://www.kfintech.com)

# Navigating our growth journey

## Corporate Overview

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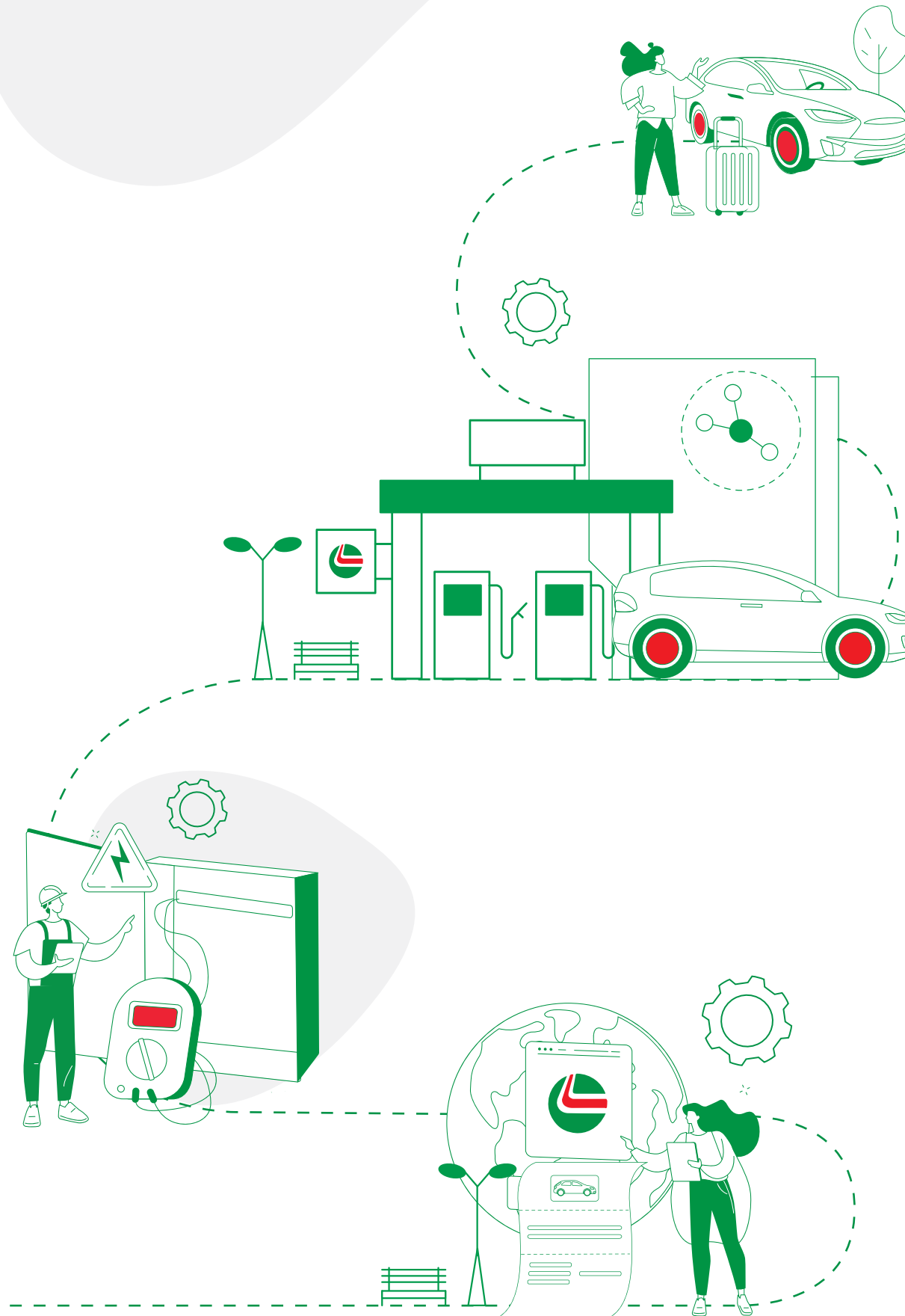
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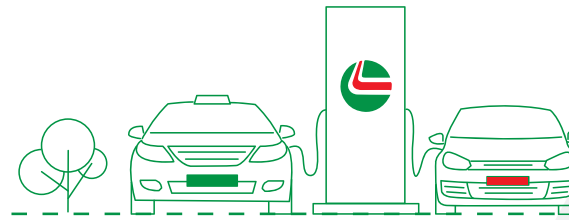
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**Notice for Annual General Meeting 202**



# Accelerating progress

Onward, Upward, Forward



In the dynamic landscape of change, Castrol propels the global lubricant industry...  
Onward, Upward, Forward.



## Onward: Powering growth and mobility

Helping people and goods move better.



## Upward: Boosting industrial performance

Helping machines perform better.



## Forward: Diversifying our future

Opening up new opportunities as customers' needs evolve.



So that, together, **we move forward.**

The report navigates our pathway of change in FY 2023. This year, we refreshed our brand identity to reflect a diverse and progressive world advancing with innovation and foresight. We explore new technologies, promote sustainability, and prioritise transparency for our shareholders.



### Accelerating progress for our consumers:

Our mission is to improve the lives of truckers, farmers, bikers, and car owners through products and services, ensuring smooth and efficient vehicle operation.

Explore more on page

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### Accelerating progress for our customers:

Going beyond meeting the needs of diverse customer bases, we're dedicated to exceeding expectations with unparalleled support and innovation.

Explore more on page

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### Accelerating progress for our shareholders:

Prioritising transparency and good governance, we deliver value to stakeholders. Our financials, charts, robust policies, and insights enhance shareholder value through strategic communication.

Explore more on page

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### Accelerating progress for our communities:

Social Investment is a core value at Castrol, driving impactful programmes for a positive social and environmental footprint in the communities we serve.

Explore more on page

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### Accelerating progress for our nation:

Fostering national resilience, we enhance sustainability through our PATH360 initiatives—saving waste, reducing carbon, and improving people's lives, be it our employees or people of the country.

Explore more on page

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# Pioneering progress and performance

## About Castrol India Limited

As a market leader in lubricants, we redefine the value-creation journey for all our stakeholders.

It's at the heart of everything we do.

We drive change and pioneer the path of progress.

We do not merely adapt to change; we spearhead it, forging a trailblazing path towards progress. As pioneers in our industry, we redefine standards, elevating the lubricant industry beyond horizons and influencing the very essence of optimal performance.

Welcome to Castrol India Limited, a journey combining innovation and steadfast commitment, guiding industries, businesses, and communities towards a future where every incremental step leaves a lasting imprint.

### The numbers that define us

- INR 5,075 Crores** Revenue ↑6.0%
- INR 1,198 Crores** EBITDA ↑8.0%
- INR 864 Crores** Profit After Tax (PAT) ↑6.0%
- INR 177 Billion\*** Market Capitalisation ↑46%

\* As of 31 December 2023

# Striding forward: Castrol's impactful footprints



Our presence in India goes beyond a corporate footprint; it is a testament to our dedication to driving progress, innovation, and positive change across the nation's diverse landscapes.

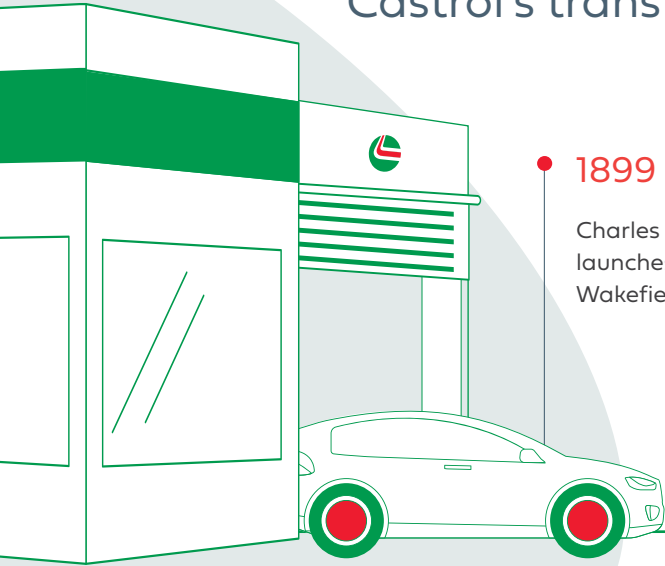
- 3** Manufacturing plants
- 350+** Distributors
- 1,00,000+** Retail touchpoints
- 448** Castrol Auto Service (CAS) outlets
- 5,500+** Castrol bike points
- 1,220** New villages reached
- 23** Chemical Management Services sites across India
- 4** Offices in Mumbai, Delhi, Kolkata, and Chennai
- 1,12,426** Total customers
- 305 mn litres** Manufacturing capacity
- 630+** Employees including workmen

\* Data as of 31 December 2023

\* Source: The Survey Map of India

# Our heritage

## Castrol's transformative milestones



1899

Charles 'Cheers' Wakefield launches C.C. Wakefield & Co.

1909

Wakefield registers his lubricant under the brand name Castrol - derived from castor oil.

1910

Introduction of C.C. Wakefield's automobile lubricants in the Indian market.

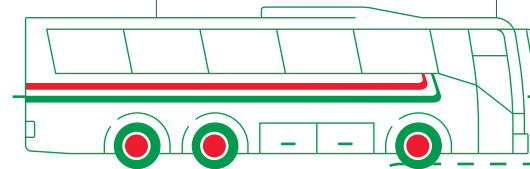


1919

Overseas expansion begins with the first branch office in Bombay partnering with Mumbai's BEST buses.

1926

The first ad graces the inaugural BEST bus in Mumbai.



1960

CC Wakefield transforms into Castrol Ltd., leading to a name change for the India branch.

1961

Commences manufacturing operations in India at Wadala, Mumbai's blending plant.

1996

Manufacturing begins at the Silvassa plant.



1990

Indrol Lubricants evolves into Castrol India Limited.

1985

Inauguration of the Patalganga plant.



1983

Indrol goes public with 40% equity held by Castrol UK.

1979

Indian branch becomes Indrol Lubricants & Specialities Pvt. Ltd.

1966

Burmah Oil globally acquires Castrol.



1963

Inauguration of the Paharpur plant

2000

bp acquires Burmah Castrol, integrating Castrol India into the bp Group.

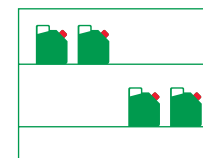
2007

Collaboration with Tata Motors for our first co-engineering project —TATA Nano.



2022

Introduction of Castrol ON, a range of EV fluids for the aftermarket.

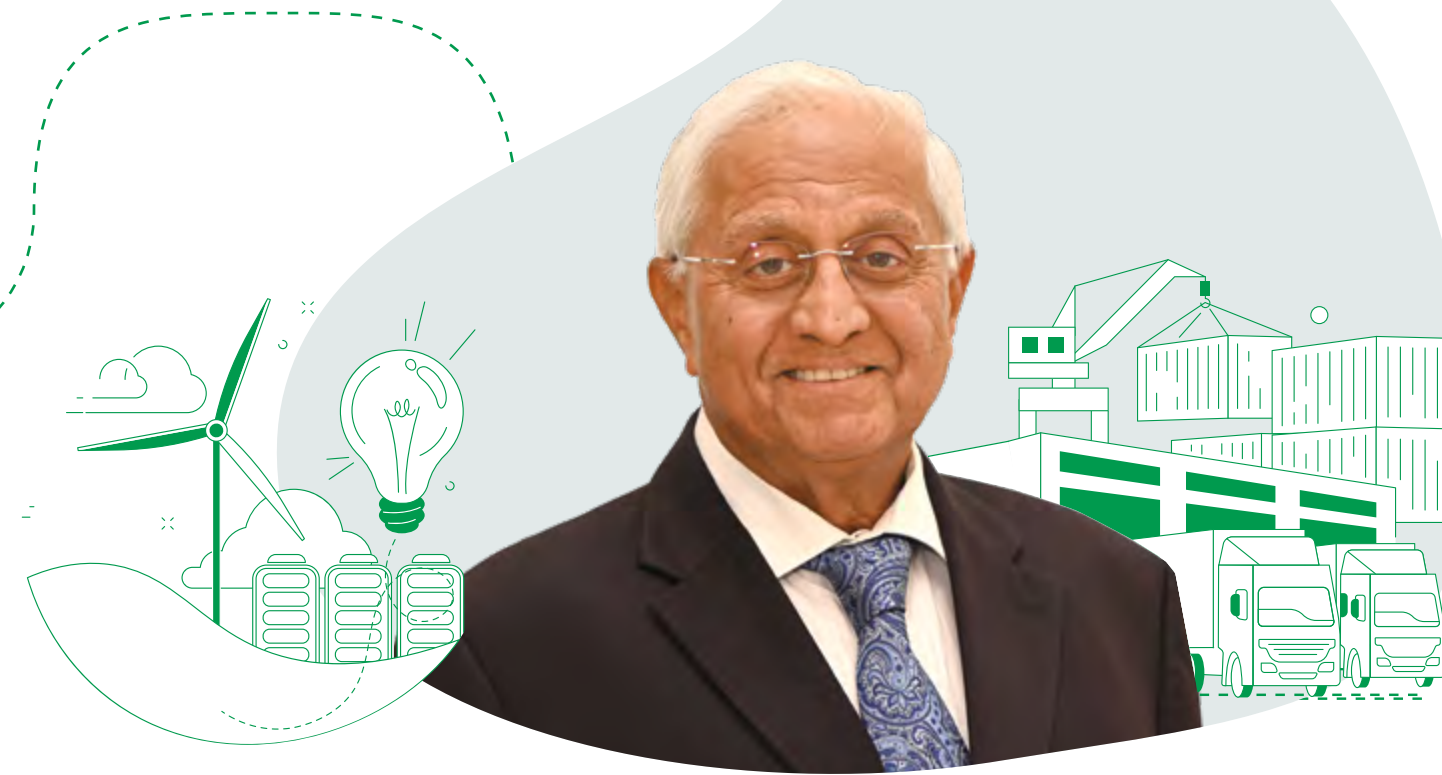


2023

Launch of the Castrol Auto Care range.

# Advancing together, embracing the future

## Letter from the Chairman



### Dear Shareholders,

Warm greetings!

As I pen my final message as the Chairman of your Board, I reflect upon the events of FY 2023 and the two decades preceding. I look back with satisfaction at the collaborative journey we've undertaken at Castrol India Limited.

### The year FY 2023

FY 2023 presented its share of challenges. Volatile raw material markets, fueled by global events, tested our agility. However, through proactive management and a deep understanding of market forces, we maintained stability, navigating uncertainty with unwavering dedication. This is not a cause for nervousness but a recognition that such disruptions are now part of our regular landscape, and we need to remain prepared to adapt and thrive.

Managing a company like ours demands a delicate balance, encompassing multiple priorities: navigating volatile raw materials, adapting to rapid market shifts, and seizing transformative opportunities. Inspired by nature's blend of agility and resilience, we strive to achieve this delicate balance.

### A legacy of growth and shared success

Since Castrol India's inception as a public entity in 1983, our growth has been nothing short of remarkable. Under the leadership of esteemed individuals like Mr. Barman, Susim Datta, and accomplished managing directors like Ram Savoor, Naveen Kshatriya, Ravi Kirpalani, Omer Dorman, and now Sandeep Sangwan, your company has consistently thrived. Having joined during the 2000 merger of TATA-bp Lubricants India Limited, I have had the privilege of contributing to this enduring legacy. My heartfelt gratitude extends to all our shareholders for their steadfast support, which has been instrumental in our success.

From the early post-IPO years to FY 2023, Castrol India has demonstrated remarkable progress, reflected in our compounded annual growth rate of around 12% for revenue and 16% Profit Before Tax (PBT). To draw an analogy, an initial investment of INR 100 made in 1983 has yielded significant returns of approximately over INR 4 lakh, including a dividend exceeding INR 1 lakh. Our unwavering

commitment remains to deliver consistent performance and create enduring value for our shareholders.

Drawing from my nearly 57 years of corporate experience and over 37 years serving on various Boards, I firmly believe that our robust management team and diverse Board have yielded significant results. While we humbly acknowledge areas for improvement, our resolve remains steadfast in our pursuit of continuous progress.

### Resilience through global challenges

Stability during challenges and strategic advancement during calm periods—that's the hallmark of our journey. Over two decades, we have navigated global challenges like the Iraq war, the 2007 financial crisis, the COVID-19 pandemic, and recent conflicts in Ukraine and Gaza. Each event, individually episodic, collectively underscores our resilience. Notably, our revenue and profit have experienced substantial

growth, with revenue increasing from INR 1,171 crores in 2003 to INR 5,075 crores in FY 2023, and profit before tax increasing from INR 204 crores to INR 1,181 crores over the same period, while dividend outflows surged from INR 102 crores to INR 643 crores.

Over the past decade, your company maintained a revenue CAGR of 4.8% and PBT CAGR of 4.5%, despite the global pandemic's impact. Notably, in the last three years, we've achieved significant growth, with a revenue CAGR of 19.2% and PBT CAGR of 14.6%, demonstrating our resilience and commitment to delivering results.

### Adapting to an evolving landscape

The evolving landscape, marked by shifts in vehicle mobility, upgraded emission standards, and the rise of electric vehicles, remains firmly within our purview. In the coming years, anticipate hearing more about our strategic plans to solidify our position not only in the Indian

lubricant market but also in the broader automotive sector. Our commitment is unmistakable, as evidenced by our promising investments like Ki Mobility Ventures.

### A heartfelt farewell and optimistic outlook

As I draw this letter to a close, my heartfelt gratitude extends to the management, employees, shareholders, partners, vendors, and our diverse Board of Directors for their unwavering support. I remain deeply optimistic about the journey ahead, propelled by our unwavering commitment to excellence, quality, and a forward-looking vision.

Thank you all for being an integral part of Castrol India's remarkable journey.

Warm regards,

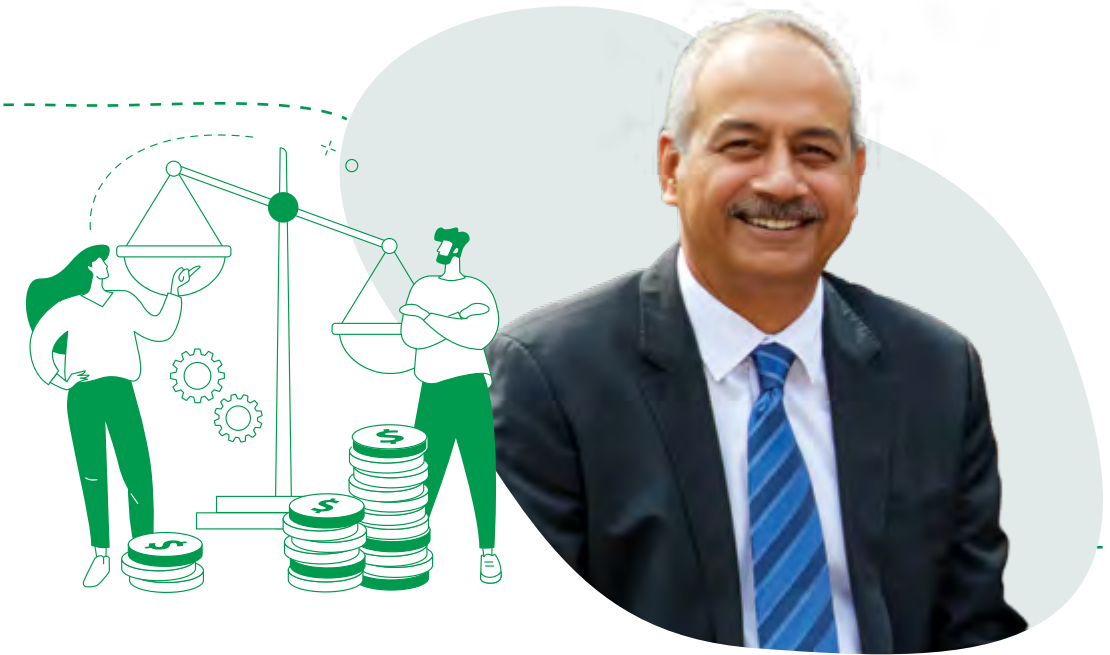
**R. Gopalakrishnan**  
Chairman  
Castrol India Limited





# Reflecting with gratitude on a year of resilience and excellence

## Letter from the Managing Director



### Dear valued shareholders,

In the tumultuous waves of global disruptions and fluctuating crude prices in FY 2023, your Company not only survived but thrived, strategically navigating challenges. The results? Soaring performance metrics—a 6.0% growth in revenue and 6.0% increase in profits (y-o-y), which serves as a testament to our resilience and strategic prowess.

Amid adversity, our global facelift wasn't just a rebrand; it was a statement—a bold declaration that we are not just adapting but evolving.

### Milestones and progress: Our shared achievements

Your Company's journey in FY 2023 has been marked by shared achievements and progress. From impactful product launches and campaigns to expanding our reach and penetration, prioritising sustainability, and forging partnerships to drive growth, your commitment to our shared vision has been the catalyst for success.

### New product launches and brand enhancement

From the launch and placement of the auto care product range in 21,000 outlets and e-commerce platforms, the triumph of MAGNATEC SUV 5W-30, and the redefinition of commercial vehicle oils with Castrol CRB ESSENTIAL has all been exhilarating. Strategic campaigns such as #BadhteRahoAagey, *Pragati Ki Paathshaala* and India's Ultimate MotoStar resonate with the spirit of

progress we embrace. And they are a promise backed by a substantial INR 129 Crores advertising spend.

### Reaching far and wide: Connecting communities

Expanding our reach into over 1,220 rural villages and establishing 79 express change outlets wasn't just about business—it was about connecting with diverse communities. Your Company's service and maintenance network, now spanning 1,200+ multi-branded passenger car service centres and 5,500+ bike points, is a testament to the relationships we've built together.

### Sustainability and social impact: Making a difference

Our commitment to sustainability isn't just about numbers; it's about making a real impact. Transitioning to 30% PCR in small bottles, reducing plastic consumption, and achieving carbon emission reductions are strides towards a better future. Our Castrol ON EV transmission fluids, available on various e-commerce platforms, contribute to a sustainable future. Initiatives like Castrol Sarathi Mitra, Castrol Eklavya, and Ujjwal Kal underline your Company's commitment to social welfare.

### Digital innovations: Shaping the future

Digitisation took centre stage as your Company implemented cutting-edge

digital tools and apps. With the Super Mechanic Learning Academy, we have already empowered 18,000+ mechanics, with a goal of impacting over 5,00,000 mechanics across India.

### Nurturing partnerships: Strengthening established and emerging collaborations

Our strategic partnerships with Ki Mobility Solutions (KMS), Mahindra Insurance Brokers Limited (MIBL), and Uber elevate our market influence, providing enhanced aftermarket services, insurance options, and maintenance solutions to enrich customer experiences and drive industry impact.

### Safety first: A steady commitment

Our commitment to safety remains resolute. Your Company's plants in Paharpur and Patalganga sustained safe operations. I am proud to state that our Castrol Complete CMS sites celebrated 11 years of recordable injury-free operations. Notably, there were no on-site or at-work life-changing injuries and fatalities, underscoring our relentless focus on ensuring the well-being of our workforce.

### 125 years of excellence: Celebrating the Castrol Global journey

As Castrol Global celebrates 125 years in 2024, our 115-year Indian legacy stands as a testament to enduring excellence. Over these years, we've achieved technological milestones and created a special place in the hearts of countless Indian families, spreading smiles across the nation. Embracing the strategy 'Onward, Upward, Forward,' we celebrate your Company's rich history and propel into a future of continuous growth, contributing to innovation and relevance.

In the spirit of celebrating our excellence, we are proud to announce this year's dividend excellence as well. With a final dividend of INR 4.50 per equity share for FY 2023, taking the total dividend for FY 2023 to INR 7.50 per share, we express our commitment to shareholder value and gratitude for your enduring support. Pending approval at our 46<sup>th</sup> AGM, this dividend underscores our dedication to rewarding our shareholders for their trust and confidence in Castrol India.

### Looking forward: Together towards the future

As we look ahead, I am filled with optimism. The transition to electric vehicles (EVs) and your Company's collaborative efforts with OEMs showcase our commitment to the future. Our EV readiness training exemplify our forward-thinking approach to sustainable mobility. By training over 1000 mechanics till date, we not only equip them for the future but also contribute to a sustainable and greener mode of transportation.

### A heartfelt thank you!

In closing, I extend heartfelt gratitude for your continued trust and support. Together, we've overcome challenges and set the stage for a promising future. Our journey is a testament to the power of unity, shared values, and a common vision. Our commitment to excellence, safety, and sustainability remains steadfast as we move ahead.

Warm Regards,

**Sandeep Sangwan**  
Managing Director  
Castrol India Limited



# Accelerating progress for consumers

## Fuelling seamless consumer journeys

At the heart of our mission are individual consumers—truckers, farmers, bikers, and car owners. Our commitment is to deliver products and services that elevate their lives, ensuring journeys that are not just smooth but also efficient. We aim to make every consumer interaction a seamless and empowering experience.

Discover our latest launches, explore our brand portfolio, and delve into the success stories of our recent marketing campaigns.



## Castrol's onward innovation

### New product launches



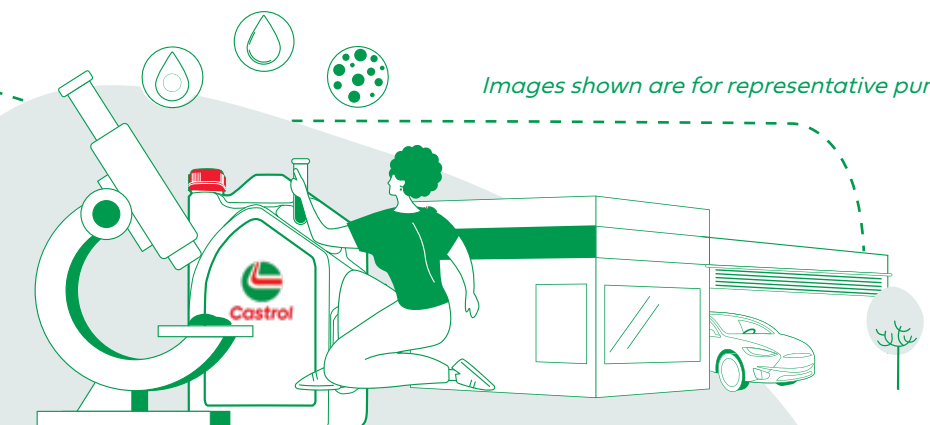
We launched premium **Auto Care** products, including **Castrol Chain Cleaner, Castrol Chain Lube, Castrol 3-in-1 Shiner, Castrol 1-Step Polishing Compound, and Castrol Anti-Rust Lubricant Spray**. These high-quality products are now conveniently available at over 21,000 retail and IWS outlets as well as leading e-commerce platforms.



We launched the **Castrol CRB ESSENTIAL** range, featuring five affordable commercial vehicle engine oil variants, providing critical engine protection, minimising repair costs, and preventing unexpected downtime.



Another new launch, the **Castrol MAGNATEC SUV 5W-30** is a premium full synthetic offering that has gained a great response from our customers already.



*Images shown are for representative purposes*

# Castrol's path forward: innovative brand portfolio

## Brand profile overview

At Castrol India, we chart a course marked by innovation, establishing a distinguished brand profile. With a firm commitment to evolving industry landscapes, our trajectory is defined by a relentless pursuit of cutting-edge solutions, redefining the contours of our brand identity.

### A Motorcycle engine oils



#### Castrol Activ

Castrol Activ is an excellent engine oil for those who want to give their motorcycle superior Protection. Our 3X Protection formula has Actibond Technology, which provides 50% better wear protection during start-up\*, and continues protecting the engine while running and even when it's switched off.

\* vs the relevant API specification limit for the Sequence IVA test

#### Castrol POWER1

Castrol POWER1 ULTIMATE, featuring 5-in-1 full synthetic technology, is engineered for ultimate performance across five critical areas: delivering excellent acceleration and protection, ensuring a smooth riding experience, maintaining engine coolness, and enduring overall performance. Meanwhile, Castrol POWER1, equipped with 3-in-1 synthetic technology, is designed for outstanding performance, providing excellent power and acceleration, robust protection, and a smooth riding experience.

Representative images

### B Car engine oils



#### Castrol EDGE

Castrol EDGE is our premium, flagship and the most advanced range of full synthetic engine oils designed to meet the needs of newer, more technologically advanced engines. Castrol EDGE, with patented Fluid TITANIUM Technology, transforms its physical structure to be stronger under pressure to keep metal apart and reduces friction for maximum engine performance when you need it most.

#### Castrol MAGNATEC

The Castrol MAGNATEC full synthetic range comes with the latest API specs and is BS6 ready. It has unique DUALOCK Technology that clings to critical engine parts and locks together at the surface to form a powerful force-field of protection for the car's engine.

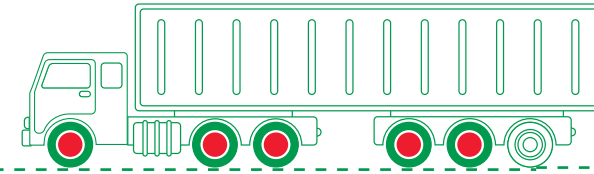
#### Castrol GTX

Castrol GTX is one of the world's most trusted engine oil. Castrol GTX with 3X CLEAN formula catches, controls and cleans the dirt from engine oilways and keeps your engine cleaner for longer, helping extend engine life.

Representative images



## C Commercial vehicle engine oils



## D Transmission Fluids, Greases and Coolants

Castrol offers a wide range of specialities products across drivelines, greases, and coolants enabling longer life & reduced maintenance for the operating life of the vehicle.

### Castrol TRANSMAX\*

A range of products that contain special heat control additives that deliver lesser oil thickening in the axle/gearbox that protects the truck from unforeseen downtime, hence enabling on time delivery.



*\*viscosity increase after L60-1 testing at 140°C for 50 hours as compared between new Castrol Transmax Axle plus 85W-140 and Castrol Axle GL-5 85W-140*

### Castrol SPHEEROL

A range of products that are specially designed greases to withstand high speed applications & severe vibrations that are encountered in commercial vehicles operating in Indian road conditions.



### Castrol RADICOOOL

A range of products that incorporate selected chemical agents which provide effective engine cooling & rust protection, leading to reduced engine maintenance.



Representative images

### Electric vehicle fluid



### Castrol ON

Castrol ON EV Transmission Fluid is a full synthetic, high performance, high efficiency fluid. It is an advanced EV Transmission Fluid that helps extend the life of the drivetrain system and helps vehicles go further<sup>1</sup>\* on a single charge.

*\* Castrol EV Fluids benefits are demonstrated in bespoke testing and development.*

<sup>1</sup> vs mass market EV factory fill fluid.



### Castrol CRB

Castrol CRB is a versatile, multi-purpose, heavy-duty engine oil designed for modern diesel engines. The new CRB range helps break the destructive cycle of heat, deposits, and wear in the engine, providing 3X<sup>+</sup> protection for a long and healthy engine life.

*~ Helps break the destructive cycle of Heat, Deposits and Wear in the engine giving it 3x protection*



### Castrol VECTON

Advanced diesel engine oil with SYSTEM PRO TECHNOLOGY™ for extended service intervals. It fights breakdowns, controls oxidation, and reduces deposits in the competitive trucking industry.

Representative images

# Consumer-centric marketing campaigns

Marketing initiatives

## #BadhteRahoAagey

Our Castrol CRB TURBOMAX #BadhteRahoAagey campaign is more than a marketing campaign; it's a commitment to empower truckers. While the impactful TVC, featuring Sukhi and Dukhi, highlights the engine protection provided by Castrol, our on-ground initiative, Pragati Ki Paathshaala, aims to enhance the skills and entrepreneurial spirit of as many truckers as possible across India. With support from the Minister of Road Transport and Highways, Shri Nitin Gadkari and Ambassador Sonu Sood, we're making a real impact on the lives of those who drive our economy forward.

To explore this captivating marketing campaign, scan the provided QR code.

Scan to watch the video

ARE YOU A PASSIONATE MOTORACER?  
Win a chance to get trained by LCR Honda Castrol MotoGP™ Team in Europe.

Castrol POWER1 PRESENTS INDIA'S ULTIMATE MOTOSTAR ON MTV

Scan to watch the video

## India's Ultimate MotoStar

We launched Castrol POWER1 presents India's Ultimate MotoStar on MTV, an exciting initiative in collaboration with Viacom18 and Rajni Academy for Competitive Racing (RACR). With auditions, RACR training, and a chance to train in Europe with the LCR Honda Castrol MotoGP™ Team, we're investing in the future of Indian motorcycling. Supported by an exclusive content series on MTV and JioCinema featuring actor Karan Kundrra, we aim to discover, nurture, and spotlight India's budding motorcycling talent, igniting the nation's passion for motorcycle racing.

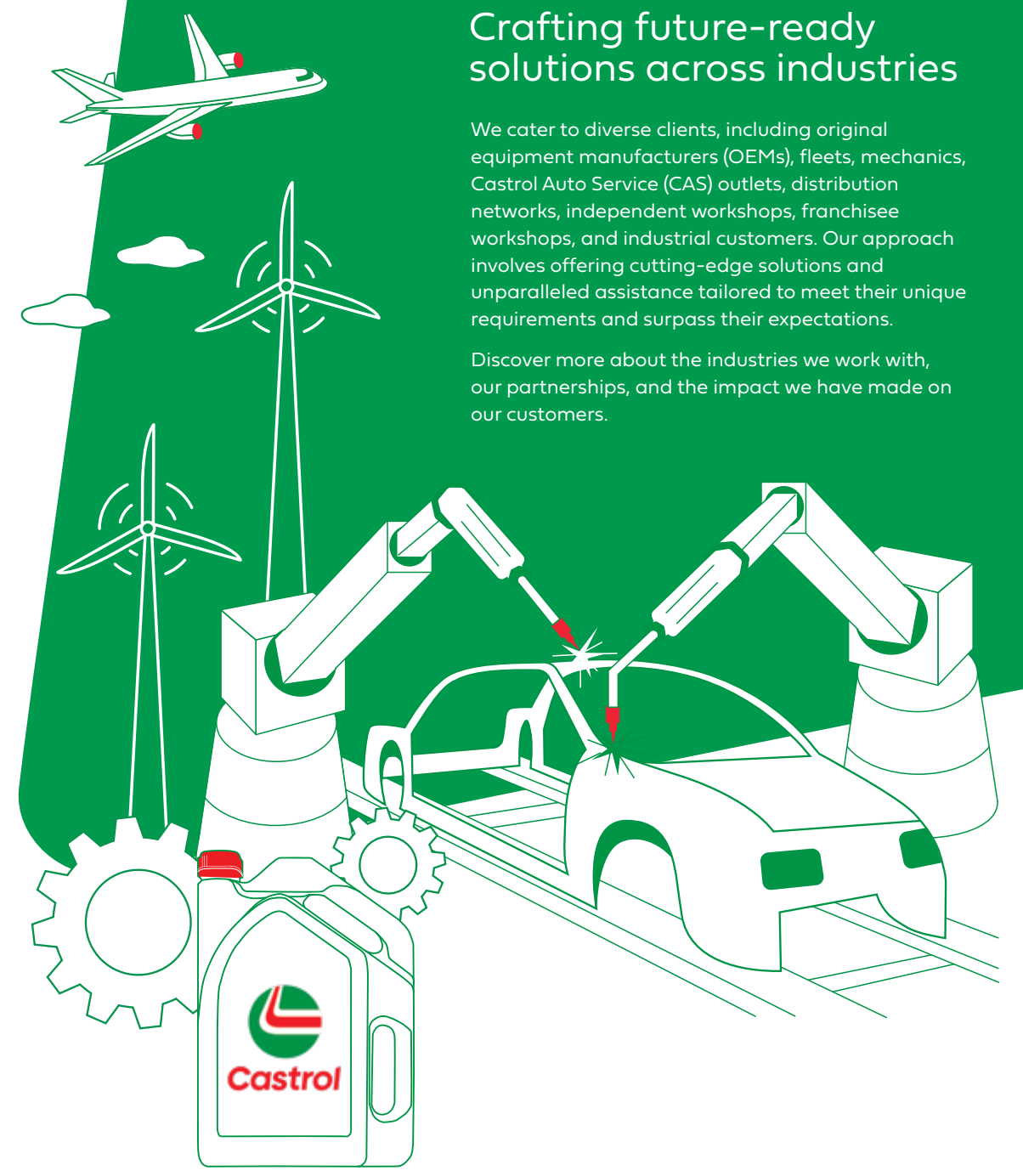
For an in-depth insight into our marketing campaign, scan the QR code to access an engaging video.

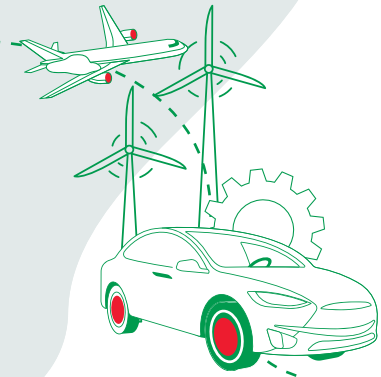
# Accelerating progress for customers

## Crafting future-ready solutions across industries

We cater to diverse clients, including original equipment manufacturers (OEMs), fleets, mechanics, Castrol Auto Service (CAS) outlets, distribution networks, independent workshops, franchisee workshops, and industrial customers. Our approach involves offering cutting-edge solutions and unparalleled assistance tailored to meet their unique requirements and surpass their expectations.

Discover more about the industries we work with, our partnerships, and the impact we have made on our customers.





# Optimising excellence across industries

## Industries we work with

At Castrol, we specialise and provide support to diverse industries, optimising operational efficiency, uptime, reliability, and costs.



Automotives



Data centres



Metals



Mining



Wind



Machinery manufacturing



Marine



Aerospace



Food processing

### Castrol Techniclean XBC

With XBB-XBC technology, not only effectively cleans in tandem with XBB coolants but is also eco-friendly. Its reusability in a central coolant system helps reduce wastewater costs.



### Castrol Optigear

Optigear Synthetic X 320 boosts wind turbine energy efficiency by 1%, translating to an additional \$1,00,000 in revenue per turbine over its 25-year lifespan.

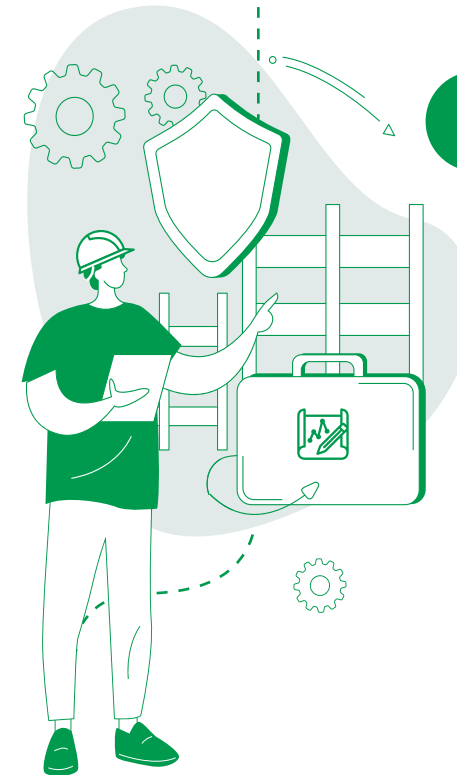


# Setting industry standards

At Castrol, we optimise excellence across industries and regions by prioritising safety, collaborating with OEM partners, demonstrating digital expertise, and excelling in supply chain management. Our commitment sets us apart in the industry.

## 01 Prioritising safety and connections

### Safety meets performance



The CMS India Team won the Global Star Award in the 'Live Our Purpose' category, and celebrated 11 years of injury-free operations (equivalent to about 5 million manhours) at CMS sites in India.

### Building enduring relationships



**Driving industrial success:** Collaborating with major OEMs to foster growth and create opportunities for Castrol.



**Empowering efficiency:** Upskilling teams on lubrication and sharing safety best practices for enhanced manufacturing.



**Building connections:** Engaging with customers, innovators, and industry leaders in India's dynamic manufacturing ecosystem.

## 02 Driving innovation through collaboration

### Ki Mobility Solutions - transforming India's automotive aftermarket

Vehicle owners will benefit from the strategic alliance of Castrol India and Ki Mobility Solutions through easy access to differentiated, digitally-enabled services and maintenance offered by the myTVS platform.

“Partnering with Castrol India enables numerous synergy options, such as scaling up our business offerings to electric vehicles and the potential to expand our footprint beyond India.”

G Srinivasa Raghavan  
Managing Director - Ki Mobility Solutions

### CAS expansion and impact

The CAS network has expanded to 448 outlets, covering more than 200 cities.

“We’ve seen marked improvements in our car service and repair business since joining the CAS network. The array of innovative solutions, including staff training, insurance services, spare parts availability, and increased customer footfall, has substantially grown our business scale and brand reputation.”

Favourite Motors, Ahmedabad  
Castrol Auto Service member



## Mahindra Insurance Brokers Limited

The agreement between Mahindra Insurance Brokers Limited and Castrol India enables CAS workshops to digitally offer eligible insurance policies from top providers, extending their services beyond repairs and maintenance.

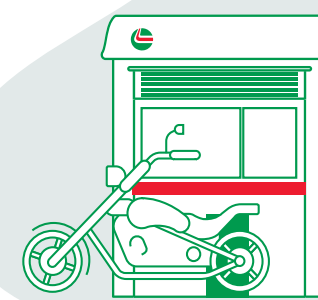
“Vehicle insurance, making up 34% of India's non-life insurance, offers growth potential. Our tie-up with Castrol India helps workshops become POSPs, allowing cashless services and growth via accident repairs. We're committed to making CAS workshops leading service providers in the auto industry.”

Mr Vedanarayanan Seshadri  
MD and Principal Officer  
Mahindra Insurance Brokers Limited



## 03 Cultivating rural markets

In FY 2023, we extended our reach to 1,220 new villages, adding 3,229 outlets. With 79 Castrol Service Express (CSE) outlets at the feasibility and operational stage, we've seen a threefold increase in lubricant sales and enhanced service quality.



## 04 Digitising business operations to optimise efficiency

### Precision in boosting sales: Castrol SMART

An advanced Salesforce automation tool, Castrol SMART facilitates business-focused discussions with both customers and mechanics. We are proud to announce the addition of a new industrial module to streamline product trials.



1,500+ Users 25,000+ Daily contacts

### Revolutionising mechanic engagement: Castrol Fastscan

Castrol Fastscan, our dynamic mechanic engagement platform, boasts 10,00,000 registered users, processing an impressive 2.8 Crores coupons monthly. Over 1,00,000 users actively participate in the mechanic loyalty program, earning points for Castrol products, gifts, vouchers, and more. This year, we introduced a learning capability platform, allowing mechanics access to live or recorded training sessions on various service and product topics.

- 10 Lakh Mechanics empowered
- 2.8 Crore Coupons scanned monthly
- 1 Lakh+ Mechanic loyalty program users



### Streamlining customer operations: Castrol DIGICLAIM

The Castrol DIGICLAIM portal has transformed into a central hub for efficient customer operations across all channels. This year, we automated customer claims for CAS and FWS channels, along with transit damage claims for distributors. These improvements not only accelerate claim payouts but also introduce a heightened level of transparency for our esteemed channel partners. Furthermore, the portal's digital security and compliance have been strengthened to align with the latest standards.

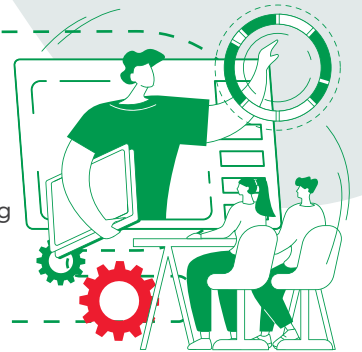


## 05 Strategic supply chain excellence

At Castrol India, we aim to build a customer-focused, competitive, and sustainable supply chain for unprecedented success.

### 01 Enable topline growth

Innovate product offerings for broad market reach, successfully launching **CRB ESSENTIAL** and establishing a robust auto care product supply chain.



### 02 Contribute to the bottom line

Optimise costs, enhance workforce productivity and asset utilisation, implement **ULTIMO** system, and efficiently manage breakdowns, inspections, spare parts, inventory, and projects.



### 03 Follow responsible corporate practices

Implement sustainable measures, achieving an impressive 1,800 Metric Tonnes of plastic reduction through 30% PCR.



### 04 Embrace digital transformation



Utilise advanced technologies, like real-time Power BI dashboards, for process optimisation.



Elevate customer experience with **project Falcon**—real-time order and delivery tracking.

Improve operational efficiency through logistics cost optimisation and a unified TMS on a digital SaaS platform.



Utilise Advance planning solution (**SO99+**) **ToolsGroup** for supply chain planning, refining demand and supply forecasting, demand collaboration, sensing, and inventory optimisation for enhanced agility.

### 05 Prioritise our people

Emphasise employee well-being and diversity, boasting a best-in-class **Pulse engagement score** and 40+ job rotations in the past two years.

Foster a culture of continuous improvement with the launch of **Lakshya**, a manufacturing excellence program that is driving a 10% increase in productivity in FY 2023.





# Accelerating progress for our shareholders

## Charting shareholder value with robust governance

Anchored by solid leadership, we adhere to rigorous policies and governance frameworks to ensure ethical business practices. Through effective communication of financial data, performance metrics, and product innovations, we keep our shareholders informed and engaged, showcasing our progress towards creating sustainable value for all.

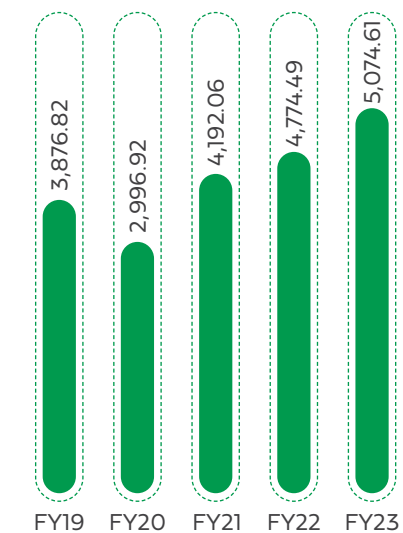
Discover our resolute commitment to creating shareholder value—a pledge that defines our business strategy and drives our success.



## Key Performance Indicators

Revenue

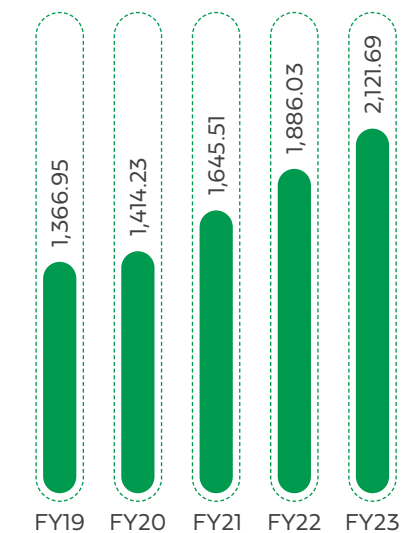
INR in Crores



CAGR: 7.0%

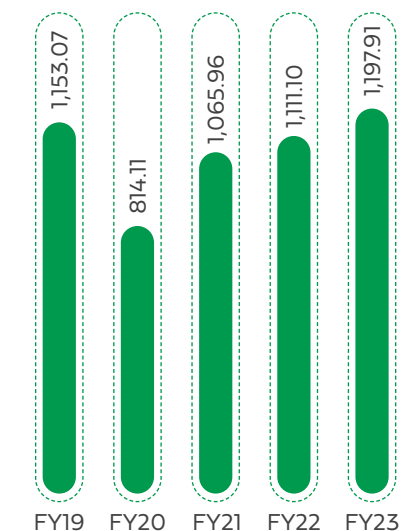
Net Worth

INR in Crores



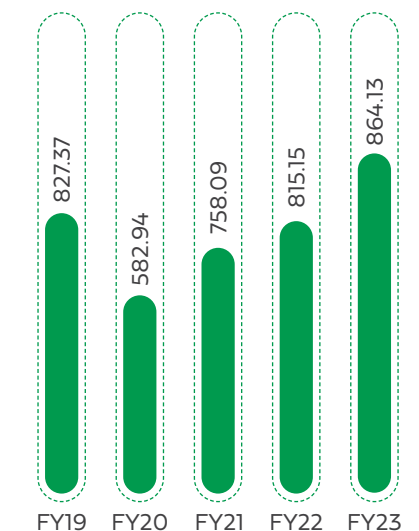
EBITDA

INR in Crores



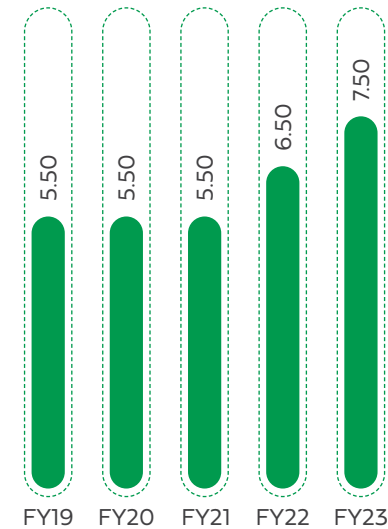
Profit after Tax (PAT)

INR in Crores

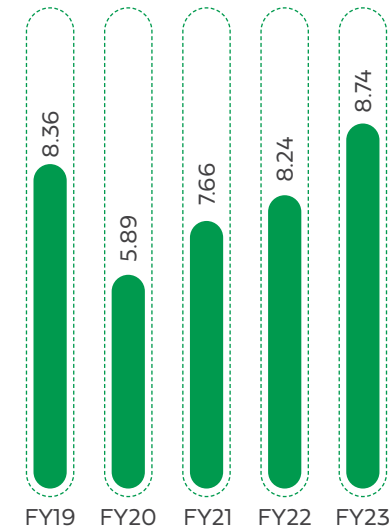


# Financial Highlights

**Dividend per Share (DPS)**  
(INR)



**Earning per Share (EPS)**  
(INR)

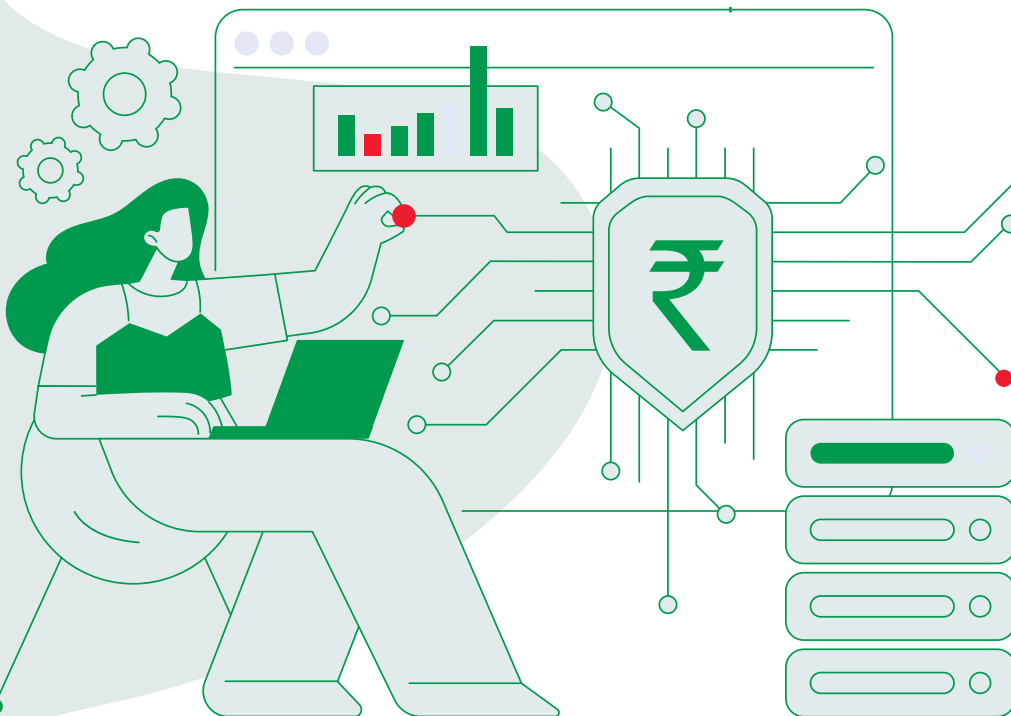


INR in Crores

| Particulars   | 2023            | 2022            | 2021            | 2020            | 2019            | 2018            | 2017            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue from operations                             | 5,074.61        | 4,774.49        | 4,192.06        | 2,996.92        | 3,876.82        | 3,904.55        | 3,851.56        |
| Less: Excise Duty                                   | -               | -               | -               | -               | -               | -               | ^267.24         |
| Revenue from Operations (Net)                       | 5,074.61        | 4,774.49        | 4,192.06        | 2,996.92        | 3,876.82        | 3,904.55        | 3,584.32        |
| Other Income  | 83.15           | 67.05           | 48.43           | 62.03           | 64.77           | 84.31           | 83.65           |
| Cost of Materials consumed                          | 2,636.41        | 2,499.92        | 2,058.82        | 1,266.34        | 1,747.65        | 1,906.56        | 1,665.90        |
| Employee Benefits and Other Expenses                | 1,240.29        | 1,163.47        | 1,067.28        | 916.47          | 976.10          | 927.22          | 885.30          |
| Depreciation and Amortisation Expense               | 92.43           | 81.39           | 82.7            | 86.62           | 69.74           | 55.57           | 45.50           |
| Finance Costs                                       | 7.53            | 4.01            | 2.41            | 4.16            | 1.19            | 1.09            | 1.20            |
| <b>Profit before exceptional items and Tax</b>      | <b>1,181.10</b> | <b>1,092.75</b> | <b>1,029.28</b> | <b>785.36</b>   | <b>1,146.91</b> | <b>1,098.42</b> | <b>1,070.07</b> |
| Exceptional Item                                    | -               | -               | -               | -               | -               | -               | -               |
| <b>Profit before Tax</b>                            | <b>1,181.10</b> | <b>1,092.75</b> | <b>1,029.28</b> | <b>785.36</b>   | <b>1,146.91</b> | <b>1,098.42</b> | <b>1,070.07</b> |
| Current Taxation (Net of reversal of earlier years) | 325.53          | 274.49          | 280.03          | 207.40          | 323.33          | 387.58          | 365.14          |
| Deferred Taxation                                   | (8.56)          | 3.11            | (8.84)          | (4.98)          | (3.79)          | 2.48            | 13.12           |
| <b>Profit After Taxation</b>                        | <b>864.13</b>   | <b>815.15</b>   | <b>758.09</b>   | <b>582.94</b>   | <b>827.37</b>   | <b>708.36</b>   | <b>691.81</b>   |
| Other comprehensive income / (expense) for the year | (2.96)          | (0.94)          | (0.79)          | 3.67            | (4.29)          | (1.13)          | (2.10)          |
| Total comprehensive income for the year             | 861.17          | 814.21          | 757.30          | 586.61          | 823.08          | 707.23          | 689.71          |
| Net Fixed Assets                                    | 367.21          | 321.55          | 251.22          | 252.75          | 227.03          | 221.08          | 196.24          |
| Share Capital                                       | 494.56          | 494.56          | 494.56          | 494.56          | 494.56          | 494.56          | 494.56          |
| Reserves & Surplus                                  | 1,627.13        | 1,391.47        | 1,150.95        | 919.67          | 872.39          | 671.10          | 525.59          |
| <b>Net Worth</b>                                    | <b>2,121.69</b> | <b>1,886.03</b> | <b>1,645.51</b> | <b>1,414.23</b> | <b>1,366.95</b> | <b>1,165.66</b> | <b>1,020.15</b> |
| Rupees  |                 |                 |                 |                 |                 |                 |                 |
| <b>Earning per Share*</b>                           | <b>8.74</b>     | <b>8.24</b>     | <b>7.66</b>     | <b>5.89</b>     | <b>8.36</b>     | <b>7.16</b>     | <b>6.99</b>     |
| <b>Dividend per Share*</b>                          | <b>7.50</b>     | <b>6.50</b>     | <b>5.50</b>     | <b>5.50</b>     | <b>5.50</b>     | <b>5.00</b>     | <b>4.75</b>     |
| <b>Book Value per Share*</b>                        | <b>21.45</b>    | <b>19.07</b>    | <b>16.64</b>    | <b>14.30</b>    | <b>13.82</b>    | <b>11.78</b>    | <b>10.31</b>    |

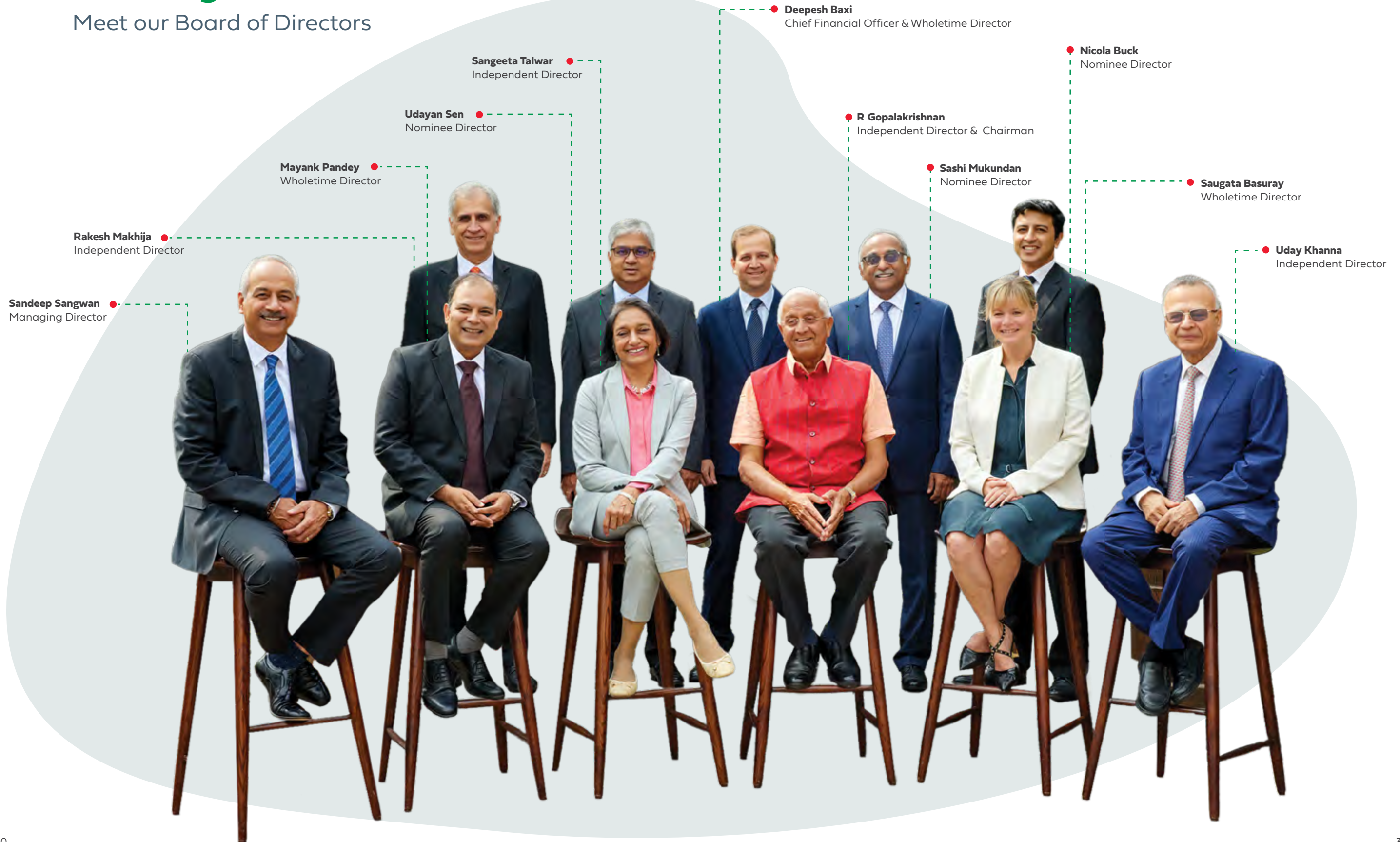
\* After considering adjustments of issue of bonus shares in 2017.

^ Excise duty has been netted off from sales to make it comparable with other years.



# Steering towards success

## Meet our Board of Directors





**R Gopalakrishnan**  
Independent Director & Chairman

R. Gopalakrishnan (Gopal) is the Independent Director & Non-Executive Chairman at Castrol India Limited. He is also an Independent Director for the Press Trust of India (PTI). With 57 years of corporate experience, including roles at Hindustan Lever Limited (HLL)/Unilever and the Tata Group, he has held key positions such as Chairman of Unilever Arabia and Managing Director of Brooke Bond Lipton India. Mr. Gopalakrishnan, a mentor to start-ups and corporate managers, is a renowned motivational speaker who has delivered over 100 keynotes in across the world while also being a prolific management writer who has authored 19 books. He studied Physics at St. Xavier's College, Kolkata, earned an Engineering degree from IIT Kharagpur, and completed an Advanced Management Program at Harvard Business School, USA.



**Rakesh Makhija**  
Independent Director

Rakesh Makhija, an Independent Director at Castrol India Limited, has had an extensive career spanning over four decades, both internationally and in India. Mr. Makhija held top management positions within the SKF Group, serving as President for the Industrial market and as a member of the SKF Group executive committee in Sweden. He was also the Managing Director of SKF India from 2002 to 2009. He previously served as CEO & Managing Director of Tata Honeywell Limited and later as Country Manager & Managing Director of Honeywell International for South Asia. Mr. Makhija was the Non-Executive Chairman of Axis Bank Limited until October 2023 and also served as an Independent Director since 2015. He was also the Non-Executive Chairman of SKF India from 2015 till 2019. Mr. Makhija is a Chemical Engineer from the IIT Delhi.

**Uday Khanna**  
Independent Director

Uday Khanna, a Chartered Accountant, is an Independent Director on the board of Castrol India Limited. Formerly the Managing Director and CEO of Lafarge India and Senior Vice President for Group Strategy at Lafarge Group in Paris, he brings nearly 30 years of experience from Hindustan Lever Limited (HLL)/Unilever. His roles at Unilever included Senior Vice President, Finance, Unilever Asia, and Vice Chairman of Lever Brothers in Nigeria. Mr. Khanna served as President of the Indo-French Chamber of Commerce & Industry (2008-2009) and the Bombay Chamber of Commerce & Industry (2012-2013). Mr. Khanna received the 'Best Independent Director' award from the Asian Centre for Corporate Governance Sustainability in 2018. He was the Non-Executive Chairperson of Bata India Limited from June 2011 to August 2019.



**Sandeep Sangwan**  
Managing Director

Sandeep Sangwan, Managing Director of Castrol India since January 2020, has been with bp Plc since 2012, holding various leadership roles worldwide. He also serves as a board member of Ki Mobility Solutions and a member of the leadership team at Castrol Global. With over 20 years of experience at Gillette and P&G, he specialises in business transformation, sales, and marketing. An alumnus of the Indian Institute of Management (IIM), Lucknow, and Regional Engineering College (NIT), Kurukshetra, Mr. Sangwan is dedicated to brand building, driving growth, and nurturing high-performance teams.



**Sangeeta Talwar**  
Independent Director

Sangeeta Talwar, an Independent Director at Castrol India Limited, brings over 30 years of diverse experience in marketing, sales, human resources, and general management across global corporations. Her notable achievements include creating, launching & establishing Maggi Noodles at Nestlé India and later serving in various capacities, such as northern region Sales Head, Vice President Human Resources, Marketing Director, and Strategic Advisor in Switzerland. She also held leadership roles as CEO & Managing Director at Mattel India, Executive Director at Tata Tea, and President South Asia for Tata Global Beverages. Recognised among the 'Business Today 30 Most Powerful Women in Indian Business,' Ms. Talwar is a qualified Leadership Coach, a passionate speaker on Diversity and has authored a book on her business journey, 'The 2 Minute Revolution'. She holds a graduate degree in Economics, an MBA from IIM Kolkata, and completed an Executive Program from the Wharton School, USA.



**Deepesh Baxi**  
Chief Financial Officer & Wholetime Director

Deepesh Baxi, with over 25 years in finance, currently serves as the Chief Financial Officer & Wholetime Director of Castrol India Limited, bringing 20 years of experience from bp Plc. Leading a team focused on long-term strategy, M&A opportunities, and maintaining a robust accounting and compliance environment, he also nurtures relationships with investors, analysts, and bankers. His global roles at bp covered finance, strategy, planning, internal audit, risk management, compliance, and business transformation. Recognised as 'Leading CFO of the Year' by CII in 2022 and 'CXO of the Year' by ICAI in 2020, he is a Chartered Accountant, an alumnus of IIM Ahmedabad, and a Certified Internal Auditor (CIA) from the Institute of Internal Auditors, USA.





● **Mayank Pandey**  
Wholetime Director

Mayank Pandey, with 20+ years of industry experience, heads Supply Chain operations for Castrol India, focusing on developing and implementing a robust strategy for business growth, safety, reliability, and efficiency. Previously, he served as Supply Chain Planning Head for Castrol Europe, leading strategy and operations in China and North Asia. Passionate about building high-performance teams and customer-centricity, his diverse professional background spans lubricants, business consulting, paints, and the engineering industry. Before joining bp, Mr. Pandey worked with Tata Strategic Management Group, Asian Paints, and Larsen & Toubro (L&T). He holds an MBA from the S. P. Jain Institute of Management and Research and is a Mechanical Engineer from Harcourt Butler Technological Institute.



● **Udayan Sen**  
Nominee Director

Udayan Sen is a finance professional with 30+ years of industry experience and has spent the last 25 years at bp Plc. He started his professional career with ITC Limited as a Management Trainee in 1992 and worked with Unilever India before joining Castrol India Limited in 1999. Mr. Sen has held corporate and regional roles globally in finance, strategy & planning and new markets business development. He served as the CFO for ASPAC Fuels & Air bp in Melbourne, Australia before becoming the Global CFO for Castrol in January 2020. Known for his open and inclusive leadership style with a passion for people and relationships, he is recognised for driving business and finance agendas across functions and geographies. Mr. Sen holds a Bachelor of Commerce (Honors) degree from St. Xavier's College, Kolkata (1989) and is a member of the Institute of Chartered Accountants of India since 1992.

● **Saugata Basuray**  
Wholetime Director

Saugata Basuray has 23+ years of experience in sales, marketing, and business development. Saugata joined CIL as a Management Trainee in 1999 after completing his MBA from SIBM Pune. Mr. Basuray has worked in India and overseas, including the global head quarters of Castrol in UK. He currently leads the B2C business segment at CIL. During his previous tenure in India, Mr. Basuray held various roles such as executive assistant to the managing director, Vice President Marketing & Head of Sales for the B2B channel. He has led businesses across emerging markets in South East Asia. Prior to his current assignment, he was the President Director of bp's lubricants joint-venture in Indonesia. He has an Engineering degree from the University of Pune.



● **Nicola Buck**  
Nominee Director

Nicola Buck has been the Chief Marketing Officer for Castrol since February 2022 and is also the Senior Vice President of Global Marketing for bp's Customers & Products portfolio. Leading a global team of marketing and customer management professionals, she oversees the Global Strategic Account Management Team and the Global Brand Forum. In her prior role, Ms. Buck was the SVP for Customer Value Proposition and Experience. She joined bp in 2004, initially focusing on fuel marketing and launching the bp Ultimate brand. After graduating from the University of Nottingham, she began her career at Boots, working in various public relations, marketing, and retail roles in the UK and worldwide.



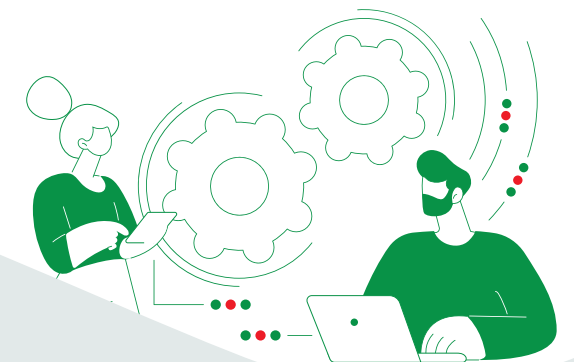
● **Sashi Mukundan**  
Nominee Director

Sashi Mukundan, President of bp India and Senior Vice President of the bp Group, leads the gas and low-carbon energy business in India. He oversees operations for all bp group companies in the country and serves on the boards of various entities, including India Gas Solutions Ltd., Reliance BP Mobility Limited, BP Exploration (Alpha) Ltd, and Castrol India Limited. Instrumental in the landmark partnership between bp and Reliance Industries Limited, Mr. Mukundan has nearly 40 years of experience in strategic planning, finance, business development, and operations. He is the Chairman of the National Committee on Hydrocarbons at CII and is currently responsible for strengthening bp's portfolio in India. Mr. Mukundan holds a B.Sc degree in Physics and a MBA in Marketing from Mumbai University, complemented by an MBA in Finance from the U.S.



● **Hemangi Ghag**  
Company Secretary & Compliance Officer

Hemangi Ghag is a Company Secretary and lawyer with 19 years of experience, specialising in corporate governance and laws, mergers & acquisitions, ethics and legal compliance. Prior to joining Castrol India Limited in 2021, she served as Company Secretary & Compliance Officer at Marico Limited for 11 years.



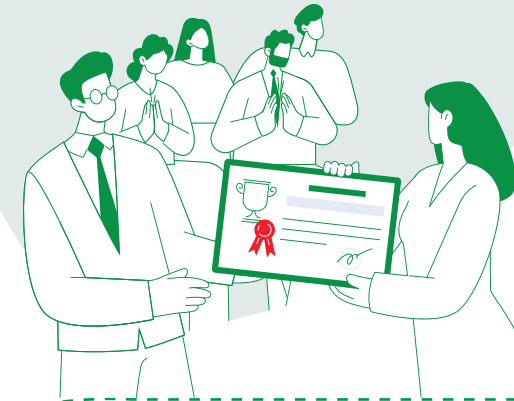
# Leading with purpose

## Castrol India leadership team

- Saugata Basuray**  
Vice President - B2C Sales
- Sandeep Sangwan**  
Managing Director
- Rohit Talwar**  
Vice President - Marketing
- Maria P Valles**  
Vice President - People and Culture
- Siddharth Shetty**  
Managing Counsel
- Chikita Sobti**  
Head - Communications
- Rajesh Madathingal**  
Head - Technology
- Rajeev Govil**  
Vice President - B2B Sales
- Priyanka Ghosh**  
Vice President - Industrial Sales
- Mayank Pandey**  
Vice President - Supply Chain
- Anoop Jindal**  
Vice President - Customer Excellence and Operations
- Deepesh Baxi**  
Chief Financial Officer

# Celebrating excellence

## Awards and recognitions in FY 2023



In FY 2023, your Company achieved excellence in diverse areas, earning external accolades for operational, marketing, and quality excellence, as well as packaging, safety standards, and corporate social responsibility.



**CFO excellence award**  
Confederation of Indian Industry (CII) recognised Deepesh Baxi as a leading CFO of the year under the Auto & Auto Components category



**Silvassa plant**  
Awarded Platinum in Quality Excellence and Gold in OHS by Apex India.



**Patalganga plant**  
Honoured with the Golden Peacock and NSC recognition.



**Paharpur plant**  
Achieved Gold for Plant Efficiency and Safety Excellence.



**Castrol anti-counterfeit pail pack**  
Received the prestigious 'INDIASTAR award,' the highest recognition for excellence in packaging.



**CSR journal excellence award 2023**  
Recognised for outstanding CSR contributions and facilitated by Honourable CM of Maharashtra, Mr. Eknath Shinde.



**Top ten chemical supply chain company of the year**  
Adjudged by Institute of Supply Chain Management as the 'Top Ten Chemical Supply Chain Company of the Year.'

# Accelerating progress for our communities

## Forging a path of impact and togetherness

As we journey forward, our commitment echoes in the positive ripples we aim to create within communities, nurturing a more sustainable ecosystem. Community engagement isn't just part of our business ethos; it's our beating heart. By pooling our resources and expertise, we aspire to extend our influence, igniting meaningful change on a global scale.

Join us in exploring our social investment projects—an embodiment of our sincere desire to connect meaningfully with communities.



# Driving positive change in community well-being

## Community initiatives

At Castrol India, we are dedicated to being a force for good, actively striving to bring about positive change in the communities where we operate. Our initiatives focus on different aspects of community well-being.

01

### Transforming lives on the road



Through **Castrol Sarathi Mitra**, we go beyond the ordinary, enhancing the well-being of truck drivers through road safety trainings, financial literacy, and healthcare support. A recent study revealed the significant impact this initiative has on truckers — heightened road safety awareness, improved work-life quality, enhanced preventive healthcare practices, increased adoption of online payments, improved safety compliance, and enhanced vigilance

among participating truck drivers regarding distractions, fatigue, and vehicle maintenance. These changes signify our heartfelt commitment to the well-being of those who navigate our roads. Additionally, we extend our support to female bus drivers, ensuring their training, inclusion, and empowerment within this initiative.

**Scan the QR code to watch an informative video and delve deeper into the details of Castrol Sarathi Mitra.**



**2,21,203** Truck drivers engaged



**Scan to watch the video**



02

### Nurturing mechanics' well-being



**Castrol Eklavya** goes beyond skill development, emphasising technical expertise, customer interaction, entrepreneurship, and safety. A 2023 assessment revealed significant impacts: heightened technical skills, improved service efficiency, workplace safety adherence, stronger customer relationships, increased earnings and savings, and enriched digital financial literacy among our dedicated mechanics. Castrol Eklavya reflects our investment in the holistic growth of those who keep our vehicles running smoothly.

**Scan the QR code to access an interesting video and gain a detailed understanding of this initiative.**



Scan to watch the video



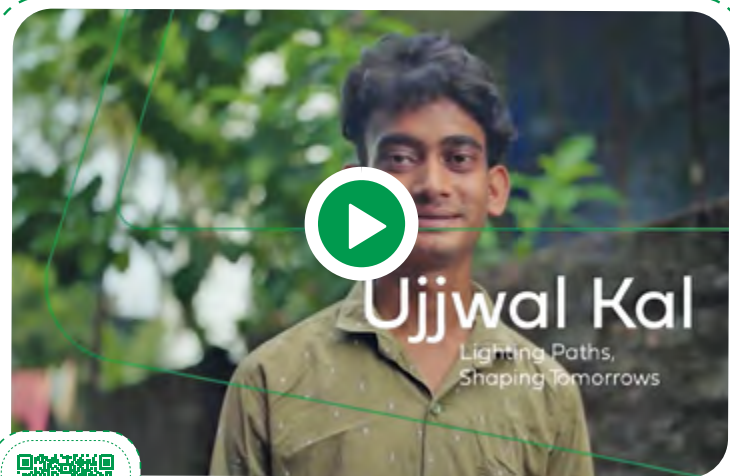
**2,47,667** Mechanics empowered

**03** **Fostering sustainable development, one community at a time**

Castrol India Limited is more than an industry player; we are deeply committed to fostering social and economic development in the communities around our plants. Actively engaging in the progress of Silvassa, Patalganga, and Paharpur, we connect on a personal level, identifying challenges and

guiding targeted interventions in crucial areas such as education, skill development, healthcare, and sanitation. Our commitment to **Ujjwal Kal** is a lasting promise to contribute to the holistic well-being of the communities we proudly call our neighbours.

**Thousands of lives positively impacted**



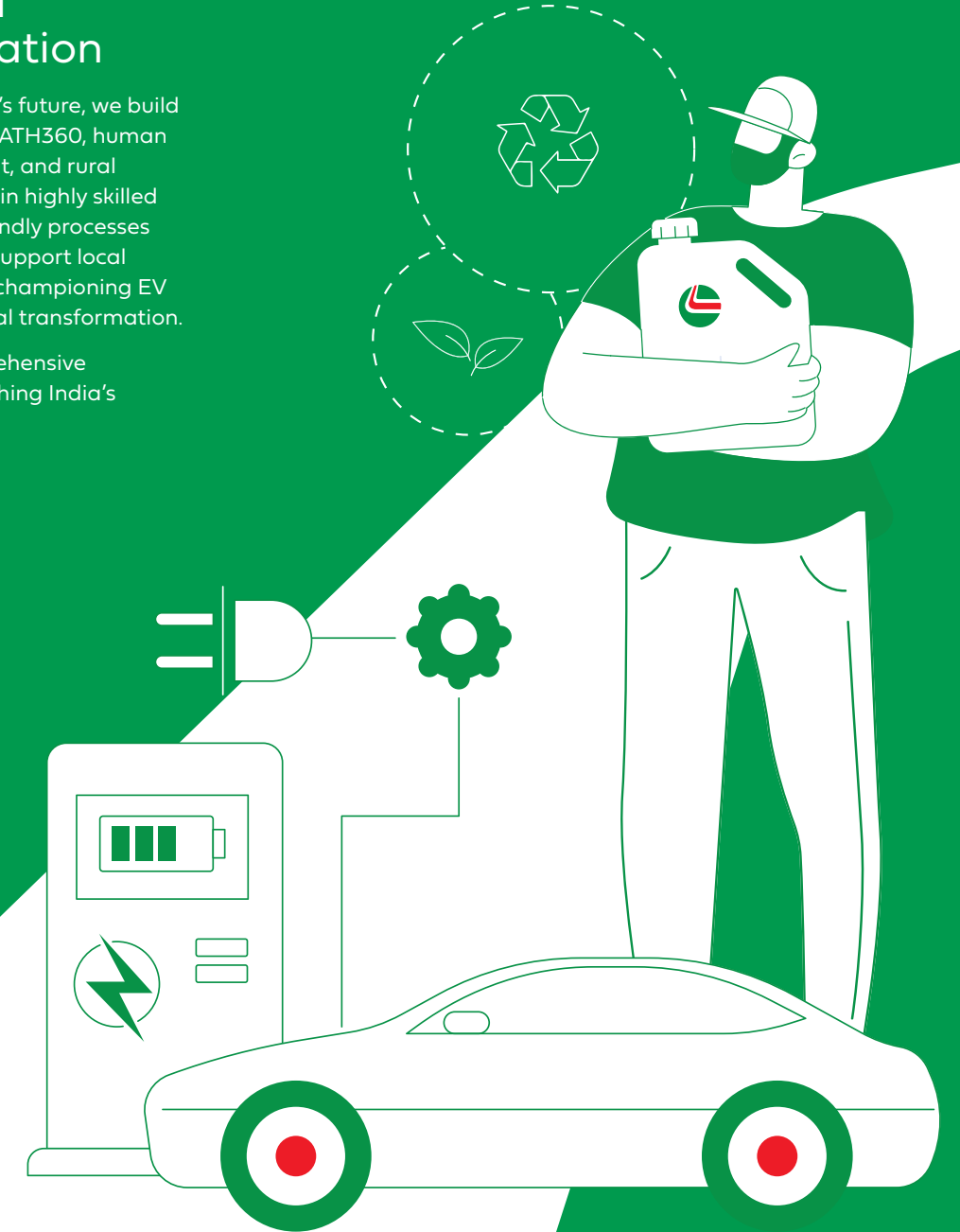
Scan to watch the video

# Accelerating progress for our nation

## Shaping a resilient nation

Committed to India's future, we build resilience through PATH360, human capital development, and rural progress. We invest in highly skilled mechanics, eco-friendly processes and products, and support local communities while championing EV readiness and digital transformation.

Discover our comprehensive approach to unleashing India's limitless potential.





# Castrol's PATH360: A comprehensive sustainability framework

## Sustainability initiatives

Dedicated to sustainability, Castrol's comprehensive framework PATH360 focuses on three key areas: Waste, Carbon, and People. Globally, we aim for net-zero by 2050 or sooner<sup>1</sup> and we pledge to halve plastic footprint and net carbon intensity by 2030.<sup>2</sup>

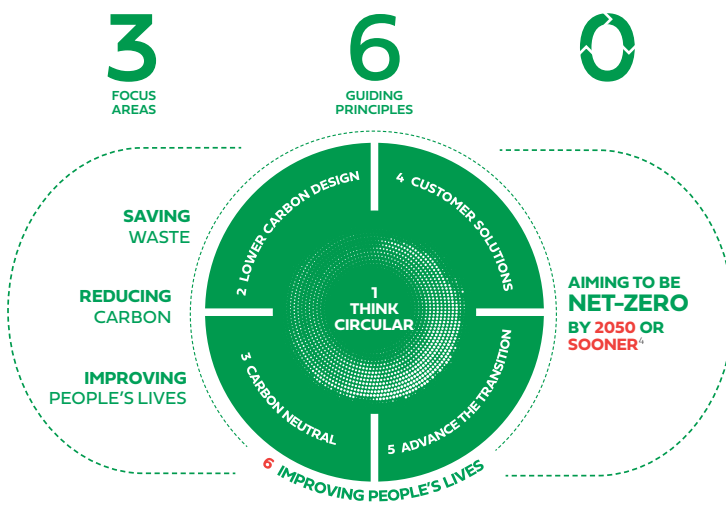
Become net-zero by 2050 or sooner.<sup>1</sup>

Reduce our plastic footprint<sup>3</sup> by half by 2030.

Continue to help our customers save energy, waste, and water.

Halve the net carbon intensity per litre of our products<sup>2</sup> by 2030.

Improve the lives of people around the world.<sup>4</sup>



## Our sustainability milestones

In India, we go beyond conventions, optimising energy use and embracing renewables for a cleaner future. Guided by our PATH360 principles, our identified focus areas form an ESG framework, reflecting our genuine care and determination to play our part in helping to shape a more sustainable environment.

### Here are some highlights from FY 2023:



**100%** Renewable electricity at Patalganga Plant



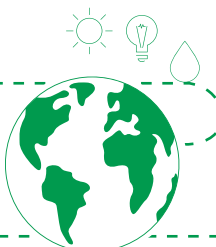
**27%** Reduction in Scope 1 and 2 operation emissions in 2023 vs. 2022



**~4,68,000** Mechanics & Truck drivers impacted till date



**100%** PCR<sup>8</sup> bottles for the POWER1 range<sup>5</sup>



**100%** Plastic neutral<sup>9</sup> through responsible collection network



**42%** Of the total energy consumed is from renewables



**1,800 Metric Tonnes** Reduction per annum in virgin plastic consumption through PCR<sup>8</sup> packaging design



**30%** PCR<sup>8</sup> in the blow moulded High Density Poly Ethylene bottles<sup>1</sup>



**1,000+** Independent mechanics trained for EV readiness, till date.



**2,600 Metric Tonnes** Reduction in carbon emissions per annum by replacing virgin plastic with PCR<sup>8</sup> packaging.

## 01

## Reducing carbon footprint

Castrol addresses carbon emissions through operational efficiency, decarbonisation, and sourcing low carbon raw materials. Some initiatives include process optimisation and transitioning to renewable sources.

**Scope 1 & 2 operation emissions reduced by an absolute 33% since 2019**

**Targeting a 50% reduction in Scope 1 & 2 emissions by 2025\***

**Aim to transition to 80% renewable electricity by 2030\***

Our portfolio of BS-VI engine lubricants support overall emission reduction through improved engine efficiency. Our ongoing exploration of alternate raw materials aims to further minimise the carbon footprint.



## 02

## Circularity: Sustainable packaging and waste management

Embracing the PATH 360 principle to "Think Circular" our approach extends to waste reduction, technology-driven product design and Castrol's aim to reduce our plastic footprint by half by 2030. Through diligent waste management protocols and strict adherence to regulatory guidelines, we aim to maximise the potential for our products to become increasingly circular. This approach is part of our proactive stance towards participating in the circular economy.

**100%** collection of plastic packaging waste, amounting to **10,321 Metric Tonnes** during 2023

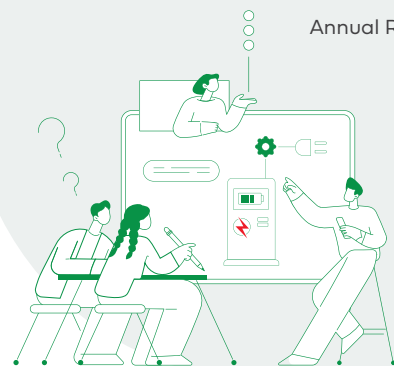
**10%** reduction in virgin plastic consumption annually<sup>5</sup>

**100%** Post-Consumer Recycled (PCR) bottles for POWER1 range<sup>6</sup>

**30%** PCR in the blow-moulded HDPE bottles<sup>7</sup>

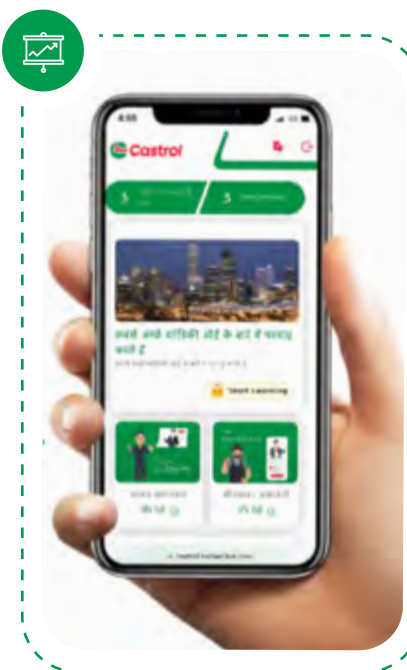
### 03 Improving people's lives

Committed to positive change, our people development initiatives drive growth and empowerment. Our mission is to foster a dynamic and uplifting environment for employees and societies.



Over 5,200 hours of employee training

1,000+ mechanics trained for EV readiness



#### Empowering our employees

Our commitment to employee development is evident in the investment of over 5,200 hours in FY 2023 towards technical, safety, and leadership training. Programmes such as Growth Week and the Lakshya program demonstrate our holistic approach to nurturing talent. Embracing diversity has led to a notable increase in women's representation, with 20% now in managerial roles. We've also prioritised skill development, particularly for women, with 100% female apprentices at Silvassa and a gender-balanced batch at other plants. Our Diversity, Equity & Inclusion (DE&I) initiatives further reinforce our commitment to creating an inclusive workplace for all, including differently-abled employees.

#### Empowering India through skill development

Our dedication to upskilling India is exemplified by EV readiness trainings for over 1,000 mechanics, preparing them for sustainable transportation solutions. The Castrol Super Mechanic Learning Academy, available in six languages, has empowered over 18,000 mechanics, with plans to reach even more. Our Industrial Team's efforts extend to supporting future workforce development and knowledge sessions for diploma students.

Social investment initiatives like Castrol Sarathi Mitra, Castrol Eklavya, and Ujjwal Kal are integral to our commitment, focusing on upskilling truck drivers, mechanics, and local communities. This aligns seamlessly with the broader vision of sustainable progress outlined in PATH360, fostering both individual growth and community advancement.

<sup>1</sup> As part of bp's ambition to be net-zero by 2050 or sooner and to help the world get to net-zero  
<sup>2</sup> Castrol's net carbon intensity per litre of our products sold in 2019. See [www.castrol.com/info/CastrolPATH360](http://www.castrol.com/info/CastrolPATH360) for more information.  
<sup>3</sup> To promote the responsible design and management of plastic packaging along its life, Castrol defines its plastic footprint as the amount of virgin plastic included in our packaging per litre that isn't recycled. Our aim to halve it is from our 2019 baseline. See [www.castrol.com/info/CastrolPATH360](http://www.castrol.com/info/CastrolPATH360) for more information.  
<sup>4</sup> Through co-benefits from the offsetting undertaken as part of Castrol's carbon neutral programme and other activities as detailed in [www.castrol.com/PATH360/Definitions](http://www.castrol.com/PATH360/Definitions).  
<sup>5</sup> Attributed to multiple initiatives including packaging redesign and use of PCR resins.  
<sup>6</sup> Excluding caps  
<sup>7</sup> OEM packs to transition post-approval.  
<sup>8</sup> PCR refers to post-consumer recycled plastic  
<sup>9</sup> As per the requirements under Plastic Waste Management Rules, 2016  
 \* Against 2019 baseline

## Management Discussion and Analysis Report

Under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we present a comprehensive Management Discussion and Analysis Report focusing on business performance and outlook within the competitive landscape set by the Company.

#### Industry Structure and Developments

India is the world's 3<sup>rd</sup> largest finished lubricants market, holding approximately 8% of the global share<sup>1</sup> and is regarded as a growth market worldwide. The lubricant segment in India encompasses the Automotive, Industrial, and Marine industries. The Automotive and Industrial sectors, contributing significantly to overall demand, are almost evenly balanced.

The automotive sector includes demand from commercial and personal mobility vehicles and includes fluids such as gear oils, coolants, greases, and engine oils. Industrial demand comprises general industrial oils such as hydraulics, gear oils, refrigeration/compressor fluids, as well as process oils, metal working fluids, and greases. Both sectors see participation from nationalised oil companies (NOC), private multinational players, and several local oil companies. Your Company secured a prominent position in the retail automotive industry and ranks among the top 5 players in industrial metalworking fluids<sup>1</sup>.

#### Emerging trends

An emerging trend within the automotive sector is the adoption of electric powertrains. Electric vehicles constitute about 2% of sales of new cars and utility vehicles about 5% of new two-wheeler sales<sup>2</sup>. Your Company envisions that the transition to electric powertrains will happen sooner for two-wheelers and three-wheelers than for cars and commercial vehicles, predicting a sustained growth in lubricant demand invariably until 2040<sup>3</sup>. The Company actively supports this transition through technological collaborations with Original Equipment Manufacturers (OEM) and holds a strong position with two leading EV four-wheeler OEMs in India.

Your Company invests in training programmes to address the EV transition and ensure independent auto mechanics stay relevant. Your Company's unique EV-readiness training, endorsed by India's Automotive Skills Development Council (ASDC), aims to equip mechanics for the ever-evolving automotive landscape. In FY 2023, your Company expanded the EV-readiness program to 13 cities, training more than 1,000 mechanics to date.



With 1,000+ mechanics becoming future-ready, the EV readiness training enables them to upskill rapidly and contribute to a sustainable future.

#### Demand drivers

Lubricant demand is driven by its Industrial and Automotive applications. Industrial lubricants cater to various industries, such as automotive, wind, power, steel, cement, general engineering, and manufacturing, which are linked to increased economic activity. India stands as the third-largest global market for automobile production<sup>2</sup>. The demand for commercial vehicles is influenced by rising factory and farm output, infrastructure development, and mechanisation of agriculture. In contrast, for personal mobility vehicles, the demand is driven by a growing aspirational middle class, easy access to finance, and a lack of robust public transport infrastructure. Additionally, technological developments in hardware design are pushing the shift to more efficient fluids.

#### Supply drivers

Lubricants are manufactured by blending base oils with additives, which involve sophisticated formulations aligned with OEM specifications and industry norms. As a net base oil deficit market, India heavily relies on large-scale imports of base oils and additives. This reliance on imports exposes the lubricants business to fluctuations in foreign exchange rates and potential disruptions in the supply chain.

#### Major industry developments

The overall lubricants market displayed resilience and maintained growth momentum despite economic challenges and inflation. Overall, mobility has also remained strong and carried a growth trend.

<sup>1</sup>Kline India Lubricants Industry, 2022

<sup>2</sup>CRISIL

<sup>3</sup>Internal estimates

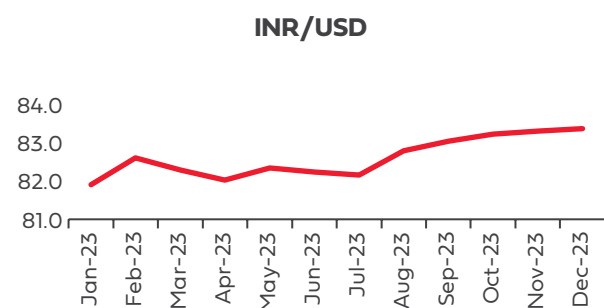
Notably, consumer sentiments are improving and getting close to pre-COVID levels. However, rural recovery has been softer than urban. New vehicle sales registered strong growth across two-wheelers, four-wheelers, and trucks, with new four-wheelers registering a record of 4 Million+ units<sup>2</sup>. New two-wheeler dispatches grew by around 9% year-on-year<sup>2</sup> but remained shy of the pre-COVID levels, given the steep increase in vehicle prices and higher financing costs over the last few years. However, government subsidies and softening battery prices increased electric vehicle sales. With the launch of newer models and improving supply-side conditions, SUVs continue to drive growth in the four-wheeler segment. The passenger vehicle industry also saw the adoption of BS-VI Stage 2 norms, which are expected to improve fuel efficiency further. Additionally, strong replacement demand and healthy growth in economic activity supported the sales momentum of commercial vehicles. Overall, lubricant consumption grew in FY 2023 compared to FY 2022 across various categories.

**Impact of external factors**

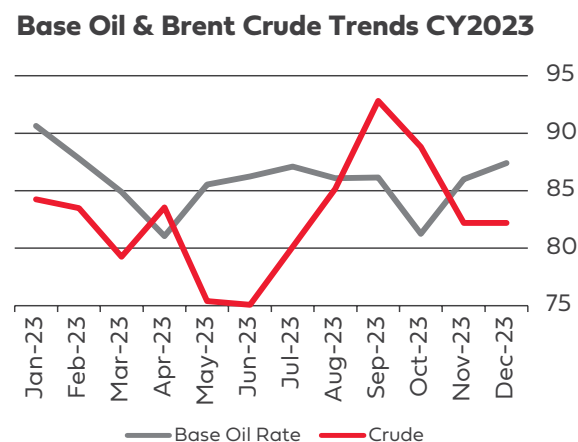
The lubricants market witnessed volatility in crude oil and base oil prices throughout FY 2023, influenced by geopolitical events and economic conditions. The year started with softening base oil prices due to subdued demand in Asia, driven by COVID restrictions in China and lower-than-expected economic growth. This phenomenon continued for over four months before turning upward in the second quarter. However, base oil margins were kept in check due to ample supplies and fewer refinery turnarounds. This was most evident during mid-2023 when, despite crude prices increasing by over 30% from early 3Q to 4Q 2023, base oil prices stayed relatively the same.

The depreciation of the Indian Rupee by approximately 1.8% in 2023 added challenges to your Company's operations by affecting input prices across all procurement categories.

The graph below indicates the trend of crude oil prices in INR/USD in 2023:



The following graph indicates the trend of base oil and Brent crude price movement in 2023:



In a turbulent business landscape, your Company persevered by creating value for its investors. This was achieved through strategic sourcing, utilising long-term contracts, implementing value improvement initiatives, prioritising service and quality, and vigilantly monitoring costs. The Company remained committed to the best value purchase model and implemented value-based inventory management. The focus on cash costs and working capital remained sharp throughout this challenging environment.

**Opportunities and Threats**

**Opportunities**

In the realm of personal mobility, your Company is strategically positioned to capitalise on trends such as the surge in SUVs and CNG-powered vehicles, the demand for thinner viscometric premium lubricants, and the growing influence of e-commerce-driven and business-in-service activities such as delivery and ride-hailing. Additionally, the expansion of vehicle sales in rural areas and the evolving independent workshop ecosystem allow your Company to introduce tailored products like MAGNATEC SUV 5W-30. Your Company is actively pursuing these opportunities by reinforcing its presence in rural markets, implementing brand-building initiatives, and investing in channel development through strengthening the Castrol Auto Service network while developing new formats such as Castrol Express, enhancing the oil change experience.

In the commercial mobility sector, your Company is aligning itself with the government's focus on infrastructure development and increasing farm mechanisation. Your Company recognises the potential in both on-road and off-road commercial vehicles, seizing opportunities through innovation and expanding its product range under Castrol CRB ESSENTIAL. As hardware technology evolves, your Company aims to increase the adoption of premium fluids with higher specifications, such as CI4+ and CK4. Furthermore, the emergence of CNG as an alternate fuel for smaller commercial vehicles is another area of focus.

Your Company addresses these opportunities by fortifying its offerings, widening its product range, and sustaining brand-building activities. New product introductions like Castrol CRB ESSENTIAL engine oils, Castrol Spheerol ESSENTIAL and Castrol Spheerol CV 40K in greases cater to price-sensitive truck and tractor owners.



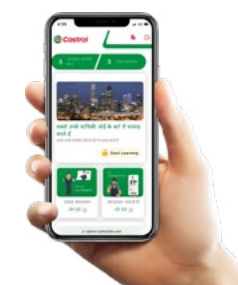
The newly launched Castrol CRB ESSENTIAL range of commercial vehicle engine oils provides engine protection, minimises repair costs, and prevents unexpected downtime.

The advent of new channels, especially in digitally enabled service ecosystems, is gaining prominence. Your Company is strategically partnering and expanding its service maintenance and repair network to strengthen its position in this segment.

Your Company revamped its visual identity system in line with the new brand essence of 'Accelerating Progress'. This included a renewed logo, new packaging for our entire range and an iconic brand sonic identity which will help stand out amongst the competition, as we move our partners upward, onward and forward.



Your Company is committed to its digitalization strategy, with ongoing initiatives such as FASTSCAN, FASTLANE, and Castrol SUPER MECHANIC. Your Company has also implemented an online academy, offering training programs to enhance the customer and consumer experience. Additionally, the E2E Transport Management System and other digital solutions have also been implemented to improve shipment planning, visibility, and overall operational efficiencies. Furthermore, your Company is in the process of revamping end-to-end integrated planning using the Kinaxis tool.



Launched in FY 2023, the Castrol Super Mechanic Learning Academy has trained 18,000+ mechanics and has the potential to reach 5,00,000 mechanics. It is available in six vernacular languages.

**OEM alliances:** Castrol recognises the opportunities arising from new vehicle sales and hardware advancements. Your Company has fostered strong relationships with key OEMs in various segments, expanding alliances with industry leaders like TATA Motors in the on-road commercial vehicle space. Your Company has also ventured into the EV market as a partner for EV fluid supply for leading passenger vehicle OEMs.

**Threats**

**Inflation** remains a potential risk to consumer demand despite some moderation in consumer inflation levels.

**Electrification** poses a threat as the adoption of electric vehicles increases, particularly in two-wheelers and small commercial vehicles for last-mile deliveries. While the longer-term demand projection for lubricants in internal combustion engine (ICE) vehicles is expected to persist, the electric vehicle (EV) market will experience growth. EVs require lubricating fluids for transmissions and cooling fluids for motors. Your Company is well-positioned to participate vigorously in this transition with its range of EV fluids and OEM alliances.

**Drain intervals** for lubricating fluids are widening due to modern hardware design in on-road commercial vehicles and growing demand for higher specification oils, impacting overall category volumes. However, these volumes will continue to grow as they are driven by an increasing parc and higher sump sizes, making the impact of widening drain intervals moderate.

**Competition** is intense in the Indian lubricant market, with multiple player profiles, including NOCs, international private companies, OEM genuine oils, and a large, fragmented set of lubricant manufacturers.

**Product-Wise Performance**

**Automotive lubricants**

In the **personal mobility space**, your Company demonstrated strategic prowess by leveraging cricket and the Indian Premier League (IPL) platform, reaching over one Billion impressions with the #CompromisePadegaMehanga campaign for Castrol Activ. Aligning with the world's leading motorcycle event coming to India for the first time, Castrol POWER1 utilised digital key opinion leaders to amplify its association with motorsport, partnering with ViaCom18, RACR and LCR Honda Castrol MotoGP team to launch **Castrol POWER1 presents India's Ultimate MotoStar**. This initiative aims to nurture racing talents, offering training in key cities and an opportunity to train with the LCR Honda Castrol MotoGP team in Europe.

In the **passenger car oils segment**, Castrol MAGNATEC, upgraded to API SP and ACEA C specifications, showcased its advanced engine protection through a well-received campaign during the IPL, securing substantial reach nationwide.

To address the growing SUV market, the successful launch of MAGNATEC SUV 5W30, with API SP and ACEA C2 specs, positions it as a leader in SUV engine oils. With heavy load protection for SUV engines, MAGNATEC SUV is poised to be the leader in SUV engine oils.

A consumer promotion on the Castrol MAGNATEC range further marked the end of the year with a significant offline and online impact.



To enhance customer experience at Castrol Auto Service (CAS) workshops, your Company signed an agreement with Mahindra Insurance Brokers Limited, a prominent insurance brokerage firm. This allows CAS workshops to act as the Point of Sales Persons (POSP) that offer automotive insurance products via a digital platform alongside repair and maintenance services.



The Castrol Auto Service car workshops expand nationwide, offering vehicle owners reliable service and quality products.

For commercial vehicle oils, the Castrol CRB TURBOMAX #BadhteRahoAagey campaign was launched, emphasising progress for truckers and the 3X Protection offered by Castrol CRB TURBOMAX. The campaign extends on-ground with Castrol CRB TURBOMAX #PragatiKiPaathshaala, endorsed by celebrity brand ambassador Sonu Sood, where two trucks will traverse different routes, covering key Transport Nagars across India to educate truckers on four key areas: driving safety, truck ownership, new technology and business profitability. The on-ground activation is targeted to reach over 1,00,000 truckers and actively engage at least 10,000 through training sessions.



Your Company commissioned 48 Castrol Express Oil Change services for two-wheelers in urban Jio-bp mobility stations, providing quick engine oil changes for bike owners.



Expanding its portfolio into the auto care segment in May 2023, your Company introduced products such as Chain Cleaner, Chain Lube, 3-in-1 Shiner, 1-Step Polishing Compound and Anti-Rust Lubricant Spray. This range is available at over 21,000 outlets and e-commerce

platforms, reinforcing your Company's commitment to delivering superior service satisfaction to vehicle owners across India.

Your Company also introduced EV transmission fluids in the aftermarket. Our Castrol ON product is available on leading e-commerce websites and is a testament to our commitment to keeping the portfolio future-ready.



**Marine & energy lubricants:**

The dynamic landscape of the ports and maritime sector has witnessed substantial changes, prompting the identification of six key trends in FY 2023. These trends, ranging from environmental sustainability to digitalisation, reflect the

evolving nature of the industry. Notable shifts include:

- Decline of ports and maritime transaction activity
- Decrease in maritime traffic with port decongestion
- Decrease in shipping line rates and profits
- Development of a green hydrogen logistics chain
- Environmental sustainability in shipping
- Digitalisation as an efficiency driver

**Energy Sector:**

In the energy sector, fluctuating crude oil prices, reaching USD 94 per barrel in September, have been influenced by additional supply cuts from major producers.

India's oil demand is expected to rise significantly, driven by a positive outlook in the offshore oil and gas market due to supply security concerns and elevated oil prices. The offshore rig market is experiencing a high utilisation of 85%, reaching these levels for the first time since 2015. Your Company has expanded its presence in the domestic marine sector, including offshore supply vessels, fishing, and dredging.

Roughly 80% of international trade is transported by sea. In the marine industry's pursuit of decarbonisation, Castrol Marine Technical Service teams collaborate closely with OEMs like MAN Energy Solutions, working on alternate fuels and developing specialized lubricants.

Key achievements include the certification of Castrol's Cylinder Oil Cyltech 40 XDC as category II BN Oil by MAN ES, emphasising cleanliness and lower combustion deposits.

Castrol Energy's active participation in industry events, such as the FPSO World Congress and Maritime Decarbonisation, showcases its commitment to staying at the forefront of technological advancements.

**Industrial lubricants:**

Your Company has expanded its customer outreach in the Industrial lubricants category by participating in important industrial exhibitions such as IMTEX and Windergy. Working closely with Industrial OEMs helped Castrol gain approvals for its Industrial lubricants. Your Company also conducted technical capability training for key customers to drive advocacy for their products. Additionally, it has also launched new greases (Ball Bearing EP2) that are suitable for Industrial applications.



Various customer engagement activities helped increase the brand visibility of our Industrial lubricants business and have helped forge new partnerships and strengthen existing relationships.

**Quality**

Maintaining a strong focus on quality, your Company succeeded with initiatives like the zero-defect digitalisation journey, while adhering to global quality standards. A Quality Strategy is integrated throughout your Company, emphasising key pillars such as **quality culture, customer quality, supplier quality & quality management systems.**

The Quality Energiser Program, aimed at reducing risks and sharing best practices, has effectively solidified a positive quality culture across manufacturing sites. Standardising SOPs at customer sites enhances product performance while QR codes on-pack labels, along with upgraded scanning systems, elevate packaging quality.

Through a robust capex investment program, your Company has automated quality-critical processes, ensuring continuous risk reduction. The program role extends to carrying out feasibility studies for new product introductions, and successful line trials for packaging initiatives. Additionally, the integration of technology resulted in cost-competitive localised formulations, generating more value for businesses.

In the pursuit of digitisation, your Company expanded the implementation of digital tools and apps to simplify processes, standardise data management, strengthen controls, enhance customer responsiveness, and manage quality performance in real-time.

The Company successfully completed recertification audits for ISO 9001:2015 and IATF 16949: 2016 standards. The Silvassa plant earned the Platinum award in 'Apex India Quality Excellence 2023'. Maintaining the Ford Q1 recertification underscores our plant's quality excellence in the OEM business.

Despite disruptions from geo-political challenges, your Company ended the year without any significant quality incidents, a testament to our commitment to delivering sustainable end-to-end quality performance.

**Future Outlook**

Looking ahead to 2024, India's economic activity and GDP growth are expected to remain resilient despite ongoing geopolitical uncertainties. As a result, India is poised to become one of the major economies in the world with a promising growth outlook. Your Company anticipates sustained demand growth across segments. The outlook for 2024 has been examined closely by your Company through the broad dimensions of demand drivers.

**DEMAND DRIVERS FOR AUTOMOTIVE LUBRICANTS**

In automotive lubricants, the anticipated off-take growth observed throughout 2023 is poised to sustain momentum in 2024. Your Company is committed to propelling this growth by expanding participation across diverse price segments, ensuring broader availability across geographic strata, reinforcing its workshop presence, and making substantial investments to nurture premium brands.

In commercial mobility, your Company foresees continued off-take growth driven by an expanding vehicle parc, sustained economic activities, and a focus on infrastructure development. Our strategic approach involves aggressive

growth pursuits through an extensive portfolio spanning the full-fluid spectrum, amplifying the footprint of technologically advanced premium products, and substantial investments in brand building.

#### DEMAND DRIVERS FOR INDUSTRIAL LUBRICANTS

Despite the challenges posed by a low base effect for 2Q 2023 and inflationary headwinds in the latter half of the year, overall industrial output experienced growth. The positive business confidence index and moderation in inflation position the long-term demand growth for industrial lubricants on an optimistic trajectory.

Marine & energy lubricants: While world trade shows signs of recovery from the profound slump induced by the COVID-19 pandemic, economists from the World Trade Organization caution that ongoing aftereffects of the pandemic could disrupt any rebound. Although trade volume growth was projected to rebound to 7.2% in 2021, it is expected to remain below pre-pandemic levels. The marine and energy lubricants sectors remain attuned to these dynamics, navigating potential disruptions while staying vigilant to emerging trends and opportunities in the post-pandemic landscape.

#### CHANNELS OF DISTRIBUTION

Your Company's products seamlessly reach customers through a robust distribution network involving 333 distributors, catering to approximately 1,30,000 customers. This extensive network extends to sub-distributors, reaching additional outlets in semi-urban and rural markets. Leveraging this distribution power, your Company strategically connects with a broader network of independent workshops. The successful expansion of the CAS channel, now boasting over 448 customers, has allowed it to offer premium services to many independent workshops.

Directly serving close to 3700 customers, and in some instances through its distributors, your Company has fostered direct relationships. The alliance with Jio-bp (Reliance bp Mobility Limited) has unlocked a new growth channel, facilitating the expansion of your Company's footprint in fuel forecourts across India.

In recent years, your Company's emphasis on priority channels, mainly e-commerce, has been the driving force behind robust topline growth. Moreover, the investment in a digitally-enabled integrated service model underscores the commitment to enhancing market coverage and elevating customer experiences for indirect customers.

Throughout FY 2023, your Company has remained dedicated to streamlining systems and processes, injecting speed and efficiency into its back-end operations. The strategic incorporation of digitalisation has facilitated operational enhancements and created a superior and premium experience for customers during their interactions and touchpoints with your Company.

#### Risks and Concerns

The Risk Committee vigilantly oversees potential risks and evaluates the efficacy of risk mitigation strategies devised by your Company.

The overarching risk of a general economic slowdown, stemming from pandemic-induced disruptions and persistent volatility in input costs and foreign exchange remains on the radar. Your Company has implemented comprehensive mitigation plans to safeguard margins while navigating growth and transformative endeavours. In FY 2023, strategic interventions, pricing adjustments, and a focused cost efficiency management program were executed, considering input costs, competitive positioning, and product brand strategies.

Furthermore, by actively addressing cybersecurity risks, particularly in the context of increased remote working, your Company promotes responsible behaviours and employs tools and processes to shield information, systems, assets, and personnel from current and emerging cyber threats. The Risk Management Committee remains vigilant, constantly monitoring and reviewing existing and emerging risks.

In the burgeoning Indian growth market, heightened opportunities for employability and commensurate roles elevate your Company's attrition risk. Your Company's robust capability offerings, nurturing and developing talent, enhance employee relevance in the market.

Health, Safety, Security, and Environmental considerations take precedence, mainly focusing on road safety for the frontline team and transporters traversing the country for business. Additionally, product quality and integrity remain paramount, aligning with your Company's quality vision of 'Right Quality First Time Every Time' and 'Zero Defect', making it crucial for delivering a premium customer experience. Your Company maintains a robust risk mitigation plan, ensuring continuous monitoring and prompt mitigating actions as and when needed.

#### Internal Control Systems and their Adequacy

Your Company maintains an effective Internal Control System commensurate with its size and complexity, providing reasonable assurance of authorised and accurately recorded transactions. An independent Internal Audit function, coupled with extensive internal audits and periodic reviews, ensures the adequacy of internal control systems. Your Company remains committed to minimising identified risks through continuous monitoring and mitigating actions.

#### Discussion on Financial Performance Concerning Operational Performance

Please note that Castrol India Limited follows the calendar year (January to December) for its financial reporting. For the full year ended 31 December 2023, the Company registered Revenue from Operations of INR 5,075 Crores. It also marks an overall revenue growth of 6% compared to INR 4,774 Crores for the full year ended 31 December 2022. The Company's Gross Profit increased by 7% in FY 2023 over FY 2022. This was on account of higher volume and strategic price interventions.

Operating and Other expenses increased by INR 91 Crores as compared to the previous year on account of investment in people, safety, brand, and business growth opportunities. Profit before Tax increased by about 8% over the previous year

to INR 1,181 Crores. This generated a healthy cash flow from operations for FY 2023 of INR 853 Crores.

Per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

#### Key financial ratios

| Particulars             | Unit  | 2023  | 2022  | % change |
|-------------------------|-------|-------|-------|----------|
| Debtors' turnover       | Times | 13.13 | 14.42 | -9%      |
| Inventory turnover      | Times | 4.94  | 4.87  | 1%       |
| Current ratio           | Times | 1.91  | 2.00  | -4%      |
| Operating profit margin | %     | 23%   | 23%   | 2%       |
| Net profit margin       | %     | 17%   | 17%   | 0%       |
| EBITDA                  | %     | 24%   | 23%   | 1%       |
| Return on net worth*    | %     | 43%   | 46%   | -7%      |

\*Return on net worth is a measure of the profitability of a company expressed in percentage. It is calculated by dividing the profit for the year by the average capital employed during the year.

Interest coverage ratio and debt equity ratio are not applicable to the Company since there are no borrowings. The finance cost in the financial statements relates to leases (IND AS 116).

The debtors' turnover ratio indicates a company's effectiveness in collecting its receivables from customers. It is computed by dividing the revenue from operations by average trade receivables.

The inventory turnover ratio indicates the number of times a company sells and replaces its inventory during the period. It is calculated by dividing the cost of goods sold by the average inventory.

The current ratio is a liquidity ratio that measures a company's ability to pay obligations that are due within twelve months. It is calculated by dividing the current assets by the current liabilities.

Operating profit margin is a profitability or performance ratio used to calculate the percentage of profit a company produces from its operations. It is calculated by dividing the earnings before interest & taxes (EBIT) by revenue from operations.

Net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by revenue from operations.

#### Key Developments in Human Resources / Industrial Relations

The unwavering focus on employee health and well-being, coupled with robust employee engagement initiatives, defined the human resource landscape in 2023. A total of approximately 5,200 hours were dedicated to diverse technical, behavioural safety, and leadership training, with the Lakshya manufacturing excellence programme in the supply chain providing an enriching external perspective.

Continuous investment in learning manifested through engagements with Learning Labs, People Leader clinics, and enduring commitment to the focus@bp platform, fostering career growth and better manager-subordinate relations. Internal candidates successfully filled 45% of Company vacancies, emphasising talent development.

Recruitment practices in FY 2023 remained committed to diversity, with women holding 20% of managerial positions and an overall female employee representation of 16%. A workforce intervention resulted in a 4% increase in diversity in the workmen category at the Patalganga plant. A newly formed team focused on enhancing Diversity, Equity & Inclusion will strengthen these efforts further.



The Growth Week 3 initiative played a pivotal role in building capabilities and skills aligned with your Company's cultural framework of 'Who We Are', featuring influential speakers such as Sanjeev Mehta from Standard Chartered Bank and Anil Jayaraj, the CEO of Sports at Viacom 18 Media.

A proactive approach to safety leadership was evident through globally featured sessions and discussions on leadership, courage, integrity, and feedback. We participated in panel discussions, engaging audiences on the importance of safety, understanding business risks and psychological safety, and delivering the plan as crucial elements of 'Playing to Win'.

The Changemaker Community, comprising over 40 enthusiastic participants, actively contributed to embedding your Company's cultural framework and fostering an environment where innovative ideas come to life.



The Changemaker Community drove the 'Who We Are' cultural framework forward through a series of engagements during Growth Week 3 in FY 2023.

As part of the internal audit's review of controls, a thorough assessment of critical controls in human resources and legal compliance were conducted to ensure the controls' design and operating effectiveness.

Cordial relations with internal and external stakeholders, including workmen and contractors, were cultivated through senior leadership engagement via town halls, team meetings, and recognition programs. Your Company prioritised mental health initiatives, complementing physical well-being efforts for comprehensive employee wellness. As of 31 December 2023, your Company's dedicated workforce comprised 630 employees, including factory workers.

### Health, Safety, Security and Environment (HSSE)

In FY 2023, your Company placed paramount importance on the health and safety of its workforce, aligning with all relevant laws and regulations. Health and Safety are core tenets of the Company's vision, representing our License to Operate.

The commitment and strict adherence to the HSSE policy are expected from every member of the Company. Your Company's leadership conducts monthly Health & Safety Performance reviews, underscoring our vigilance towards these critical aspects.

Your Company operates within a robust Health & Safety framework, embodied in the Operation Management System (OMS), as a guiding force for procedures and compliance. The Leadership Team actively ensures compliance with OMS through visible Safety Leadership engaging in field inspection programs. Safety Leadership Principles have been instituted, emphasising a commitment to cultivate a culture of care. An annual review protocol for key risks and controls strengthens controls/barriers and continues to a structured risk management program. The introduction of Life Saving Rules focuses on proper evaluation and control implementation for high-risk activities, striving towards zero harm.

All three of Castrol India's manufacturing plants hold certifications for the Environment Management System (ISO 14001:2015), Occupational Health and Safety Management System (ISO 45001: 2018) and Quality Management System Standard (ISO 9001:2015), with two plants additionally certified with Automotive Quality Management System IATF 16949:2016.

In FY 2023, your Company's manufacturing plants consistently demonstrated robust HSSE performance, earning external recognition, including the 'Golden Peacock and Directorate Industrial Safety and Health (DISH) Award' for the Patalganga site, 'Apex Safety Award' for the Silvassa Plant, and the 'ICC Safety Award' for the Paharpur Plant. The Chemical Management Services (CMS), where we are engaged with our customers to support lubrication activities at the site, achieved 11 years of injury-free operations, underlying our commitment to safety.



The comprehensive Driving Safety and Transportation Policy, applicable across all businesses in India, strives for the safety of every individual every day. Implementing the SMART (Safe from the Moment You Start) program for employees driving for business purposes has led to consistent year-on-year improvement in driving safety records.

In FY 2023, as part of resource optimisation, your Company focused on reducing energy, water and waste to minimise its environmental footprint. Several initiatives align with our global PATH360 sustainability framework. Additionally, compliance with Plastic Waste Management Rules was upheld, exceeding the set requirement by recycling 100% of the overall plastic used in packaging.

#### On behalf of the Board of Directors

##### Sandeep Sangwan

Managing Director  
DIN: 0861771

##### Deepesh Baxi

Chief Financial Officer & Wholetime Director  
DIN: 02509800

**Place:** Mumbai

**Date:** 1 February 2024

## Board's Report

### To the Shareholders,

The Board of Directors ("Board") of your Company is pleased to present the Forty Sixth Annual Report of Castrol India Limited ("Castrol" or "Company") for the financial year ended 31 December 2023 ("year under review" or "year" or "FY23").

In compliance with the applicable provisions of Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), this report covers the financial results and other developments during the financial year ended 31 December 2023 and upto the date of the Board meeting held on 1 February 2024 to approve this report, in respect of Castrol India Limited.

### 1. Financial Results

The Company's financial performance for the financial year ended 31 December 2023 is summarized below:

| Particulars                             | For the year ended<br>31 December 2023<br>(INR in Crores) | For the year ended<br>31 December 2022<br>(INR in Crores) |
|---|---|---|
| Sales (a)                               | 5074.61   | 4774.49   |
| Other income (b)                        | 83.15   | 67.05   |
| <b>Total Revenue (a+b)</b>              | <b>5157.76</b>  | <b>4841.54</b>  |
| Profit before tax and depreciation      | 1273.53   | 1174.14   |
| Depreciation and amortization           | 92.43   | 81.39   |
| Profit before tax                       | 1181.10   | 1092.75   |
| Tax expense (including deferred tax)    | 316.97  | 277.60  |
| Profit after tax                        | 864.13  | 815.15  |
| Other Comprehensive income (net of tax) | (2.96)  | (0.94)  |
| Total Comprehensive income              | 861.17  | 814.21  |
| Balance brought forward                 | 1316.32   | 1095.58   |
| Profit available for appropriation      | 861.17  | 814.21  |
| Dividend (incl. tax)                    | 642.93  | 593.47  |
| Balance carried forward                 | 1534.56   | 1316.32   |

### 2. Performance

Revenue from operations of your Company has increased by 6% mainly on account of volume increase and strategic price interventions. Costs of materials were higher by about 5% over the previous year mainly due to incremental volumes, rise in input costs for additives and adverse Forex. Operating and Other expenses increased by INR 91 Crores as compared to the previous year on account of investment in people, safety, brand and business growth opportunities. Profit before Tax increased by about 8% over previous year to INR 1181 Crores. Your Company's performance has been discussed in detail in the 'Management Discussion and Analysis Report'. Your Company does not have any subsidiary or associate or joint venture company. There are no material changes and commitments affecting the financial position of your Company, which have occurred between the end of the year and date of this report. Further, there has been no change in the nature of business of the Company.

#### Reserves

There is no amount proposed to be transferred to the reserves.

#### Changes in Share Capital

During the year under review, there was no change in the paid-up share capital of the Company.

### 3. Returns to Investors (Dividend)

The Board of Directors of the Company has approved and adopted the Dividend Distribution Policy in line with Regulation 43A of the SEBI Listing Regulations. The policy is separately provided as **Annexure I** forming an integral part of this Report and is also uploaded on the website of the Company at [https://www.castrol.com/content/dam/castrol/country-sites-new/en\\_in/india/home/documents/investors/dividend\\_distribution\\_policy.pdf](https://www.castrol.com/content/dam/castrol/country-sites-new/en_in/india/home/documents/investors/dividend_distribution_policy.pdf).

The Board has recommended a final dividend of INR 4.50 per equity share for the financial year ended 31 December 2023 (2022: Final dividend was INR 3.50 per equity share) subject to the approval of shareholders at the ensuing Annual General Meeting of the Company. The Board also declared interim dividend of INR 3.00 per equity share for the financial year ended 31 December 2023 on 31 July 2023. (2022: interim dividend was INR 3.00 per equity share)

The dividend payout for the year under review is in accordance with your Company's policy to pay sustainable dividend linked to long-term growth objectives of your Company to be met by internal cash accruals.

### 4. Transfers to the Investor Education and Protection Fund

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF" or "Fund") established by the Central Government, after completion of seven years from the date the dividend is transferred to unpaid/unclaimed account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

The Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more. Thereafter, the Company has transferred such unpaid or unclaimed dividends and corresponding shares to IEPF, up to and including the interim dividend for the financial year ended 31 December 2016.

Shareholders/claimants whose shares or unclaimed dividend, have been transferred to the IEPF demat Account or the Fund, as the case may be, may claim the shares or apply for refund by approaching the Company for issue of Entitlement Letter along with all the required documents before making an application to the IEPF Authority in Form IEPF - 5 (available on <https://www.iepf.gov.in>) along with requisite fee as decided by the IEPF Authority from time to time.

The member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

The Company will be transferring the special and final dividend and corresponding shares in the year 2024, for the financial year ended 31 December 2016 and the interim dividend and corresponding shares for the financial year ended 31 December 2017 within statutory timelines. Shareholders are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund. The due dates for transfer of unclaimed dividend to IEPF are provided in the report on Corporate Governance.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on website of the Company at [https://www.castrol.com/en\\_in/india/home/investors/statement-of-unclaimed-dividend-and-shares.html](https://www.castrol.com/en_in/india/home/investors/statement-of-unclaimed-dividend-and-shares.html). The shareholders are encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

### 5. Supply Chain

Your supply chain team continues to be customer focused, cost competitive and sustainable supply chain creating competitive advantage in the market. The key priorities for your supply chain have been a) Enable topline growth – improve customer experience & resilience, supporting margin expansion b) Contribute to bottom line - by reducing cost of operations & focusing on product cost competitiveness, improving productivity of people and assets and c) Responsible – by reducing manufacturing energy intensity, emissions and virgin plastic footprint.

The foundations of your supply chain continue to focus on compliant and safe operations supported by engaged, motivated and capable organization. Your supply chain team has transitioned to partner with the business to support the growth engine of 2023. Your supply chain has done things differently to support growth across rural, OEMs, B2B Channel and the new category of "Essential".

A standout achievement has been the digitization efforts and the establishment of robust analytics in planning, empowering your organization with real time insights, allowing informed swiftly and precise decision making. The integration of digital technologies has streamlined processes and excelled overall operational intelligence. The focus on S&OP process has improved forecasting and bias reduction. This has resulted in improved customer service levels and robust inventory management. Your demand team has been recognized by Institute of Supply Chain Management (ISCM) for outstanding contribution in Demand Planning.

Being a market leader, to fuel the volume growth and stay ahead of the competition, your Company has used new product launches for portfolio innovation. Your supply chain team has strengthened and digitized the New Product Introduction process this year resulting in agile and efficient new product launches in the market.

The year 2023 has been a safe year for your logistics operation with no recordable accidents. Cost competitiveness, digitisation and service have been the key priorities with successful and tangible outcome delivered on all fronts. This is the third consecutive year that your Logistics team has delivered significant cost savings, without compromising on safety and service. This has helped your business to keep costs flat in a highly inflationary environment.

The successful completion of the first phase of the Transport Management System enhanced customer experience by providing customers with status updates of their orders, improved efficiency through automation of the manual processes and cost reduction through more optimal utilisation of the resources. Warehouses have been right sized and made scalable to support future growth and more efficient use of ground space. Taking advantage of the improved road infrastructure in the country, your supply chain has also moved the transportation of products to larger trucks which has improved safety by reducing the number of trucks needed and delivered significant unit cost savings.

Your supply chain will continue to strive to deliver on its promise of compliant and safe operations, with an aim to ensure that everyone goes home safe every day.

### 6. Directors and Key Managerial Personnel

The following changes took place in the Directors and Key Managerial Personnel during the financial year ended 31 December 2023:

Ms. Sangeeta Talwar (DIN: 00062478) was re-appointed as an Independent Director on the Board of the Company for a period of five (5) years with effect from 23 July 2023 to 22 July 2028.

In accordance with the provisions of the Act, Mr. Udayan Sen (DIN: 02083527), Nominee Director and Mr. Saugata Basuray (DIN: 09522239), Wholtime Director of the Company, shall retire by rotation at the ensuing Annual General Meeting, and being eligible have offered themselves for re-appointment.

The tenure of Mr. Rakesh Makhija (DIN: 00117692) is due to expire on 30 September 2024, the Board of Directors at its meeting held on 1 February 2024, based on recommendation of Nomination and Remuneration Committee ("NRC") approved re-appointment of Mr. Rakesh Makhija as an Independent Director for a period of five (5) years with effect from 1 October 2024 to 30 September 2029 subject to approval of shareholders at 46<sup>th</sup> Annual General Meeting. Accordingly matter with respect to his re-appointment is proposed in the Notice of 46<sup>th</sup> Annual General Meeting.

Details of the Directors proposed to be re-appointed at the ensuing Annual General Meeting, as required by Regulation 36(3) of the SEBI Listing Regulations and SS - 2 (Secretarial Standards on General Meetings) are provided at the end of the Notice convening the 46<sup>th</sup> Annual General Meeting.

The Independent Directors of your Company have certified their independence to the Board, stating that they meet the criteria for independence as mentioned under Section 149(6) of the Act. There was no change in the composition of the Board of Directors and Key Managerial Personnel during the year under review, except as stated.

The Board is of the opinion that the Independent Directors of the Company have fulfilled the conditions as specified in SEBI Listing Regulations, are independent of the management, possess requisite qualifications, experience, proficiency and expertise in the fields of finance, people management, strategy, auditing, tax and risk advisory services, banking, financial services, investments and they hold highest standards of integrity.

The Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs, Manesar ('IICA') as required under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

### 7. Policy on Nomination, Independence, Remuneration, Diversity and Evaluation

The Policy on Nomination, Independence, Remuneration, Diversity and Evaluation, approved by the Nomination and Remuneration Committee of your Company and which has been adopted by the Board of Directors, is annexed as **Annexure II** to this report of the Board to the shareholders. This policy is available on the website of the Company at [https://www.castrol.com/content/dam/castrol/country-sites-new/en\\_in/india/home/documents/investors/nrc\\_policy\\_cil\\_2018.pdf](https://www.castrol.com/content/dam/castrol/country-sites-new/en_in/india/home/documents/investors/nrc_policy_cil_2018.pdf).

### 8. Board Evaluation

The Policy on Nomination, Independence, Remuneration, Diversity and Evaluation ("Policy") adopted by the Board of Directors provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairperson of the Board. The Policy provides that evaluation of the performance of the Board as a whole and the Board Committees and individual Directors shall be carried out annually.

Your Company has appointed a reputed external agency that engages with the Chairperson of the Board and Chairperson of the Nomination and Remuneration Committee in respect of the evaluation process. The agency prepares an independent report which is used for giving feedback to the Board, Committees and Directors.

The evaluation conducted during the year included evaluation of the Board as a whole, Board Committees and individual Directors. The evaluation process focused on various aspects of the Board and Committees' functioning such as composition of the Board and its Committees, experience and competencies, performance of specific duties, obligations and governance issues. A separate exercise was carried out

to evaluate the performance of individual Directors on parameters such as attendance, contribution and exercise of independent judgement.

The results of evaluation of the Board and its Committees were shared with the Board and its respective Committees. The Chairperson of the Board had discussions with members of the Board to discuss the performance feedback based on self-appraisal and peer review. The Chairperson Nomination and Remuneration Committee discussed the performance review with the Chairperson of the Board.

The Independent Directors met on 30 October 2023 to review performance evaluation of Non-Independent Directors and the Board of Directors and also of the Chairperson taking into account views of Executive Directors and Non-Executive Directors.

Based on the outcome of the evaluation, the Board and its Committees have agreed on various action points, which would result in the Board, its Committees and each Director playing more meaningful roles to increase shareholder value.

## 9. Board and Committees

The Board met four times during the year, details of which are given in the Corporate Governance Report that forms part of this annual report. Additionally, there was a Strategy meeting held in July and October 2023 where the Board met and discussed the medium to long-term strategy of the Company and its preparedness to pursue the same. The intervening gap between the meetings was within the period prescribed under the Act and the SEBI Listing Regulations and as per the Circulars issued by the Ministry of Corporate Affairs and SEBI. During the year under review, the Board has accepted the recommendations of the Audit Committee. Details of all the Committees of the Board have been given in the Corporate Governance Report.

## 10. Corporate Governance

Your Company is a part of bp group which is known globally for best standards of governance and business ethics. Your Company has put in place governance practices as prevalent globally. The Corporate Governance Report and the Auditor's Certificate regarding compliance of conditions of Corporate Governance are made part of the annual report.

## 11. Corporate Social Responsibility

At Castrol India Limited, we believe that we have a responsibility to bring enduring positive value to communities we work with. In line with our core theme to keep India moving, we have and will continue to build enduring and engaging relationships with key stakeholders in the mobility sector.

Truck drivers and mechanics are two key partners who play a significant role in keeping the wheels of this sector moving. Truck drivers carry the majority of freight traffic in the country while mechanics service one of the largest automotive markets in the world. However, their skills, livelihood opportunities and socio-economic conditions need more focus.

At Castrol India Limited, we are committed to making a positive impact in the lives of truck drivers and mechanics by preparing them to face today's reality and leverage tomorrow's opportunity.

In line with this vision, Castrol India Limited now focusses on two key flagship CSR programmes:

- Programme for holistic development of truck drivers - Castrol Sarathi Mitra
- Programme for mechanics with an aim to strengthen skills development in automotive and industrial sectors, with a focus on technology – Castrol Eklavya

Additionally, Castrol India Limited continues to support community development initiatives around areas of operations and presence. The Company, from time to time, supports humanitarian aid activities in India, by providing relief and rehabilitation to people impacted by natural disasters.

The Corporate Social Responsibility Policy is available on the website of the Company at [https://www.castrol.com/content/dam/castrol/country-sites-new/en\\_in/india/home/documents/about-castrol/cil-csr-policy-2021.pdf](https://www.castrol.com/content/dam/castrol/country-sites-new/en_in/india/home/documents/about-castrol/cil-csr-policy-2021.pdf)

The annual report on CSR activities is annexed to this report as **Annexure III**.

## 12. Directors' Responsibility Statement

Pursuant to the requirement under Sections 134(3)(c) and 134(5) of the Act, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- In the preparation of the annual accounts for the year ended 31 December 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31 December 2023 and of the profit of your Company for the year ended on that date;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

- The Directors have prepared the annual accounts on a 'going concern' basis;
- The Directors have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are efficient and operating effectively.

## 13. Risk Management and Adequacy of Internal Financial Controls

Your Company has set up a Risk Management Committee. Your Company has also adopted a Risk Management Policy, the details of which are given in the Corporate Governance Report that forms part of this Annual Report.

Your Company maintains an adequate and effective internal control system commensurate with its size and complexity. We believe that these internal control systems provide, among other things, a reasonable assurance that transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safe guarded against significant misuse or loss. An independent internal audit function is an important element of your Company's internal control system. The internal control system is supplemented through an extensive internal audit programme and periodic review by management and Audit Committee.

Your Company has in place, adequate Internal Financial Controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## 14. Related Party Transactions

Your Company has adopted a Related Party Transactions Policy. The Audit Committee reviews this policy periodically and also reviews and approves all related party transactions, to ensure that the same are in line with the provisions of applicable law and the Related Party Transactions Policy.

The Committee approves the related party transactions and wherever it is not possible to estimate the value, approves limit for the financial year, based on best estimates. All related party transactions are reviewed by an independent accounting firm to establish compliance with policy and limits approved.

All related party transactions entered during the year were in the ordinary course of the business and on arm's length basis. No material related party transactions

were entered into during the year by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable to your Company.

In conformity with the requirements of the Act, read with the SEBI Listing Regulations, the policy to deal with related party transactions is also available on Company's website at [https://www.castrol.com/content/dam/castrol/country-sites-new/en\\_in/india/home/documents/investors/rpt-policy-v4-01042022.pdf](https://www.castrol.com/content/dam/castrol/country-sites-new/en_in/india/home/documents/investors/rpt-policy-v4-01042022.pdf)

## 15. Deposits

Your Company has not accepted any deposits under Chapter V of the Act during the financial year and as such, no amount on account of principal or interest on deposits from public is outstanding as on 31 December 2023.

## 16. Particulars of Loans Given, Investments Made, Guarantees Given and Securities Provided

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V to the SEBI Listing Regulations, disclosure on particulars relating to Loans, Guarantees and Investments are provided as part of the financial statements in Note No. 4.6.

## 17. Conservation of Energy, Technology Absorption, Research & Development (R&D) and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided as **Annexure IV**.

## 18. Material Changes Occurred after end of Financial Year

No material changes and commitments which could affect your Company's financial position have occurred between the end of the financial year of your Company and date of this report.

## 19. Auditors

### Statutory Auditor

The shareholders at the 44<sup>th</sup> Annual General Meeting held on 8 June 2022, approved the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, for a second term of 5 (five) years to hold office till the conclusion of 49<sup>th</sup> Annual General Meeting of the Company.

The Statutory Auditors have confirmed their eligibility and submitted the certificate in writing that they are not disqualified to hold the office of the Statutory Auditor. The report given by the Statutory Auditor on the financial statements of the Company forms part of the Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the statutory auditor in their report.



**Cost Auditor**

M/s. Kishore Bhatia & Associates, Cost Accountants, carried out the cost audit for the Company for the year under review. They have been re-appointed as cost auditors for the financial year ending 31 December 2024. A remuneration of INR 4,10,000/- (Rupees Four Lac Ten Thousand only) plus applicable taxes and out of pocket expenses has been fixed for the Cost Auditors subject to the ratification of such fees by the shareholders at the 46<sup>th</sup> AGM. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 December 2024 is placed at the 46<sup>th</sup> AGM. The Company has maintained cost records as specified under sub-section (1) of section 148 of the Companies Act, 2013 and the same shall be audited by the cost auditor i.e. M/s. Kishore Bhatia & Associates, Cost Accountants for the financial year 2024.

**Secretarial Auditor**

The Board had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries in Whole-time Practice, to carry out secretarial audit under the provisions of Section 204 of the Act, for the financial year ended 31 December 2023. The Secretarial Auditor's report to the shareholders does not contain any qualification and is annexed to this report marked as **Annexure V**.

**20. Compliance with Secretarial Standards on Board and General Meetings**

During the financial year, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**21. Particulars of Employees**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act, and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed to this report as **Annexure VI**.

Details of employee remuneration as required under provisions of Section 197 of the Act, and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms a part of this report. As per the provisions of Section 136 of the Act, the Report and Financial Statements are being sent to the shareholders of your Company and others entitled thereto, excluding the statement on particulars of employees.

Copies of said statement are available at the registered office of the Company during the designated working hours from 21 days before the Annual General Meeting till date of the Annual General Meeting. Any shareholder interested in obtaining such details may write to the corporate secretarial department at the registered office of the Company.

**22. Prevention of Sexual Harassment at Workplace**

Your Company firmly believes in providing a safe, supportive and friendly workplace environment – a workplace where our values come to life through the supporting behaviors. Positive workplace environment and a great employee experience are integral part of our culture. Your Company continues to take various measures to ensure a workplace free from discrimination and harassment based on gender.

Your Company educates its employees as to what may constitute sexual harassment and in the event of any occurrence of an incident constituting sexual harassment. Your Company has created the framework for individuals to seek recourse and redressal to instances of sexual harassment.

Your Company has a Sexual Harassment Prevention and Grievance Handling at the Workplace Policy in place to provide clarity around the process to raise such a grievance and how the grievance will be investigated and resolved. An Internal Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There are regular sessions offered to all employees (3 in 2023) to increase awareness on the topic and the Committee and other senior members have undergone a training session in December 2023.

During the year there was zero complaint of sexual harassment that was reported.

**23. Vigil Mechanism**

Your Company has a very strong whistle blower policy viz. 'Open Talk'. The Whistle blowers also have access to the Chairperson of the Audit Committee in case they wish to report any concern. Your Company has provided a dedicated e-mail address for reporting such concerns. All cases registered under Whistle Blower Policy of your Company are reported to and are subject to the review by the Audit Committee. The Board has adopted the revised bp code of conduct at its meeting held on 13 February 2023.

**24. Annual Return**

The annual return of the Company as required under the Companies Act, 2013 will be available on the website of the Company at [https://www.castrol.com/en\\_in/india/home/investors/general-meeting.html](https://www.castrol.com/en_in/india/home/investors/general-meeting.html).

**25. General Disclosures**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no such transactions during the year under review:

1. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.

2. Issue of Equity Shares (including Sweat Equity Shares) to employees of your Company, under any scheme.
3. Your Company has not resorted to any buy back of its Equity Shares during the year under review.
4. Your Company does not have any subsidiaries. Hence, neither the Managing Director nor the Wholetime Directors of your Company received any remuneration or commission during the year, from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and your Company's operations in future.
6. No fraud has been reported by auditors under sub-section (12) of section 143.
7. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof - Not Applicable.
8. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year - Not Applicable.

**26. Awards and Recognitions**

Your Company was recognized with many prestigious and diverse external accolades in 2023 which include:

1. The Silvassa plant won the 'Platinum Award in Quality Excellence' and 'Gold Award in Occupational Health and Safety' by Apex India;
2. The Patalganga plant won the 'Golden Peacock Award' and safety recognition from National Safety Council (Maharashtra chapter);
3. The Paharpur plant won the 'Gold Award' for Plant Efficiency by Apex India and 'Safety Excellence Award' from the Indian Chamber of Commerce;
4. Castrol Super Mechanic contest won the 'Silver Award' at the Indian Marketing Awards for 'Use of

Consumer Insights' and 'B2B Sector'. The initiative also won the 'Gold Award' in best of branded content category at the Festival of media Asia and 'Silver Award' in Best Media Strategy – Consumer Products (others) category at the EMVIES organized by the Advertising Club;

5. Castrol Anti-counterfeit Pail Pack was awarded the 'INDIASTAR award', the highest recognition for excellence in packaging;
6. Castrol India was adjudged the 'Top Ten Chemical Supply Chain Company of the Year' by the Governing Council of the Institute of Supply Chain and Management Pvt. Ltd.;
7. Ford India commended Castrol India for its role in developing the 1,000,000<sup>th</sup> (one millionth) engine since the beginning of their strategic partnership;
8. Marking a 50-year partnership with Sriram Pistons Limited (SRPL) in 2023, the company received a memento symbolising their continued patronage and support.

**27. Acknowledgement**

The Board wishes to place on record its sincere appreciation of the efforts put in by your Company's employees for achieving encouraging results. The Board also wishes to thank the shareholders, distributors, vendors, customers, bankers, government and all other business associates for their support during the year.

**On behalf of the Board of Directors****Sandeep Sangwan**

Managing Director  
DIN: 08617717

**Deepesh Baxi**

Chief Financial Officer & Wholetime Director  
DIN: 02509800

**Place:** Mumbai

**Date:** 1 February 2024

## Annexure I

### Dividend Distribution Policy

#### 1. Objective

The objective of this Policy document is to articulate Castrol India Limited's Dividend Distribution Policy.

This Policy applies to all types of Dividends declared or recommended by the Board of Directors of the Company and seeks to conform to the requirements of Section 123 of the Companies Act, 2013, the notified rules thereof and other such provisions.

#### 2. Philosophy

At Castrol we respect, and are committed to, our role towards shareholders and meeting our obligations to the communities in which we do business. We believe that sustainable growth can be achieved by creating wealth and jobs, developing useful skills, and investing time and money in people.

Castrol aims to share its prosperity with the shareholders by way of declaring dividend subject to liquidity and growth requirement.

#### 3. The Regulatory Framework

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 Listed Companies in India as per Market Capitalization as on the preceding Financial Year shall formulate a dividend distribution policy.

#### 4. Definitions

Unless repugnant to the context:

- 4.1 "Act" shall mean the Companies Act, 2013 including the Rules made thereunder.
- 4.2 "Company or Castrol" shall mean Castrol India Limited.
- 4.3 "Chairman" shall mean the Chairman of the Board of Directors of the Company.
- 4.4 "Board" or "Board of Directors" shall mean Board of Directors of the Company.
- 4.5 "Dividend" shall mean Dividend as defined under Companies Act, 2013 or SEBI Regulations.
- 4.6 "SEBI Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

## 5. Policy

### 5.1 Frequency of payment of dividend:

5.1.1 Castrol believes in rewarding its shareholders as and when the funds are available for distribution as dividend and generally strive to declare Interim Dividend at least once in a year and to recommend Final Dividend to the Members at the Annual General Meeting of the Company.

5.1.2 If the frequency of Interim Dividend is more than once, Castrol may not recommend Final Dividend for that year.

### 5.2. Internal and external factors that would be considered for declaration of dividend:

5.2.1 Castrol considers several Internal and External Factors before deciding declaration or recommendation of dividend.

5.2.2 The Internal Factors are adequacy of profits for last year and likely profits for next year, allocation of capital towards capital expenditure, probable mergers and acquisitions, loan repayments and working capital requirements.

5.2.3 The External Factors that would impact dividend payout are interest rate on surplus funds, taxation on distribution of dividend including taxation on dividend received from subsidiaries and dividend payout ratios of comparable companies.

### 5.3. The financial parameters that will be considered while declaring dividends:

5.3.1 In order to maximize corporate value over the long term, internal capital resources will be secured for measures that will increase corporate value. These measures include investments in R&D and Capital Investments, which are vital to future business expansion.

5.3.2 After taking into consideration the required investments for future growth and the level of free cash flow, surplus will be distributed to the shareholders to the maximum extent possible.

5.3.3 For dividends in each financial year, Castrol's policy is to enhance stable, uninterrupted profit distributions by taking into account consolidated results as well as indicators including dividends on equity (DOE), which is return on equity (ROE) multiplied by the payout ratio, although this is subject to the level of internal capital resources necessary.

5.3.4 Other Financial Parameters like Net Free cash generation after factoring internal parameters like Net Operating Profit after Tax, working capital and capital expenditure requirements, loan repayments and payouts towards any probable merger and acquisition will be considered by the Company before declaring or recommending dividend.

### 5.4. The circumstances under which their shareholders can or cannot expect dividend:

In an event where Company has undertaken a significant project requiring higher allocation of capital or Merger or Acquisitions which demands higher capital allocation or in event where the Company profits are inadequate or company makes losses, the Company would like to use the Company's reserves judiciously and not declare dividend or declare dividend lower than its normal rate of dividend.

### 5.5. Policy as to how the retained earnings will be utilized:

5.5.1 The Company would like to retain the balances in Reserves and Surplus to give the required strength to the balance sheet for exploring leverage options for supporting growth.

5.5.2 The Company would be very cautious in declaring dividend out of past profits and reserves.

### 5.6. Transfer of Profits to Reserves:

The Company will not transfer any amount to reserves unless otherwise statutory.

### 5.7. Provisions regarding class of shares:

Currently, the Company has issued only Equity Shares and this Policy shall be applicable to Equity Shares.

As and when the Company issues other kind of shares, the Board shall amend this Policy along with Rationale at the time or before issue of other class of shares.

## 6. Procedure

6.1 The Chief Financial Officer in consultation with the Managing Director of the Company shall recommend any amount to be declared as Dividend to the Board of Directors of the Company.

6.2 The Company Secretary & Compliance Officer of the Company shall ensure compliance of Insider Trading Rules of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6.3 The Agenda of the Board of Directors where Dividend declaration is proposed shall contain the rationale of the proposal.

6.4 The Board of Directors shall approve the declaration or recommendation of Dividend after ensuring compliance of Act, SEBI Regulations and this Policy.

6.5 The Company shall ensure compliance of provisions of Act, SEBI Regulations and this Policy in relation to dividend.

6.6 Item on Confirmation of Interim Dividend(s) declared by the Board of Directors of the Company shall form part of Notice of every Annual General Meeting of the Company.

## 7. General

7.1 This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs and/or Securities Exchange Board of India from time to time, on the subject matter.

7.2 The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

7.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

## Annexure II

### Policy on Nomination, Remuneration, Diversity and Evaluation

(Consolidated Policy approved by the Board of Directors on 6 February 2018)

This Policy of Castrol India Limited (the "Company") shall be referred to as "Policy on Nomination, Remuneration, Diversity and Evaluation (the "Policy"). This Policy shall act as a guideline for "Nomination and Remuneration Committee" (the "Committee") on matters relating to Appointment of Directors including Independent Directors, Remuneration of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel, Board evaluation and Board Diversity. This Policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations, 2015") and is subject to the provisions of other applicable laws as amended from time to time.

#### 1. Policy

The Committee is responsible for recommending this Policy to the Board including any amendments to be made in this Policy.

#### 2. Review of the Policy

The Board of Directors (the "Board") is responsible for approving and overseeing implementation of this Policy and the same will be reviewed and reassessed by the Committee as and when required and appropriate. Recommendations shall be made to the Board to update this Policy for reasons that include but are not limited to regulatory changes.

Implementation of this Policy shall be the responsibility of the Company Secretary & Compliance Officer who shall advise the Board from time to time. All the terms like Director, Managing Director, KMP, Independent Director, Remuneration, Committee shall have the same meaning as assigned under the Act read with SEBI Listing Regulations, 2015.

The power to interpret and administer the Policy shall rest with the Chairperson of the Committee whose decision shall be final and binding. The Chairperson is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or placed before the Committee, from time to time, to ensure the Committee's oversight on these issues.

#### 3. Policy on Appointment of Directors:

- a. In accordance with Company's Articles of Association, the Board determines, from time to time, the size of the Board and may fill any vacancies that occur between annual general meetings. The Committee periodically evaluates and makes

recommendations to the Board concerning the appropriate size of the Board based upon the needs of the Board.

- b. Appointment of a Director will be based on the outcome of a proper planning. The Committee shall consider the standards of qualification, expertise and experience of the candidates for appointment as Director and accordingly recommend to the Board his/her appointment. The Committee will assess skill sets, the Board needs to have for the industry the Company operates in and also in view of Group corporate philosophy and governance standards.
- c. The Committee shall request reference internally for a candidate having relevant experience or from external consultants or any other source as deemed appropriate by the Committee.
- d. For inducting Directors, the Committee members shall personally meet the potential candidate and assess suitability of the candidate for the role in view of Castrol values and standards of governance.
- e. The Committee shall recommend appointment of the shortlisted candidate for directorship to the Board for its consideration. The Committee shall also recommend compensation that can be paid to a Director, commensurate to the industry norms and position.
- f. If position of a Director suddenly becomes vacant by unanticipated occurrence of any event, the Committee shall meet at the earliest opportunity to discuss succession and fill such vacancy.
- g. Criteria for selection:
  - i. The Board candidate should be of the highest ethical character and share the values of Castrol as reflected in the Code of Conduct and Corporate Governance principles. Board candidate should have reputation, both personal and professional, consistent with the image and reputation of Castrol.
  - ii. The Board candidate should be of the highest moral and ethical character. The candidate must exhibit independence, objectivity and be capable of serving as a representative of the stockholder.
  - iii. The Board candidate should have the personal qualities to be able to make a substantial active contribution to Board deliberations. These qualities include intelligence, self-assuredness, a high ethical standard, interpersonal skills, independence, courage, and willingness to ask the difficult questions, communication skills and commitment.
  - iv. The Board candidate must be willing to commit, as well as have, sufficient time available to discharge the duties of Board

membership and should not have any prohibited interlocking relationships or conflict of interest.

- v. Board Candidate should be highly accomplished in its respective field, with superior credentials and recognition.
- vi. In recognition of the fact that the foundation of the Company is in lubricants industry, the Board should prefer person who has relevant experience. A candidate should have extensive and relevant leadership experience including understanding of the complex challenges of enterprise leadership. International experience will in many cases be considered a significant positive characteristic in a Board candidate's profile. An ideal Board candidate will have gained this experience in one or more of the settings outlined below:
  - Business – The Board candidate is or has been the Chief Executive Officer, Chief Operating Officer or other major operating or officer of a major corporation, with a background in law / marketing / finance / business operations / strategic management.
  - Industry – The Board candidate has experience in the fast-moving consumer goods (FMCG) industry/automobile industry or another complementary field.
  - Information Technology – The Board candidate should have fair understanding of information technology, e-commerce or digital marketing and also of regulatory framework in which the industry operates.
  - In considering candidates for election to the Board of Directors, the Board should constantly be striving to achieve the diversity of the communities in which the Company operates. The Committee shall work with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience as per Diversity Policy of the Company.

#### 4. Policy on Independence of Directors

For the Independent Directors, the Committee shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same annually as per the 'Policy on Independence of Directors'. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Act. This policy is subject to the provisions of the Companies Act, 2013 and Listing Regulations issued by Securities and Exchange Board of India (SEBI) from time to time and that the Nomination and Remuneration Committee/Board to assess the Independence of Independent Directors of the Company according to the criteria of Independence laid down by the Companies Act, 2013 read with Listing Regulations.

#### 5. Policy on Remuneration of Directors

While determining Remuneration, the Committee shall take into account –

- a. Salary level of new director/employee is competitive, relative to the peer group.
- b. Variable remuneration is awarded within the parameters and is subject to a requirement of continued service and corporate performance condition.
- c. Where an existing employee is promoted to the Board, the Company will honour all existing contractual commitments including any outstanding share awards or pension entitlements.
- d. Where an individual is relocating in order to take up the role, the Company may provide certain one-off benefits such as reasonable relocation expenses, accommodation for a period following appointment and assistance with visa applications or other immigration issues and ongoing arrangements such as tax equalization, annual flights home, and housing allowance.
- e. Where an individual would be forfeiting valuable remuneration in order to join the Company, the Committee may award appropriate compensation based on evidence.

In making/revising remuneration package, the Committee would balance shareholder expectations, current best practice and the requirements of any new recruit.

The Committee may recommend to the Board, changes in remuneration terms of Directors, Key Managerial Personnel or Senior Management Personnel subject to the provisions of the Act and applicable Group policies, regulations of Service, Code of Ethics and Principles of legal compliance framed and adopted by the Company from time to time. The Directors and Key Managerial Personnel/Senior Management Personnel shall superannuate as per the applicable provisions of the regulation and prevailing policy of the Company. The Board of Directors will have the discretion to retain the Whole-time Director, Key Managerial Personnel and Senior Management Personnel in the same position/remuneration or revised remuneration after attaining the age of superannuation, for organizational development reasons.

The Committee will discuss succession plans for the Directors, Key Managerial Personnel and Senior Management Personnel in consonance with the Company's policies, as applicable from time to time.

**(i) Remuneration for Independent Directors (IDs) and Non-Independent Non-Executive Directors (NED)**

The remuneration should be sufficient to attract, motivate and retain world-class, non-executive talent. Remuneration practice should be consistent with recognized best practice standards for Chairman and NED remuneration. The aggregate annual remuneration payable to the NEDs is determined by shareholder resolution, subject to the limits of Law. The Non-Executive Directors nominated by Promoters are not entitled to receive any remuneration.

- a. **Directors Sitting Fees** – The NEDs are entitled to sitting fees as determined by the Board from time to time for attending Board/Committee meetings thereof in accordance with the provisions of Act. Sitting fees amount may be subject to review on a periodic basis, as required. Within the parameters prescribed by law, the payment of sitting fees will be recommended by the Committee and approved by the Board.
- b. **Profit-linked Commission** – The profit-linked commission shall be paid to the NEDs within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act. Amount of Commission would be determined considering the overall performance of the Company, attendance at the meetings of Board/Committees, Membership/Chairmanship of Committees and contribution by the respective NEDs. The Committee will recommend to the Board, the quantum of commission for each Director based upon the outcome of the evaluation process.
- c. The IDs and NEDs are not entitled to any stock options of the Company.

NEDs are supported through the Company Secretary's office. This support includes assistance with travel and transport, security advice (when needed) and administrative services. NEDs shall be issued letters of appointment that recognize that, their service is at the discretion of shareholders.

The quantum and structure of the Chairman's remuneration is set by the Board based upon a recommendation from the Nominations Committee. The Chairman is not involved in setting his own remuneration. The Chairman's office is not maintained by the Company however he is provided administrative support and all reasonable travelling, communication and other expenses incurred in carrying out his duties are reimbursed.

**(ii) Remuneration for Managing Director (MD)/Whole-time Directors (WTDs)/Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs)**

- a. The remuneration policy for the Managing Director (MD)/Whole-time Directors (WTDs)/KMPs and Senior Management Personnel (SMPs) shall be guided by five key principles.
  - i. **Linked to strategy:** A substantial proportion of remuneration is linked to success in implementing the Company's strategy.
  - ii. **Performance related:** A major part of total remuneration varies with performance, with the largest elements being share based, further aligning with shareholders' interests.
  - iii. **Long term:** The structure of pay is designed to reflect the long-term nature of Castrol's business and the significance of safety and environmental risks.
  - iv. **Informed judgement:** There are quantitative and qualitative assessments of performance with the Committee making informed judgement within a framework approved by shareholders.
  - v. **Fair treatment:** Total overall pay takes account of both the external market and Company conditions to achieve a balanced, 'fair' outcome.
- b. The aim of this policy is to ensure that whole-time directors are remunerated in a way that reflects the Company's long-term strategy. Consistent with this, a high proportion of directors' total potential remuneration has been, and will be, strongly linked to the Company's long-term performance. Salaries will normally be set in the home currency of the Director and reviewed annually. Remuneration shall comprise of two broad components; fixed and variable. Fixed portion comprises of Base pay and perquisites and variable pay termed as Performance Linked Bonus (PLB) comprises of a pre-determined maximum compensation that can be paid at the end of the performance year. Entire remuneration shall be paid as per the contract approved by the Board and terms approved by shareholders, as under:
  - i. **Fixed Component** – This includes Salary and other perquisites/benefits. This provides base-level fixed remuneration to reflect the scale and dynamics of the business and to be competitive with the external market. Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition to the basic/fixed salary, the Company may provide employees with certain perquisites, allowances and benefits to enable a certain

level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company may also provide all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursing or insurance cover and accidental death and dismemberment through personal accident insurance.

- ii. **Performance Linked Bonus (PLB)** – The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board. It provides a variable level of remuneration dependent on short-term performance against the annual plan. Total overall Bonus is based on performance relative to measures and targets reflected in the annual plan, which in turn reflects Company's strategy.
- iii. Retirals in the form of contribution to Provident Fund, Superannuation and Gratuity be paid as per statutory requirements.
- iv. Based on the organizational need for retaining high performing employees and also those who are playing critical roles, from time to time, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses, group Share Value Plan etc.
- v. Severance Pay may be awarded (under supervision and with approval of the Committee) to the eligible MD/WTDs/KMPs/SMPs in case of major organizational restructuring(s).
- vi. Long Term Incentives may be awarded (under supervision and with approval of the Committee) to the eligible MD/WTDs/KMPs/SMPs based on their contribution to the performance of the Company, relative position in the organization, and length of service.
- c. **Annual Compensation Review** – The compensation review year will be financial year of the Company. The annual compensation review, as a part of the performance management system cycle, shall be guided by Industry/business outlook, employee differentiation based on individual performance rating achieved during the applicable performance year.

**6. Board Evaluation**

- a. The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. Towards this end, the Committee

shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board.

- b. The Board is responsible for monitoring and reviewing of the Board Evaluation framework.
- c. The Committee shall
  - i. formulate criteria for evaluation of performance of independent directors and the board of directors;
  - ii. carry out evaluation of every director's performance;
  - iii. determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- d. The performance evaluation shall take place annually. It shall be the responsibility of the Chairperson of the Committee to organize the evaluation process.
- e. The appointment/re-appointment/continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.
- f. The process and criteria for evaluation shall be guided by the "Guidance Note on Board Evaluation" issued by SEBI (No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017), applicable provisions of the SEBI Listing Regulations, 2015 and the Act and amendments/modifications thereto made from time to time.

**7. Meeting of Independent Directors**

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the management.

Such meeting shall:

- a. review the performance of Non-Independent Directors and the Board as a whole;
- b. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- c. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors may call such meeting(s) at any point of time as desired.

## 8. Board Diversity Policy

- The Board Diversity Policy aims to set out the approach to achieve diversity on the Board of Directors of the Company. Building a diverse and inclusive culture is integral to the success of Company. Ethnicity, age and gender diversity, underpinned by meritocracy are areas of strategic focus for the employee base and the same principle is applied to the composition of Board.

### 2. Policy Statement

The Board of Directors shall comprise of Directors having expertise in different areas/fields like Strategic Planning, Finance, Law, Sales, Engineering or as may be considered appropriate. In designing the Board's composition, Board diversity shall not be limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The Board shall have at least one Board member who has accounting or related financial management expertise and at least one-woman director.

The Board recognizes the benefits that diversity brings to the Board. In considering the composition of the Board, directors will be mindful of:

- Diversity: ensuring the Board and the Company reflects the global communities in which it works;
- Inclusiveness: creating an environment where all board members, employees and business partners are valued and can give of their best;
- Meritocracy: ensuring that Board appointments are made on the basis of merit alone.

The Board delegates the search and nomination of new directors to the Committee. When considering the nomination of new directors, the Committee will evaluate the balance of skills, knowledge and experience on the Board in order to identify the capabilities desirable for a particular appointment. Such evaluations will also consider the diversity the individual brings to the overall Board and will aim to ensure as diverse a mix as possible.

## Annexure III

*The Annual Report on Corporate Social Responsibility (CSR) [Pursuant to The Companies (Corporate Social Responsibility Policy) Rules, 2014]*

### 1. Brief outline on the CSR policy of the Company

At Castrol India Limited ("CIL"), we believe that we have a responsibility to bring enduring positive value to communities we work with. In line with our core theme to keep India moving, we have and will continue to build enduring and engaging relationships with key stakeholders in the mobility sector.

Truck drivers and mechanics are two key partners who play a significant role in keeping the wheels of this sector moving. Truck drivers carry the majority of freight traffic in the country while mechanics service one of the largest automotive markets in the world. However, their skills, livelihood opportunities and socio-economic conditions need more focus.

At CIL, we are committed to making a positive impact in the lives of truck drivers and mechanics by preparing them to face today's reality and leverage tomorrow's opportunity.

#### Vision:

Transforming the lives of truck drivers and mechanics towards a sustainable livelihood and building pride in their professions.

#### Mission:

To prepare truck drivers and mechanics in India for today's reality and tomorrow's opportunity by:

- Enabling sustainable livelihoods and making them future-ready through upskilling ;
- Providing opportunities for socio-economic growth through financial literacy and entrepreneurship development;
- Building pride in their professions through multiple programmatic interventions and platforms.

In line with this vision, CIL now focusses on two key flagship CSR programmes:

- Programme for holistic development of truck drivers - Castrol Sarathi Mitra
- Programme for mechanics with an aim to strengthen skills development in automotive and industrial sectors, with a focus on technology – Castrol Eklavya

Additionally, the Company continues to engage with communities around areas of operations and presence through various community development programmes focused on education and upskilling for youth and women.

The Company, from time to time, supports humanitarian aid activities in India, by providing relief and rehabilitation to people impacted by natural disasters.

The Company follows an approach of initiating pilot projects to test on-ground relevance with leading non-governmental organisations (NGOs). Based on stakeholder response, partner experience and contribution to agenda, the projects are accordingly scaled up or redesigned. Encouraged by the response, the portfolio continues to grow with expanding partnerships and investments.

### 2. Composition of CSR Committee:

| Sr. No. | Name of Director    | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---------------------|--------------------------------------|--|--|
| 1       | Mr. Rakesh Makhija  | Chairperson                          | 2  | 2  |
| 2       | Ms. Sangeeta Talwar | Member                               | 2  | 2  |
| 3       | Mr. Sashi Mukundan  | Member                               | 2  | 2  |
| 4       | Mr. Sandeep Sangwan | Member                               | 2  | 2  |
| 5       | Mr. Deepesh Baxi    | Member                               | 2  | 2  |

3. Provide the web-link where Composition of CSR Committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the Company - [https://www.castrol.com/content/dam/castrol/country-sites-new/en\\_in/india/home/documents/about-castrol/cil-csr-policy-2021.pdf](https://www.castrol.com/content/dam/castrol/country-sites-new/en_in/india/home/documents/about-castrol/cil-csr-policy-2021.pdf).

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - [https://www.castrol.com/en\\_in/india/home/about-castrol/corporate-social-responsibility.html](https://www.castrol.com/en_in/india/home/about-castrol/corporate-social-responsibility.html).

The Company had appointed Soulace Consulting Pvt Ltd to undertake impact assessment for the two flagship CSR programmes – Castrol Sarathi Mitra and Castrol Eklavya for FY 2023. The key findings from the assessment study are as follows:

#### Castrol Sarathi Mitra – programme for holistic development of truck drivers

| Modules                                  | Overall score (1-5, 5 being the highest) | Key Impact  |
|--|--|---|
| Road Safety                              | 4.5                                      | <ul style="list-style-type: none"> <li>Enhanced knowledge for road safety rules</li> <li>Reduced risks of accident &amp; injury</li> <li>Enhanced efficiency in attending breakdowns</li> <li>Improved knowledge related to rules has decreased the number of challans</li> </ul> |
| Financial Literacy                       | 4  | <ul style="list-style-type: none"> <li>Reduced need to carry cash</li> <li>Increased savings and investments for management for their earnings</li> <li>Increased social security</li> </ul>  |
| Health and Hygiene                       | 4.3                                      | <ul style="list-style-type: none"> <li>Improved vision</li> <li>Mental wellbeing</li> <li>Well informed for balanced diet</li> <li>Energised while driving</li> <li>Reduced body pain</li> </ul>  |
| Overall Sarathi Mitra Training Programme | 4.5                                      | <ul style="list-style-type: none"> <li>Sense of pride in profession</li> <li>Increased motivation</li> </ul>  |

#### Castrol Eklavya – programme for upskilling of mechanics

| Modules                       | Overall score (1-5, 5 being the highest) | Key Impact  |
|-------------------------------|--|---|
| Skilling – technical skills   | 4.8                                      | <ul style="list-style-type: none"> <li>Safer work place</li> <li>Increased productivity</li> <li>Increased income</li> <li>Enhanced morale &amp; continuous improvement</li> </ul>              |
| Skilling - financial literacy | 4  | <ul style="list-style-type: none"> <li>Increased savings per month</li> <li>Increased investments per month</li> <li>Better standard of living</li> <li>Decrease in cash transaction</li> </ul> |
| Skilling – life skills        | 4.5                                      | <ul style="list-style-type: none"> <li>Improved ability to deal with customers</li> <li>Improved work etiquette</li> <li>Improved entrepreneurial skills</li> </ul>                             |
| Overall Eklavya programme     | 4.5                                      | <ul style="list-style-type: none"> <li>Sense of pride in profession</li> <li>Increased self esteem</li> </ul>   |

- 5.** (a) Average net profit of the Company as per sub-section (5) of Section 135  
Average net profit of the Company for last three financial years (2020, 2021 and 2022) calculated in accordance with the provisions of the Section 198 of the Companies Act, 2013 is INR 1026.22 Crores
- (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135 is INR 20.52 Crores
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – NA
- (d) Amount required to be set-off for the financial year, if any – INR 0.11 Crores
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)] – INR 20.41 Crores
- 6.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – INR 19.20 Crores
- (b) Amount spent in Administrative Overheads – INR 0.98 Crores
- (c) Amount spent on Impact Assessment, if applicable – INR 0.35 Crores
- (d) Total amount spent for the financial year [(a)+(b)+(c)] – INR 20.53 Crores

- (e) CSR amount spent or unspent for the Financial Year:

| Total Amount spent for the financial year (INR in Crores) | Amount unspent (INR in Crores) |
|---|--------------------------------|
| 20.53   | Nil                            |

- (f) Excess amount for set-off, if any:

| Sr. No. | Particular  | Amount (INR in Crores) |
|---------|---|------------------------|
| (1)     | (2)   | (3)                    |
| i.      | Two percent of average net profit of the Company as per sub-section (5) of Section 135                      | 20.41*                 |
| ii.     | Total amount spent for the financial year   | 20.53                  |
| iii.    | Excess amount spent for the financial year [(ii)-(i)]   | 0.12                   |
| iv.     | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -                      |
| v.      | Amount available for set-off in succeeding financial years [(iii)-(iv)]                                     | 0.12                   |

\*Net of excess contribution from FY 2022 set-off in the current financial year

- 7.** Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: Nil
- 8.** Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: Nil
- 9.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of Section 135: N.A.

**Sandeep Sangwan**  
Managing Director  
DIN: 08617717

**Rakesh Makhija**  
Chairman, CSR Committee  
DIN: 00117692

**Place:** Mumbai  
**Date:** 1 February 2024

## Annexure IV

### Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo Required under the Companies (Accounts) Rules, 2014

#### A. Conservation of Energy

##### I. Capital investment on energy conservation equipment

- INR 33 lacs towards pump replacement and equipment optimization
- INR 4 lacs towards leakage prevention
- INR 74 lacs towards solar plant installation

##### II. Steps taken or impact on conservation of energy

###### Patalganga Plant

- The plant has reduced the Batch Cycle time by ten minutes through review and modification in steps, resulting in 6,000 units of electricity savings.
- The Electric heat tracing process has been modified resulting in reduction of electricity consumption of about 30,000 units.

###### Silvassa Plant

- The commercial terms of gas supply for Silvassa plant have been renegotiated resulting in a commercial advantage of INR 25 lacs.
- New energy efficient pumps have been installed in Silvassa with an investment of INR 12 lacs, resulting in savings of 3000 units annually.
- Leakage prevention measures have been undertaken in Silvassa through a Capex of INR 4 lacs, resulting in energy savings of 50,000 units annually.
- Silvassa plant has optimized the blend Batch Cycle resulting in 4000 units of electricity savings.

###### Paharpur Plant

- Change of Pneumatic pipeline size by investing INR 21 lacs has resulted in saving 2400 KWH of energy.
- The plant has reduced the process circulation pump run time through modifications, resulting in saving 1800 KWH of energy.
- Energy efficient motor has been purchased as replacements, with investment of INR 16.2 lacs, resulting in 2400 KWH of energy savings.

- Batch Cycle time has been reduced by optimizing agitator run time, resulting in 1700 KWH of energy savings.
- Temperature setting changes in hot blend process have resulted in saving 1.9 KL of heating fuel.
- Compressor pressure setting optimization has resulted in saving 2524 KWH of energy.

##### III. Sustainability

- The plant has transitioned to using Piped Natural Gas for heating from diesel, resulting in saving approx. 350 Tonnes of emissions annually.
- 650 KWP Solar plant is being installed in the premises for solar energy and will cover more than 50% of electricity requirement of the site.
- Solar panel has been installed in the Paharpur plant through an investment of INR 76 lacs, resulting in energy savings of 5685 KWH.

#### B. Technology Absorption

##### I. Efforts made towards technology absorption

- The Company continued to derive sustainable benefits from technology with the analytical testing and blending facilities operating out of Silvassa laboratory and the technology deployment activities carried out for India region.
- This was another year where the Company's product development and deployment capability helped the business meet pressing consumer needs, partner closely with its customers and leverage strengths of its global affiliates to meet the needs of the local market.
- The Company launched products throughout financial year 2023 in motorcycle, cars, commercial vehicles, Industrial & HD spaces, with superior benefits to consumers. The Company continued with its introduction of BS VI ready products across all spaces which will help the country with its low carbon future. This also included low viscosity products.
- Company upgraded its high-saps MAGNATEC portfolio which will further help with its product range for BS VI vehicles. These products have molecule with DUALOCK technology which cling to the surface, lock with each other, and protect the critical engine parts providing 50% better protection.

- The Company continued to work with major local and global OEMs in motorcycles, passenger cars, commercial vehicles segments to develop products tailor made for their requirement in India market.
- Key products were upgraded in API & ACEA specification for their performance across the automotive portfolio of ACTIV, MAGNATEC, GTX, CRB.
- New grease products were introduced into the market under the SPHEEROL brands. These included products in the non-lithium ranges.
- Field trials were carried out in India conditions to generate performance data for products in local conditions which were used to build claims across the portfolios.
- The Company continued with localization projects across the three plants for industrial and automotive portfolio. These projects aimed at looking at cost optimized formulations and raw materials.

##### II. Imported technology

- Automotive: High performance automotive lubricants were introduced into Indian market within the last 3 years including EDGE brand products. Thermal management and transmission oil play a significant role in an electric vehicle. The Company continued to work with OEMs to develop e-fluids for their requirement as they continued to develop newer platforms. The Company supplies e-fluids to MG motors and TATA.
- Industrial: High performance and metal working lubricants were introduced into the

Indian market within last 3 years: Environment friendly products Hysol SL 35 XBB, Alusol SL 61 XBB, Techniclean 80 XBC, Optigear Synthetic CT 320, Molub Alloy 6080/460, Tribol GR 100, Hysol MB 50 for other industrial applications.

| III. Expenditure on R&D | (INR in Crores) |
|-------------------------|-----------------|
| Capital                 | 1.51            |
| Recurring               | 5.84            |
| <b>Total</b>            | <b>7.35</b>     |

#### C. Foreign Exchange Earnings and Outgo

##### 1. Activities relating to Export

There were no significant exports by the Company during the year. However, some quantities of the products were exported to, Maldives, Thailand, Bhutan and China.

##### 2. Earnings and Outgo (INR in Crores)

|                           |         |
|---------------------------|---------|
| Foreign Exchange Earnings | 31.99   |
| Foreign Exchange Outgo    | 1718.62 |

#### On behalf of the Board of Directors

**Sandeep Sangwan**  
Managing Director  
DIN: 08617717

**Deepesh Baxi**  
Chief Financial Officer &  
Wholetime Director  
DIN: 02509800

**Place:** Mumbai

**Date:** 1 February 2024

## Annexure V

### Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> DECEMBER, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Members,**  
**Castrol India Limited**  
**CIN: L23200MH1979PLC021359**

Technopolis Knowledge Park, Mahakali Caves Road,  
Chakala, Andheri (East), Mumbai – 400 093

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Castrol India Limited** (hereinafter called the Company) for the financial year ended **31<sup>st</sup> December 2023**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **31<sup>st</sup> December, 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> December, 2023** according to the provisions of:

- i. The Companies Act, 2013 ('the Act'), and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made hereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there was no reportable event during the financial year under review.**

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable as there was no reportable event during the financial year under review;**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – **Not Applicable as the Company has not issued any shares / options to directors / employees under the said regulations during the financial year under review;**
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not Applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchanges during the financial year under review;** and
  - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as the Company has not bought back/proposed to buy-back its equity shares during the financial year under review.**
  - h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – **Not Applicable as the Company has not issued and listed debt securities during the financial year under review.**

- vi. The management has identified and confirmed the following law as specifically applicable to the Company: **The Petroleum Act, 1934 and Rules made thereunder.**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) and Listing Agreement entered into

with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

#### We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including at least one Women Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings/Committee Meetings, agenda and detailed notes on agenda were sent seven days in advance before the meeting except where consent of Directors was received for circulation of agenda and notes to Agenda at a shorter notice. There exists system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committee meeting were carried with requisite majority.

**We further report that** based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Managing Counsel and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no specific events/actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**For S. N. ANANTHASUBRAMANIAN & Co.**  
**Company Secretaries**  
**ICSI Unique Code: P1991MH040400**  
**Peer Review Cert. No.: 5218/2023**

**S. N. Ananthasubramanian**  
**Founding Partner**  
**FCS: 4206 | COP No.: 1774**  
**ICSI UDIN: F004206E003348316**

**1<sup>st</sup> February, 2024 | Thane**



## Annexure – A

To,  
The Members,  
**Castrol India Limited**  
**CIN L23200MH1979PLC021359**  
Technopolis Knowledge Park, Mahakali Caves Road,  
Chakala, Andheri (East), Mumbai – 400093

Our Secretarial Audit Report for the financial year ended **31<sup>st</sup> December 2023** of even date is to be read along with this letter.

### Management's Responsibility

- It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

- Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
- We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
- Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
- Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

### For S. N. ANANTHASUBRAMANIAN & Co.

#### Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 5218/2023

#### S. N. Ananthasubramanian

##### Founding Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206E003348316

1<sup>st</sup> February, 2024 | Thane

## Annexure VI

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- Ratio of the remuneration of each Director to the median remuneration of employees of the Company for the Financial Year 2023, percentage increase in remuneration of the Chief Executive Officer, the Chief Financial Officer and other Executive Directors and the Company Secretary during the Financial Year 2023:

| Sr. No. | Name of Director/KMP   | Designation                            | Remuneration of Director/KMP for FY 2023 (Rs in Crore) | Percentage increase in Remuneration in the Financial Year 2023 | Ratio of remuneration of each Director/KMP to median remuneration of employees |
|---------|------------------------|--|--|--|--|
| 1       | Mr. Sandeep Sangwan*   | Managing Director                      | 9.40   | 99.0   | 31   |
| 2       | Mr. Deepesh Baxi**     | CFO & Wholetime Director               | 3.41   | 27.42  | 11   |
| 3       | Mr. Mayank Pandey      | Wholetime Director                     | 2.55   | 4.5  | 8  |
| 4       | Mr. Saugata Basuray#   | Wholetime Director                     | 2.88   | NA   | 9  |
| 5       | Mr. Uday Khanna@       | -                                      | -  | -  | -  |
| 6       | Mr. R. Gopalakrishnan@ | -                                      | -  | -  | -  |
| 7       | Ms. Sangeeta Talwar@   | -                                      | -  | -  | -  |
| 8       | Mr. Rakesh Makhija@    | -                                      | -  | -  | -  |
| 9       | Mr. Udayan Sen^        | -                                      | -  | -  | -  |
| 10      | Mr. Sashi Mukundan^    | -                                      | -  | -  | -  |
| 11      | Ms. Nicola Buck^       | -                                      | -  | -  | -  |
| 12      | Ms. Hemangi Ghag       | Company Secretary & Compliance Officer | 1.5  | 20.28  | 5  |

\* The remuneration of Mr. Sandeep Sangwan includes an amount of INR 4.10 Crores towards perquisite value of stock options exercised during the year under the employee stock option scheme of bp p.l.c (ultimate holding company). The percentage increase in remuneration without the amounts of perquisite towards stock option is 23.13% and the ratio to median remuneration of employees is 17.4.

\*\* The remuneration of Mr. Deepesh Baxi includes an amount of INR 0.49 Crores towards perquisite value of stock options exercised during the year under the employee stock option scheme of bp p.l.c. (ultimate holding company). The percentage increase in remuneration without the amounts of perquisite towards stock option is 15.43% and the ratio to median remuneration of employees is 9.6.

# Mr. Saugata Basuray was appointed as a Wholetime Director w.e.f. 1 April 2022. Accordingly, his remuneration for the Financial Year 2023 is not comparable with the previous financial year.

@ The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by the Board of Directors and Shareholders. The details of remuneration of Independent Directors are provided in the Corporate Governance Report.

^ The other Non-executive Directors are not entitled to any remuneration.

### 2. Other details:

|   |     |
|---|-----|
| Permanent employees* on the rolls of the Company as on 31 December 2023             | 570 |
| Percentage increase in the median remuneration of employees** in the Financial Year | 7.9 |

\* Represents employees who have served for the whole of the financial year.

\*\* Excluding Managing Director and Wholetime Directors.

- The average percentage increase made in salaries of employees (other than managerial personnel) was 8.43%\* while increase in managerial remuneration was 37.84%. The percentage increase in managerial remuneration excluding the amounts of perquisite towards stock option was 17.82%. Please note that the average increase for employees includes the Salary data of workmen who are covered under three different Long-Term Settlement (LTS) for a period of 4 years generally. The increase in salaries during the year are based on remuneration policy/reward philosophy of the Company and on annual appraisals of employees (excluding workmen who get covered under respective LTS).

\* Represents employees who have served for the whole of the financial year

### On behalf of the Board of Directors

**Sandeep Sangwan**  
Managing Director  
DIN: 08617717

**Deepesh Baxi**  
Chief Financial Officer & Wholetime Director  
DIN: 02509800

**Place:** Mumbai  
**Date:** 1 February 2024

# Report on Corporate Governance

[Pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## 1. Company's Philosophy on Code of Governance

Good governance practices stem from the value system and philosophy of the organization and at Castrol, we are committed to create shareholder value, governance processes and an entrepreneurial, performance focused and conducive work environment.

The values of the Company i.e. Safety, Respect, Excellence, Courage and One Team in its ways of working, are fundamental drivers of sustainable business performance.

The Board is collectively responsible to ensure that Corporate Governance processes are structured to direct the Company's actions to achieve this purpose, while complying with the Code of Governance. The Company's policies cover aspects such as ethical conduct, care for health, safety and environment; control and finance; commitment to employees and relationships as rooted in the Company's Governance Principles. Key aspects of the Company's Governance processes are:

- Clear statements of Board processes and the Board's relationship with the Management;
- A framework of prudent and effective controls which enable risks to be assessed and mitigated;
- Set the Company's values and standards and ensure that obligations to shareholders and other stakeholders are understood and fulfilled. The Board recognizes that in conducting its business, the Company should be responsive to other relevant stakeholders;
- Review and where appropriate determine the long term strategy and the annual plan for the Company based on proposals made by the Management, for achieving the Company's purpose.

## 2. Board of Directors

### Composition and Category

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors including two (2) women Directors, which is in conformity with the Companies Act, 2013

("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time. As on the year ended 31 December 2023, the Board consisted of eleven (11) Directors comprising four (4) Executive Directors, three (3) Non-Executive Nominee Directors nominated by Castrol Limited, UK, pursuant to the Articles of Association of the Company and four (4) Independent Directors. The Chairperson of the Board is a Non-Executive, Independent Director. None of the Directors of the Company are related to each other.

During the year under review, the following changes took place in the composition of the Board of Directors:

Ms. Sangeeta Talwar was re-appointed as Independent Director of the Company for a period of five (5) years from 23 July 2023 to 22 July 2028. The re-appointment of Ms. Sangeeta Talwar was approved by the shareholders by means of special resolution through postal ballot concluded on 8 September 2023.

Further, at its meeting held on 1 February 2024, the Board of Directors based on recommendation of Nomination and Remuneration Committee ("NRC") approved re-appointment of Mr. Rakesh Makhija as Independent Director for a period of five (5) years from 1 October 2024 to 30 September 2029 subject to the approval of shareholders at 46<sup>th</sup> Annual General Meeting ("AGM").

### Appointment and Tenure

The Directors of the Company except Nominee Directors are appointed by shareholders at the General Meetings and two-third of total number of Directors (other than Independent Directors) retire by rotation pursuant to the provisions of the Companies Act, 2013. The Executive Directors serve in accordance with the terms of their contract of service with the Company.

### Board Independence

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, in the opinion of the Board, Independent Directors fulfil the conditions specified in SEBI Listing Regulations and are **independent of the management**.

The composition of the Board, directorships/committee membership positions in other companies as on year ended 31 December 2023, number of meetings held and attended during the year are as follows:

| Name of Director                                      | Designation                                 | Category of Directorship | Board Meetings during the year |          | Attendance at the last AGM | Directorships in companies# (including Castrol India Limited) | Memberships of Board Committees^ (including Castrol India Limited) |             |
|---|---|--------------------------|--------------------------------|----------|----------------------------|---|--|-------------|
|   |   |                          | Held                           | Attended |                            |   | Member*  | Chairperson |
| Mr. R. Gopalakrishnan                                 | Chairperson & Independent Director          | Non-Executive Director   | 4                              | 4        | Yes                        | 4   | 3  | 1           |
| Mr. Uday Khanna                                       | Independent Director                        | Non-Executive Director   | 4                              | 4        | Yes                        | 5   | 5  | 3           |
| Ms. Sangeeta Talwar                                   | Independent Director                        | Non-Executive Director   | 4                              | 4        | Yes                        | 6   | 9  | 2           |
| Mr. Rakesh Makhija                                    | Independent Director                        | Non-Executive Director   | 4                              | 4        | Yes                        | 2   | 2  | 1           |
| Mr. Sashi Mukundan (representing Castrol Limited, UK) | Nominee Director                            | Non-Executive Director   | 4                              | 4        | No                         | 3   | 0  | 0           |
| Mr. Udayan Sen (representing Castrol Limited, UK)     | Nominee Director                            | Non-Executive Director   | 4                              | 4        | No                         | 1   | 1  | 0           |
| Ms. Nicola Buck (representing Castrol Limited, UK)    | Nominee Director                            | Non-Executive Director   | 4                              | 3        | No                         | 1   | 1  | 0           |
| Mr. Sandeep Sangwan                                   | Managing Director                           | Executive Director       | 4                              | 4        | Yes                        | 2   | 1  | 0           |
| Mr. Deepesh Baxi                                      | Chief Financial Officer & Wholtime Director | Executive Director       | 4                              | 4        | Yes                        | 1   | 1  | 0           |
| Mr. Mayank Pandey                                     | Wholtime Director                           | Executive Director       | 4                              | 4        | Yes                        | 1   | 0  | 0           |
| Mr. Saugata Basuray                                   | Wholtime Director                           | Executive Director       | 4                              | 3        | No                         | 1   | 0  | 0           |

#Directorships exclude Directorships in Foreign Companies.

^Board Committees' memberships include memberships of Audit Committee and Stakeholders' Relationship Committee of public limited companies, whether listed or not.

\*Membership includes Chairpersonship.

The number of Directorship(s), Committee Membership(s)/ Chairpersonship(s) of all Directors is within the respective limits prescribed under the Act and the SEBI Listing Regulations as amended from time to time.

None of the Independent Directors of the Company resigned during the year.

### Names of the listed entities where a Director of the Company is a Director and the category of Directorship as on 31 December 2023

| Name of the Director  | Name of the Company         | Designation                        |
|-----------------------|-----------------------------|------------------------------------|
| Mr. R. Gopalakrishnan | None                        | -                                  |
| Mr. Uday Khanna       | Pfizer Limited              | Non-Executive Independent Director |
|                       | Kotak Mahindra Bank Limited | Non-Executive Independent Director |
|                       | Pidilite Industries Limited | Non-Executive Independent Director |

| Name of the Director | Name of the Company                       | Designation                        |
|----------------------|---|------------------------------------|
| Ms. Sangeeta Talwar  | HCL Infosystems Limited                   | Non-Executive Independent Director |
|                      | TCNS Clothing Co. Limited                 | Non-Executive Independent Director |
|                      | Mahindra Holidays & Resorts India Limited | Non-Executive Independent Director |
| Mr. Rakesh Makhija   | None                                      | -                                  |
| Mr. Sashi Mukundan   | None                                      | -                                  |
| Mr. Udayan Sen       | None                                      | -                                  |
| Ms. Nicola Buck      | None                                      | -                                  |
| Mr. Sandeep Sangwan  | None                                      | -                                  |
| Mr. Deepesh Baxi     | None                                      | -                                  |
| Mr. Mayank Pandey    | None                                      | -                                  |
| Mr. Saugata Basuray  | None                                      | -                                  |

#### Equity Shares held by Directors in the Company as on 31 December 2023:

| Name of the Director | No. of equity shares held |
|----------------------|---------------------------|
| Mr. Uday Khanna      | 1,600                     |
| Mr. Udayan Sen       | 1,508                     |
| Mr. Mayank Pandey    | 100                       |
| Mr. Saugata Basuray  | 400                       |

Apart from above, no other Director holds any shares in the Company. The Company has not issued any convertible instruments.

#### Board Meetings

The Board meets at regular intervals to discuss and decide on the business policy and strategy of the Company apart from other Board business. An annual calendar of the meetings of Board and committee is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of urgent matters, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board meeting.

Usually, meetings of the Board are held in Mumbai. Video conferencing facilities are used to enable the Directors to participate in the meeting as per their convenience. The notice, agenda and supplementary documents are circulated well in advance before each meeting, to all Directors, for facilitating effective discussion and decision making. Considerable time is spent by the Directors on discussions and deliberations at the Board meetings.

The Company has adopted a web-based application for sharing the agenda and background notes in electronic form for the meetings of the Board and its Committees. The application maintains high standards of security and integrity that are required for sharing and storage of Board Agenda and background notes in electronic form.

The Company Secretary & Compliance Officer is responsible for preparation of the agenda including background papers and convening of the Board and Committee meetings. The Company Secretary & Compliance Officer attends all meetings of the Board and its Committees, advises and assures the

Board on compliance and governance principles and ensures appropriate recording of minutes of the meetings.

In addition to the formal meetings, interactions outside the Board meetings also take place between the Chairperson and the Independent Directors and with other Directors.

During the financial year, total four (4) meetings of the Board were held i.e. on 13 February 2023, 9 May 2023, 31 July 2023 and 30 October 2023 respectively. The maximum interval between any two meetings was within the maximum gap permitted under the Companies Act, 2013 and the SEBI Listing Regulations.

#### Independent Directors' Meeting

During the year, the Independent Directors of the Company met separately on 30 October 2023 without the presence of other Directors or management representatives, to review the performance of Non-Independent Directors, the Board and the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

#### Directors' Induction and Familiarization

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices. Periodic presentations are made at the Board and the Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

Upon appointment, Independent Directors and Executive Directors are issued letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The familiarization process for Non-Executive Directors and Independent Directors includes interactive sessions with the management, business and functional heads, visits to markets/plants, etc.

Web link giving the details of familiarization programme imparted to the Independent Directors — [https://www.castrol.com/content/dam/castrol/country-sites-new/en\\_in/india/home/documents/investors/familiarization\\_prog\\_updated.pdf](https://www.castrol.com/content/dam/castrol/country-sites-new/en_in/india/home/documents/investors/familiarization_prog_updated.pdf).

The table below highlights the Core Areas of Expertise/Skills/Competencies of the Board members. However, absence of mention of a skill/expertise/competency against a Director's name does not indicate that the Director does not possess that competency or skill:

| Skills / Expertise / Competence  | R. Gopalakrishnan | Uday Khanna | Sangeeta Talwar | Rakesh Makhija | Sashi Mukundan | Udayan Sen | Nicola Buck | Sandeep Sangwan | Deepesh Baxi | Mayank Pandey | Saugata Basuray |
|--|-------------------|-------------|-----------------|----------------|----------------|------------|-------------|-----------------|--------------|---------------|-----------------|
| Business Leadership & Operations- knowledge of the Lubricant Industry to provide important insights and perspectives to the Board on the Company's commercial, strategic, manufacturing, legal and other functions. Leadership experience resulting in a practical understanding of the Company's processes, develop talent, succession planning and driving the long-term growth strategy of the Company. | ✓                 | ✓           | ✓               | ✓              | ✓              | ✓          | ✓           | ✓               | ✓            | ✓             | ✓               |
| Risk Management & Governance- knowledge and understanding of business risks to provide insights and perspective to the Board on enterprise risk. Develop highest levels of governance practices, provide insights about maintaining Board and management accountability and to protect stakeholders interest.  |                   | ✓           |                 | ✓              |                | ✓          |             |                 | ✓            |               |                 |
| Finance & Accounting- Provide financial expertise to the Board, including an understanding and analysis financial statements, corporate finance, accounting and capital markets.   |                   | ✓           |                 |                |                | ✓          |             |                 | ✓            |               |                 |
| Business Expertise- understanding of the lubricant operating and business environment, market access and healthcare solutions. Respond to change with agility, optimism and innovation. Sound knowledge of Business Technology, Digital Marketing, Strategic Development, Public Affairs, etc.   | ✓                 |             | ✓               | ✓              | ✓              | ✓          | ✓           | ✓               | ✓            | ✓             | ✓               |
| Understanding of Consumer and Customer Insights in diverse environments and conditions- Experience of having managed organisations with large customer interface in vital business environment and economic conditions which helps in leveraging consumer insights for business benefits.  | ✓                 |             | ✓               |                | ✓              | ✓          | ✓           | ✓               |              |               | ✓               |
| Understanding use of Digital / Information Technology across the FMCG value chain- Understanding the use of Information Technology across the We value chain, ability to foresee technological driven changes and disruption impacting business and appreciation of the need of cyber security and controls across the organisation.   |                   |             |                 |                | ✓              | ✓          | ✓           | ✓               | ✓            | ✓             | ✓               |

#### Directors seeking appointment / re-appointment

The details of Directors seeking appointment / re-appointment, if any, forms part of the Notice of the 46<sup>th</sup> Annual General Meeting of the Company.

### 3. Committees of the Board

The Board Committees are set up to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. Minutes of the proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting. Following are the Committees constituted by the Board:

#### (A) Audit Committee

The Audit Committee is constituted in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. Members of the Audit Committee have wide exposure and knowledge in areas of finance and accounting.

The Audit Committee, *inter alia*, provides reassurance to the Board on the existence of an effective internal controls environment.

The terms of reference of the Audit Committee drawn up in line with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 are briefly described below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Reviewing mandatorily the following information:
  - (1) Management discussion and analysis of financial condition and results of operations;
  - (2) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (3) Internal audit reports relating to internal control weaknesses; and
  - (4) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - (5) Statement of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
    - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

Meetings of Audit Committee are also attended by the Managing Director, the Chief Financial Officer, the Statutory Auditors and the Internal Auditors as permanent invitees. The Cost Auditors attend the Audit Committee meeting where cost audit reports are discussed.

During the year under review there were no changes in the composition of Audit Committee. The Company Secretary & Compliance Officer acts as the Secretary to the Audit Committee. The Chairperson of the Audit Committee attended the 45<sup>th</sup> Annual General Meeting for the year ended 31 December 2022 held on 11 May 2023.

Four (4) meetings of the Audit Committee were held during the financial year ended 31 December 2023

i.e. on 13 February 2023, 9 May 2023, 31 July 2023 and 30 October 2023. The composition of the Audit Committee along with attendance of each member is given below:

| Name of the Director  | Director Category | Designation | No. of Meetings |          |
|-----------------------|-------------------|-------------|-----------------|----------|
|                       |                   |             | Held            | Attended |
| Mr. Uday Khanna       | Independent       | Chairperson | 4               | 4        |
| Mr. R. Gopalakrishnan | Independent       | Member      | 4               | 4        |
| Ms. Sangeeta Talwar   | Independent       | Member      | 4               | 4        |
| Mr. Rakesh Makhija    | Independent       | Member      | 4               | 4        |
| Mr. Udayan Sen        | Non-Executive     | Member      | 4               | 4        |
| Ms. Nicola Buck       | Non-Executive     | Member      | 4               | 3        |

#### (B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") has been constituted in terms of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

The terms of reference of the NRC are briefly described below:

1. Formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
2. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment / removal;
3. For every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director;
4. Devise a policy on Board diversity;
5. Formulate criteria for evaluation of performance of the Board, its Committees and individual Directors (including Independent Directors). Specify the manner for evaluation which is to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
6. To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
7. Recommend to the board, all remuneration, in whatever form, payable to Senior Management.

The Company has adopted a policy on Nomination, Independence Remuneration, Diversity and Evaluation ("the Policy"). The Policy is in compliance with all applicable provisions of the Companies Act, 2013, particularly Section 178 read together with the applicable rules thereto and Regulation 19(4) of the SEBI Listing Regulations. The Policy is designed to attract and retain best talent, who has the potential to drive growth and enhance shareholder value, it is essential to adopt comprehensive compensation policy which is in synchronization with the industry trends. The Company has also adopted the Policy which is based on the principle that the Company's Board of Directors should have a balance of skills, experience and diversity of perspectives appropriate to the Company's business. The Company recognizes that a Board composed of appropriately qualified people with a broad spectrum of experience relevant to the business is important for effective corporate governance and sustained commercial success of the Company. The Company aims to achieve a sustainable and balanced development by building a diverse and inclusive culture. The Policy is annexed to the Board's Report.

Three (3) meetings of the NRC were held during the year ended 31 December 2023 i.e. 10 February 2023, 9 May 2023 and 30 October 2023. The Chairperson of the Committee attended the 45<sup>th</sup> Annual General Meeting of the Company for the year ended 31 December 2022, held on 11 May 2023. During the year under review there were no changes in the composition of NRC. The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

The composition of the NRC along with attendance of each member is given below:

| Name of the Director  | Director Category | Designation | No. of Meetings |          |
|-----------------------|-------------------|-------------|-----------------|----------|
|                       |                   |             | Held            | Attended |
| Ms. Sangeeta Talwar   | Independent       | Chairperson | 3               | 3        |
| Mr. R. Gopalakrishnan | Independent       | Member      | 3               | 3        |
| Mr. Uday Khanna       | Independent       | Member      | 3               | 3        |
| Mr. Rakesh Makhija    | Independent       | Member      | 3               | 3        |
| Mr. Sashi Mukundan    | Non-Executive     | Member      | 3               | 3        |

#### Remuneration of Directors

##### (i) Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive Directors and Independent Directors other than payment of sitting fees paid to the Independent Directors for attending Board and Committee meetings and commission as approved by the Members and the Board for their invaluable services to the Company.

##### (ii) Details of remuneration paid to Directors

The Executive Directors are paid salary and performance linked bonus, which is calculated, based on pre-determined parameters of performance. The Independent Directors are paid sitting fees and

commission as determined by the Board from time to time. Other Non-Executive Directors do not receive any remuneration including sitting fees. Sitting fees to the Independent Directors are being paid as permissible under Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The criteria of making payments to the Independent Directors are disclosed in the Policy and the same is available on [https://www.castrol.com/content/dam/castrol/country-sites-new/en\\_in/india/home/documents/investors/nrc\\_policy\\_cil\\_2018.pdf](https://www.castrol.com/content/dam/castrol/country-sites-new/en_in/india/home/documents/investors/nrc_policy_cil_2018.pdf).

The details of remuneration paid to Executive Directors for the financial year ended 31 December 2023 is as under:

| Name of the Director | Salary      | Perquisites | Retiral Benefits | Performance Based Incentives |             | Total |
|----------------------|-------------|-------------|------------------|------------------------------|-------------|-------|
|                      |             |             |                  |                              |             |       |
| Mr. Sandeep Sangwan  | 2,66,49,752 | 4,24,43,266 | 21,62,565        | 2,27,27,390                  | 9,39,82,973 |       |
| Mr. Deepesh Baxi     | 1,85,09,893 | 59,25,098   | 10,71,239        | 86,38,358                    | 3,41,44,588 |       |
| Mr. Mayank Pandey    | 1,82,76,346 | 1,92,807    | 9,12,600         | 61,11,936                    | 2,54,93,689 |       |
| Mr. Saugata Basuray  | 1,78,70,893 | 3,34,467    | 20,45,048        | 85,22,237                    | 2,87,72,644 |       |

- (Amount in INR)
- Retiral benefits consist of Provident Fund and Pension Fund.
  - Performance based incentives for FY 2022 paid in FY 2023.
  - Perquisites of Mr. Sandeep Sangwan includes an amount of INR 4.10 Crores towards perquisite value of stock options exercised during the year under the employee stock option scheme of bp p.l.c. (ultimate holding company).
  - Perquisites of Mr. Deepesh Baxi includes an amount of INR 0.49 Crores towards perquisite value of stock options exercised during the year under the employee stock option scheme of bp p.l.c. (ultimate holding company).

the key parameters for the performance based pay/variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee. Variable pay/Performance Linked Bonus (PLB) is linked to short-term performance against the annual plan. The total overall bonus is linked to performance relative to measure and targets reflected in the annual plan which in turn reflects Company's strategy.

- the agreement with each Wholtime Director and the Managing Director is made for a period of 5 years. Further, such agreement can be terminated by either party by giving not less than three months' notice in writing to the other party.
- the appointment of Executive Directors, Key Managerial Personnel, the management and other employees is by virtue of their employment with the Company and therefore, their terms of employment *vis-à-vis* salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies of the Company at the relevant point in time.
- presently, the Company does not have a scheme for grant of stock options to its employees. However, the

Directors and KMPs are entitled to the shares of bp p.l.c. (ultimate holding company) under the employee stock option scheme of as in force.

The details of remuneration of Non-Executive, Independent Directors for the financial year ended 31 December 2023 is as under:

| Name of the Director  | Commission* | Sitting Fees | Total     |
|-----------------------|-------------|--------------|-----------|
|                       |             |              |           |
| Mr. R. Gopalakrishnan | 20,00,000   | 6,50,000     | 26,50,000 |
| Mr. Uday Khanna       | 16,00,000   | 6,00,000     | 22,00,000 |
| Ms. Sangeeta Talwar   | 16,00,000   | 7,00,000     | 23,00,000 |
| Mr. Rakesh Makhija    | 16,00,000   | 8,00,000     | 24,00,000 |

\*Commission for FY 2022 paid in FY 2023.

#### Board Evaluation

The Nomination and Remuneration Committee has specified the criteria for performance evaluation of the Directors, the Board and its Committees. The Board is committed to evaluating its own performance as a Board and evaluating performance of individual Directors, in order to identify strengths and areas in which it may improve functioning. Further, overall effectiveness of the Board is measured to decide the appointments and re-appointments of Directors. The details of annual Board evaluation process for Directors have been provided in the Board's Report.

Following are the key criteria applied for performance evaluation —

- attendance and contribution at Board and Committee meetings and application by the director of his/her expertise, leadership qualities and knowledge to give overall strategic direction for enhancing the shareholders' value.
- director's ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- director's ability to monitor the performance of the management and satisfy himself/herself with integrity of the financial controls and systems in place, etc.

Independent Directors' performance is evaluated also based on his/her help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct and his/her ability to bring an objective view in the evaluation of the performance of the Board and the management.

#### (C) Stakeholders' Relationship Committee

Stakeholders' Relationship Committee ("SRC") has been constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. During the year under review there were no changes in the composition of SRC. The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

Ms. Hemangi Ghag, Company Secretary & Compliance Officer of the Company, is the Compliance Officer for redressal of investors' complaints.

One (1) meeting of the Committee was held during the year ended 31 December 2023 on 13 February 2023 and all members attended the said meeting. The Chairperson of the Committee attended the 45<sup>th</sup> Annual General Meeting for the year ended 31 December 2022 held on 11 May 2023.

The composition of SRC along with attendance of each member is given below:

| Name of the Director  | Director Category | Designation | No. of Meetings |          |
|-----------------------|-------------------|-------------|-----------------|----------|
|                       |                   |             | Held            | Attended |
| Mr. R. Gopalakrishnan | Independent       | Chairperson | 1               | 1        |
| Mr. Sandeep Sangwan   | Executive         | Member      | 1               | 1        |
| Mr. Deepesh Baxi      | Executive         | Member      | 1               | 1        |

#### Details of Shareholders'/Investors' Complaints:

During the Financial Year ended 31 December 2023, complaints were received from the shareholders. Out of the total complaints received during the year, none were pending as on 31 December 2023. The complaints relate to non-receipt of annual report, dividend, share transfers, etc. All complaints were resolved during the year.

|                                |    |
|--------------------------------|----|
| Opening as on 1 January 2023   | 1  |
| Received during the year       | 34 |
| Disposed of during the year    | 35 |
| Closing as on 31 December 2023 | 0  |

#### (D) Corporate Social Responsibility Committee

During the year under review there were no changes in the composition of CSR Committee. The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

Two (2) meetings of the Committee were held during the year ended 31 December 2023 viz. on 13 February 2023 and 30 October 2023.

The composition of the CSR Committee along with attendance of each member is given below:

| Name of the Director | Director Category | Designation | No. of Meetings |          |
|----------------------|-------------------|-------------|-----------------|----------|
|                      |                   |             | Held            | Attended |
| Mr. Rakesh Makhija   | Independent       | Chairperson | 2               | 2        |
| Ms. Sangeeta Talwar  | Independent       | Member      | 2               | 2        |
| Mr. Sashi Mukundan   | Non-Executive     | Member      | 2               | 2        |
| Mr. Sandeep Sangwan  | Executive         | Member      | 2               | 2        |
| Mr. Deepesh Baxi     | Executive         | Member      | 2               | 2        |

Please refer to the Board's Report and its annexures for details regarding CSR activities carried out by the Company during the year ended 31 December 2023.

**(E) Risk Management Committee**

In terms of Regulation 21 of the SEBI Listing Regulations, the Risk Management Committee ("RMC") has been constituted.

The terms of reference of the RMC are briefly described below:

1. To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, reputational, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. To consider appointing, removing and deciding the terms of remuneration of the Chief Risk Officer;
7. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
8. Review and evaluate development and execution of risk mitigation strategies and opportunities proposed by management and selected by the Committee for further review;
9. Review of the Company's disclosure of risks; and

10. Together with the Audit Committee, review, assess and discuss any significant risks or exposures.

During the year under review there were no changes in the composition of RMC. The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

Two (2) meetings of the RMC were held during the year ended 31 December 2023 viz. on 21 March 2023 and 12 September 2023.

The attendance of each member of the RMC is given below:

| Name of the Director | Director Category    | Designation | No. of Meetings |          |
|----------------------|----------------------|-------------|-----------------|----------|
|                      |                      |             | Held            | Attended |
| Mr. Sandeep Sangwan  | Executive Director   | Chairperson | 2               | 2        |
| Mr. Deepesh Baxi     | Executive Director   | Member      | 2               | 2        |
| Mr. Rakesh Makhija   | Independent Director | Member      | 2               | 2        |
| Mr. Siddharth Shetty | Managing Counsel     | Member      | 2               | 2        |

**Internal Controls and Risk Management:**

The Company has laid down internal financial controls framework through a combination of entity level controls, process level controls and IT general controls, *inter-alia*, to ensure orderly and efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements/information, safeguarding of assets, prevention and detection of frauds and errors.

The evaluation of these internal financial controls was done through the internal audit process, established within the Company and also through appointing professional firm to carry out such tests by way of systematic annual internal audit program. Based on the review of these reported evaluations, the Directors confirm that, for the preparation of financial statements for the year ended 31 December 2023, the applicable Accounting Standards have been followed and the design of the internal financial controls were found to be adequate and that no significant deficiencies were noticed.

During the year, on the recommendation of the Audit Committee, the Board of Directors re-appointed M/s. KPMG, Chartered Accountants as the Internal Auditors of the Company.

**4. Particulars of Senior Management Personnel and changes since the close of previous financial year:**

| Name of Senior Management Personnel ("SMP") | Designation                                       | Changes if any, during the year 2023 (Yes / No) | Nature of change and Effective date  |
|---|---|---|--------------------------------------|
| Mr. Sandeep Sangwan                         | Managing Director                                 | No  | -                                    |
| Mr. Deepesh Baxi                            | Chief Financial Officer                           | No  | -                                    |
| Mr. Mayank Pandey                           | Vice President – Supply Chain                     | No  | -                                    |
| Mr. Saugata Basuray                         | Vice President – B2C Sales                        | No  | -                                    |
| Ms. Jaya Jamrani                            | Vice President – Marketing                        | Yes   | Ceased as SMP w.e.f. 31 August 2023  |
| Mr. Rohit Talwar                            | Vice President – Marketing                        | Yes   | Appointed w.e.f. 1 November 2023     |
| Mr. Rajeev Govil                            | Vice President – B2B Sales                        | No  | -                                    |
| Mr. Sagar Vira                              | Vice President – Industrial Sales                 | Yes   | Ceased as SMP w.e.f. 31 July 2023    |
| Ms. Priyanka Ghosh                          | Vice President – Industrial Sales                 | Yes   | Appointed w.e.f. 1 November 2023     |
| Ms. Bhairavi Papat                          | Vice President – Customer Excellence & Operations | Yes   | Ceased as SMP w.e.f. 1 October 2023  |
| Mr. Anoop Jindal                            | Vice President – Customer Excellence & Operations | Yes   | Appointed w.e.f. 1 January 2024      |
| Ms. Maria P Valles                          | Vice President – People & Culture                 | No  | -                                    |
| Mr. Siddharth Shetty                        | Managing Counsel                                  | No  | -                                    |
| Mr. Rajesh Madathingal                      | Head – Technology                                 | No  | -                                    |
| Ms. Saswati Panigrahi                       | Head – Communications                             | Yes   | Ceased as SMP w.e.f. 31 January 2023 |
| Ms. Chikita Sobti                           | Head – Communications                             | Yes   | Appointed w.e.f. 24 April 2023       |

**5. Affirmation and Disclosure**

- There were no material financial or commercial transaction, between the Company and members of the management that may have a potential conflict with the interest of the Company at large.
- All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

**Code of Conduct**

The Company's Code of Conduct (CoC) is based on its values and clarifies the principles and expectations for everyone who works at Castrol India Limited. It applies to all Castrol India Limited employees, officers and members of the Board. The Board adopted the revised code of conduct at its meeting held on 13 February 2023 to align the Code with the new purpose, strategy and safety leadership principles of the Company. The Code of Conduct is available on the website of the Company [https://www.castrol.com/content/dam/castrol/country-sites-new/en\\_in/india/home/documents/investors/our-code-our-responsibility.pdf](https://www.castrol.com/content/dam/castrol/country-sites-new/en_in/india/home/documents/investors/our-code-our-responsibility.pdf).

The Board of Directors are responsible for ensuring that rules are in place to avoid conflict of interest by the Board members and the Management. The Board has adopted the Code of Conduct for the members of the Board and senior management team. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, they are required to make adequate disclosures to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The members of the Board and the management annually confirm the compliance of the Code of Conduct to the Board.

The Code of Conduct for the members of the Board and senior management team is in addition to the Code of Conduct of the Company. A copy of the said Code of Conduct is available on the website of the Company at – [https://www.castrol.com/content/dam/castrol/country-sites-new/en\\_in/india/home/documents/investors/coc\\_board\\_sr\\_mgt\\_2020.pdf](https://www.castrol.com/content/dam/castrol/country-sites-new/en_in/india/home/documents/investors/coc_board_sr_mgt_2020.pdf).

## 5. General Body Meetings

### Location and time of the last three AGMs of the Company:

| Location                                      | Date          | Time           | Special Resolution |
|---|---------------|----------------|--------------------|
| Video Conferencing / Other Audio Visual Means | 11 May 2023   | 10:00 A.M. IST | Nil                |
| Video Conferencing / Other Audio Visual Means | 8 June 2022   | 10:00 A.M. IST | Nil                |
| Video Conferencing / Other Audio Visual Means | 30 April 2021 | 3:00 P.M. IST  | Nil                |

### Postal Ballot

During the year, the following Special Resolution was passed by the Company through Postal Ballot:

| Sr. No. | Particulars of Resolution  |
|---------|--|
| 1.      | Re-appointment of Ms. Sangeeta Talwar as an Independent Director of the Company. |

### Voting Pattern:

| Resolution No. | Particulars of Resolution  | % of votes in favour on votes polled | % of votes against on votes polled | Status of Resolution           |
|----------------|--|--------------------------------------|------------------------------------|--------------------------------|
| 1.             | Re-appointment of Ms. Sangeeta Talwar as an Independent Director of the Company. | 96.37                                | 3.62                               | Passed with requisite majority |

### Procedure for Postal Ballot:

Pursuant to the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (Management Rules), as amended, the Company had issued Postal Ballot Notice dated 31 July 2023 to the shareholders, seeking their consent with respect to re-appointment of Ms. Sangeeta Talwar as an Independent Director of the Company. In compliance with provisions of Section 108 and Section 110 and other applicable provisions, of the Act read with the Management Rules and general circulars issued in this regard by the Ministry of Corporate Affairs ("MCA"), the Company had provided remote e-voting facility to all the shareholders of the Company. The Company engaged the services of Central Depository Services (India) Limited ("CDSL") for facilitating e-voting to enable the shareholders to cast their votes electronically. The Board of Directors had appointed Mr. K. G. Saraf, Proprietor of M/s. Saraf and Associates, Company Secretaries (COP No. 642), as the Scrutinizer for Postal Ballot process. The voting period commenced on Thursday, 10 August 2023 at 9:00 a.m. IST and ended on Friday, 8 September 2023 at 5:00 p.m. IST. The cut-off date, for the purpose

of determining the number of shareholders was Friday, 4 August 2023. The Scrutinizer, after the completion of scrutiny, submitted his report to Ms. Hemangi Ghag, Company Secretary, who was duly authorised to accept, acknowledge and countersign the Scrutinizer's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

No special resolution is proposed to be conducted through postal ballot.

## 6. Means of Communication with Shareholders

The Company regularly interacts with shareholders through multiple channels of communication such as results' announcements, annual report, media releases, Company's website and subject specific communications.

All official press releases are hosted on the website of the Company.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Business Standard or Financial Express and Sakal.

The aforesaid results are also made available on the website of the Company - [https://www.castrol.com/en\\_in/india/home/investors/financial-results.html](https://www.castrol.com/en_in/india/home/investors/financial-results.html).

The website also displays vital information relating to the Company and its performance and official press releases.

The quarterly results, shareholding pattern and all other corporate communication to the stock exchanges are filed through NSE Electronic Application Processing System (NEAPS)/NSE Digital Portal and BSE Listing Centre, for dissemination on their respective websites.

Presentations, if any, referred to during analysts and institutional investors' meets / calls are displayed on the Company's website [https://www.castrol.com/en\\_in/india/home/investors/intimation-to-share-holders.html](https://www.castrol.com/en_in/india/home/investors/intimation-to-share-holders.html).

## 7. General Shareholder Information

### Forty-Sixth (46<sup>th</sup>) Annual General Meeting

**Date** : Thursday, 28 March 2024

**Time** : 2:30 P.M. IST

**Meeting Format:** Annual General Meeting through Video Conferencing / Other Audio-Visual Means

**Deemed Venue for Meeting:** Registered Office: Technopolis Knowledge Park, Mahakali Caves Road, Chakala, Andheri (East), Mumbai - 400 093

**Last date for receipt of proxy forms:** Not Applicable

**Record Date:** Thursday, 21 March 2024

**Dividend Payment Date:** on or before Friday, 26 April 2024

### Financial Year: 1 January to 31 December

The Company has obtained approval from the Company Law Board vide order No. 19 dated 23 April 2015 to follow financial year other than April to March.

### Due Dates for Transfer of Unclaimed Dividend to the Investor Education and Protection Fund ("IEPF") :

| Year | Dividend                | Date of Declaration | Due Date for transfer to IEPF |
|------|-------------------------|---------------------|-------------------------------|
| 2016 | Special                 | 21 Feb 2017         | 29 Mar 2024                   |
| 2016 | Final                   | 31 May 2017         | 6 Jul 2024                    |
| 2017 | Interim                 | 23 Aug 2017         | 28 Sept 2024                  |
| 2017 | Final                   | 3 May 2018          | 8 Jun 2025                    |
| 2018 | Interim                 | 31 Jul 2018         | 5 Sept 2025                   |
| 2018 | Final                   | 15 May 2019         | 20 Jun 2026                   |
| 2019 | Interim                 | 29 Jul 2019         | 3 Sept 2016                   |
| 2019 | 2 <sup>nd</sup> Interim | 17 Jun 2020         | 23 Jul 2027                   |
| 2020 | Interim                 | 27 Oct 2020         | 2 Dec 2027                    |
| 2020 | Final                   | 30 Apr 2021         | 5 Jun 2028                    |
| 2021 | Interim                 | 2 Aug 2021          | 7 Sept 2028                   |
| 2021 | Final                   | 8 Jun 2022          | 21 Jul 2029                   |

### Market Price Data

Monthly high and low quotation of the equity shares of the Company traded on the BSE and the NSE during the year ended 31 December 2023:

| Month          | BSE        |           | NSE        |           |
|----------------|------------|-----------|------------|-----------|
|                | High (INR) | Low (INR) | High (INR) | Low (INR) |
| January 2023   | 129.50     | 117.05    | 129.55     | 117.05    |
| February 2023  | 121.95     | 114.45    | 122.00     | 114.20    |
| March 2023     | 117.00     | 107.70    | 117.00     | 107.40    |
| April 2023     | 120.00     | 111.05    | 120.00     | 111.50    |
| May 2023       | 123.10     | 111.90    | 122.90     | 111.80    |
| June 2023      | 126.40     | 112.25    | 126.50     | 112.50    |
| July 2023      | 152.25     | 120.80    | 152.50     | 120.70    |
| August 2023    | 158.00     | 139.25    | 158.00     | 139.15    |
| September 2023 | 162.65     | 136.10    | 162.00     | 136.05    |
| October 2023   | 150.10     | 133.70    | 150.20     | 133.70    |
| November 2023  | 143.55     | 132.30    | 143.55     | 132.40    |
| December 2023  | 188.85     | 137.90    | 188.80     | 137.95    |

| Year | Dividend | Date of Declaration | Due Date for transfer to IEPF |
|------|----------|---------------------|-------------------------------|
| 2022 | Interim  | 1 Aug 2022          | 6 Sept 2029                   |
| 2022 | Final    | 11 May 2023         | 16 Jun 2030                   |
| 2023 | Interim  | 31 Jul 2023         | 5 Jul 2030                    |

### Listing on Stock Exchanges — Equity Shares

#### BSE Limited ("BSE")

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

#### National Stock Exchange of India Limited ("NSE")

Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051

#### Payment of Listing Fees

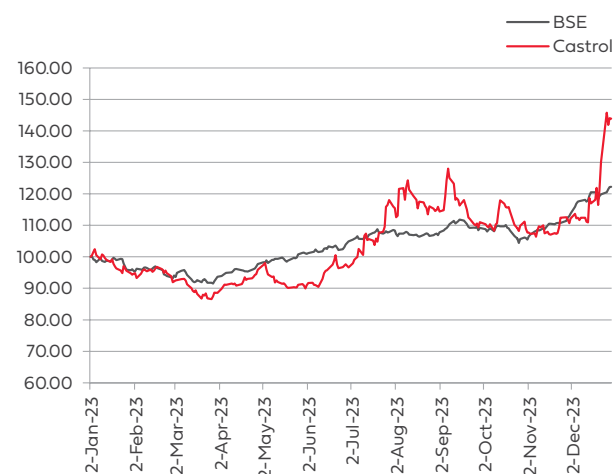
Annual listing fees for the financial year 2022-23 have been paid by the Company to BSE and NSE.

#### Stock Code

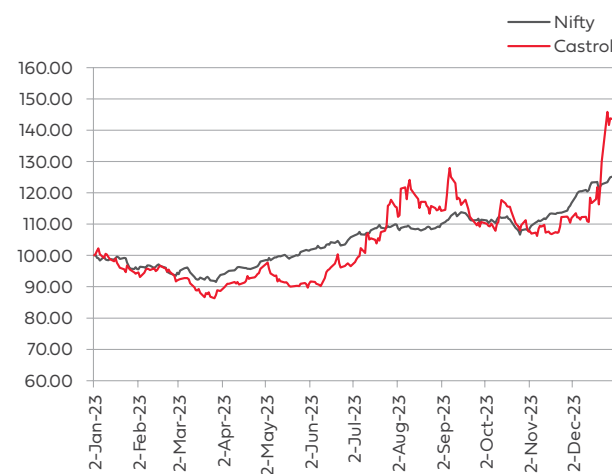
|  |              |
|--|--------------|
| BSE Limited                              | 500870       |
| National Stock Exchange of India Limited | CASTROLIND   |
| ISIN                                     | INE172A01027 |

## Stock Performance in comparison to the BSE 200 and NSE Nifty 500 indices

## BSE 200 VS CASTROL INDIA LIMITED SHARE PRICE (INDEXED)



## NSE NIFTY 500 VS CASTROL INDIA LIMITED SHARE PRICE (INDEXED)



During the financial year ended 31 December 2023, securities of the Company have not been suspended from trading on any of the stock exchanges where they are listed.

## The Registrar and Share Transfer Agent of the Company

Link Intime India Private Limited was the Registrar and Share Transfer Agent of the Company till 14 March 2023. The Company appointed KFin Technologies Limited as the Registrar and Share Transfer Agent of the Company from 15 March 2023.

## Address for Correspondence:

## KFin Technologies Limited

(Registrar and Share Transfer Agent)

Add.: Selenium Building, Tower-B Plot No. 31 & 32, Financial District Nanakramguda, Hyderabad – 500 032, Telangana, India  
Toll free number: 1800-3094-001  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

## Distribution of shareholding by size class:

| No. of Shares held | No. of Shareholders* | % of Shareholders | No. of shares       | % of shareholding |
|--------------------|----------------------|-------------------|---------------------|-------------------|
| Upto 500           | 2,93,189             | 86.33             | 2,80,11,755         | 2.83              |
| 501 – 1000         | 19,494               | 5.74              | 1,53,69,984         | 1.55              |
| 1001 – 2000        | 11,167               | 3.29              | 1,68,63,773         | 1.70              |
| 2001 – 3000        | 4,352                | 1.28              | 1,10,53,586         | 1.12              |
| 3001 – 4000        | 2,465                | 0.73              | 88,23,023           | 0.89              |
| 4001 – 5000        | 1,897                | 0.56              | 88,18,027           | 0.89              |
| 5001 – 10000       | 3,566                | 1.05              | 2,61,96,187         | 2.65              |
| 10001 and above    | 3,467                | 1.02              | 87,39,86,049        | 88.36             |
| <b>Total</b>       | <b>3,39,597</b>      | <b>100.00</b>     | <b>98,91,22,384</b> | <b>100.00</b>     |

\*Based on PAN

## Share Transfer System

The Board has delegated the authority for approving transmission, dematerialisation of shares etc. to the Share Transfer Committee/Company Secretary & Compliance Officer. The Company obtains an annual certificate from Practising Company Secretaries as per the requirement of Regulation 40(9) of the SEBI Listing Regulations and the same is filed with the Stock Exchanges and available on the website of the Company.

In terms of amended Regulation 40 of the SEBI Listing Regulations w.e.f. 1 April 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, w.e.f. 24 January 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/splitting/consolidation of securities, transmission/transposition of securities. Vide its Circular dated 25 January 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

## Distribution of shareholding by ownership\*:

| Sr. No. | Category  | No. of Shareholders | No. of Shares held  | % of the total paid up capital |
|---------|---|---------------------|---------------------|--------------------------------|
| I       | Foreign Promoter Company  | 1                   | 50,44,52,416        | 51.00                          |
| II      | Foreign Institutional Investors & FPI & Foreign National        | 214                 | 10,26,42,651        | 10.38                          |
| III     | Overseas Bodies Corporate                                       | 0                   | 0                   | 0.00                           |
| IV      | Non-Resident Indians  | 5,462               | 1,31,67,975         | 1.33                           |
| V       | Public Financial Institutions                                   | 0                   | 0                   | 0.00                           |
| VI      | Indian Mutual Funds & Alternate Investment Fund                 | 27                  | 2,30,58,472         | 2.33                           |
| VII     | Nationalised Banks  | 35                  | 5,67,564            | 0.06                           |
| VIII    | Non-Nationalized Banks  | 0                   | 0                   | 0.00                           |
| IX      | Other Banks (Foreign Bank)                                      | 1                   | 1,904               | 0.00                           |
| X       | Domestic Companies (Other Bodies Corporate)                     | 1,395               | 2,24,00,718         | 2.26                           |
| XI      | Resident Individuals  | 3,26,877            | 18,04,40,539        | 18.24                          |
| XII     | Directors and Relatives   | 4                   | 3,608               | 0.00                           |
| XIII    | IEPF  | 1                   | 19,04,774           | 0.19                           |
| XIV     | Others (Clearing Member, HUF, Insurance Companies, NBFC, Trust) | 5,580               | 14,04,81,763        | 14.21                          |
|         | <b>Total</b>  | <b>3,39,597</b>     | <b>98,91,22,384</b> | <b>100.00</b>                  |

\*Based on PAN

As on 31 December 2023, about 99.43% of the paid-up share capital of the Company has been dematerialized. Trading in equity shares of the Company is permitted only in dematerialized form. Promoter's holding is held in dematerialized form.

## Equity Shares in the Unclaimed Suspense Account:

In terms of Regulation 39 of the SEBI Listing Regulations, details of the equity shares lying in the Unclaimed Suspense Account are as follows:

| Particulars   | No. of Shareholders | No. of Shares |
|---|---------------------|---------------|
| Opening balance: Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (i.e. 1 January 2023) | 655                 | 5,27,436      |
| Less: Number of shareholders who approached listed entity and their shares were transferred from suspense account during the Financial Year 2023              | 18                  | 7,670         |
| Less: Number of shareholders whose shares were transferred from suspense account to IEPF during the Financial Year 2023                                       | *                   | 51,647        |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (i.e. 31 December 2023)                      | 626                 | 4,68,119      |

\*As on 31 December 2023, a total of 51,647 shares pertaining to 41 shareholders lying in the Demat Suspense Account (towards Unclaimed Bonus shares) were transferred to IEPF.

Your Company confirms that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.



**Plant Locations**

The Company's plants are located at Patalganga in Maharashtra; Paharpur in West Bengal and Silvassa (Union Territory).

**Address for Correspondence (other than queries relating to shares)**

Castrol India Limited  
Technopolis Knowledge Park, Mahakali Caves Road,  
Andheri (East), Mumbai – 400 093  
Email ID: [investorrelations.india@castrol.com](mailto:investorrelations.india@castrol.com)  
Phone: +91 22 6698 4100

**Commodity price risks/Foreign exchange risk and hedging activities**

The Company is subject to commodity price risks due to fluctuation in prices of base oil. A part of the Company's payables is in foreign currencies and due to fluctuations in foreign exchange prices, it is subject to foreign exchange risks. The Company has in place a robust risk management framework for identification and monitoring and mitigation of foreign exchange risks.

**8. Other Disclosures****(a) Disclosures on materially significant related party transactions having potential conflict with the interests of the Company at large**

In line with the applicable statutory requirements, the Company has formulated a Policy on Related Party Transactions which is also available on Company's website at [https://www.castrol.com/content/dam/castrol/country-sites-new/en\\_in/india/home/documents/investors/rpt-policy-v4-01042022.pdf](https://www.castrol.com/content/dam/castrol/country-sites-new/en_in/india/home/documents/investors/rpt-policy-v4-01042022.pdf). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. There were no related party transactions that may have potential conflict with the interest of the Company at large.

**(b)** There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

**(c) Whistle Blower Policy/Vigil Mechanism**

The Company has a robust whistle-blower mechanism called "OpenTalk". The employees are encouraged to raise any of their concerns by way of whistle-blowing and all employees have been given access to the Audit Committee Chairperson through a dedicated e-mail address [indiaauditcommitteec@bp.com](mailto:indiaauditcommitteec@bp.com). No employee has been denied access to the Audit Committee pertaining to the Whistle Blower Policy.

**(d) Details of payment to Statutory Auditors**

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) have been appointed as the Statutory Auditors of the Company. During the year ended 31 December 2023, the Company has paid a consolidated sum of INR 1.84 Crores to the Statutory Auditors.

**(e)** The Company has no subsidiary and hence there is no policy for determining "material" subsidiary.

**(f)** Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

| Sr. No. | Particulars  | No. of Complaints |
|---------|--|-------------------|
| a.      | Number of Complaints filed during the Financial Year             | 0                 |
| b.      | Number of Complaints disposed of during the Financial year       | 0                 |
| c.      | Number of complaints pending as on the end of the Financial year | 0                 |

**(g)** Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount: NIL

**(h)** There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V to the SEBI Listing Regulations.

**(i)** The Company has complied with all mandatory items of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(j)** As per Clause 13 of Part C of Schedule V to the SEBI Listing Regulations, the Company has made disclosures of the compliance with corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 on the website of the Company.

**(k) Disclosure of certain types of agreements binding listed entities**

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

**9. Discretionary Requirements****A. The Board**

The Chairperson of the Board does not maintain a Chairperson's office at the Company's expense. However, the Company, from time to time, reimburses the expenses in relation

to the Chairperson's office in connection with performance of his duties as the Chairperson of the Company.

**B. Shareholders' Rights – Half yearly results**

As the Company's quarterly, half yearly and yearly results are published in one English national newspaper having circulation all over India and in regional newspaper (Marathi) having circulation in Maharashtra, the same are not sent separately to the shareholders, but hosted on the website of the Company.

**C. Audit Qualification**

There are no qualifications contained in the audit report.

**D. Separate positions of the Chairperson and the CEO/Managing Director**

The positions of the Chairperson and the Managing Director are separate.

**E. Reporting of Internal Auditors**

The internal auditors of the Company report to the audit committee and make detailed presentation at quarterly meetings.

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT OF THE COMPANY**

In accordance with requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Sandeep Sangwan in my capacity as the Managing Director of the Company hereby confirm that all members of the Board of Directors and the Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct of the Company for the Board of Directors and the Senior Management, for the Financial Year ended 31 December 2023.

**Sandeep Sangwan**

Managing Director  
DIN: 08617717

Place: Mumbai  
Date: 1 February 2024

### CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

**[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,

**The Board of Directors**

**Castrol India Limited**

**CIN:** L23200MH1979PLC021359

Technopolis Knowledge Park,  
Mahakali Caves Road, Andheri-East,  
Mumbai – 400 093.

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents') as submitted by the Directors of Castrol India Limited ('the Company') bearing CIN: L23200MH1979PLC021359 and having its registered office at Technopolis Knowledge Park, Mahakali Caves Road, Andheri - East, Mumbai – 400 093., to the Board of Directors of the Company ('the Board') for the Financial Year 2023 and Financial year 2024 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ended 31<sup>st</sup> December, 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

| Sr. No. | Name of Director               | Director Identification Number (DIN) | Date of Appointment | Date of cessation |
|---------|--------------------------------|--------------------------------------|---------------------|-------------------|
| 1       | Mr. Ramabadrnan Gopalakrishnan | 00027858                             | 17-10-2000          | NA                |
| 2       | Mr. Sashi Alankarath Mukundan  | 02519725                             | 21-04-2009          | NA                |
| 3       | Mr. Uday Chander Khanna        | 00079129                             | 03-01-2012          | NA                |
| 4       | Ms. Sangeeta Talwar            | 00062478                             | 23-07-2018          | NA                |
| 5       | Mr. Rakesh Makhija             | 00117692                             | 01-10-2019          | NA                |
| 7       | Mr. Udayan Sen                 | 02083527                             | 02-04-2020          | NA                |
| 8       | Mr. Sandeep Sangwan            | 08617717                             | 01-01-2020          | NA                |
| 9       | Mr. Deepesh Baxi               | 02509800                             | 01-01-2021          | NA                |
| 10      | Mr. Mayank Pandey              | 09274832                             | 09-08-2021          | NA                |
| 11.     | Mr. Saugata Basuray            | 09522239                             | 01-04-2022          | NA                |
| 12.     | Ms. Nicola Buck                | 09785756                             | 09-11-2022          | NA                |

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31<sup>st</sup> December, 2023.

**For S. N. Ananthasubramanian & Co.**

**Company Secretaries**

**ICSI Unique Code P1991MH040400**

**Peer Review Cert. No.: 5218/2023**

**S.N. Ananthasubramanian**

**Founding Partner**

**FCS: 4206 | COP No. : 1774**

**ICSI UDIN: F004206E003348613**

**Date: 1<sup>st</sup> February, 2024 | Place: Thane**

## TO THE MEMBERS OF CASTROL INDIA LIMITED

### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

- This certificate is issued in accordance with the terms of our engagement letter dated July 20, 2023.
- We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Castrol India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on December 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### Managements' Responsibility

- The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### Auditor's Responsibility

- Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
- We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

- Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended December 31, 2023.
- We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

#### For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

#### Saira Nainar

Partner

Membership No. 040081

UDIN: 24040081BKGP07164

Place: Mumbai

Date: February 01, 2024

## Business Responsibility and Sustainability Reporting (BRSR)

Guided by the overarching vision of bp's sustainability framework<sup>1</sup>, we at Castrol embarked on our sustainability journey with the launch of PATH360, Castrol's sustainability programme, in 2021. PATH360 focuses on saving waste, reducing carbon, and improving people's lives all with the aim of becoming net zero by 2050 or sooner.

At Castrol India (CIL), we challenge the norms, striving to optimize energy consumption and fully integrate renewable energy alternatives into our operations. Further, we have identified key focus areas across the guiding principles of PATH360 to set targets and detail initiatives for achieving our aims. These focus areas constitute our ESG (Environment, Social and Governance) strategy/framework to guide our future actions.

Furthermore, our Business Responsibility and Sustainability Report (BRSR) adheres to the National Guidelines on Responsible Business Conduct (NGRBC) issued by the Ministry of Corporate Affairs in July 2023. This report is compiled as per the amended 34 (2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, following the Gazette notification no. SEBI/LAD-NRO/GN/2023/131 dated June 14, 2023. Alongside detailed information regarding our business and operations, this report details the extensive ESG initiatives that Castrol India has implemented throughout the calendar year of 2023.

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

- Corporate Identity Number (CIN) of the Listed Entity** : L23200MH1979PLC021359
- Name of the Listed Entity** : Castrol India Limited
- Year of incorporation** : 1979
- Registered office address** : Technopolis Knowledge Park, Mahakali Caves Road, Andheri (East), Mumbai – 400 093
- Corporate address** : Technopolis Knowledge Park, Mahakali Caves Road, Andheri (East), Mumbai – 400 093
- E-mail** : [investorrelations.india@castrol.com](mailto:investorrelations.india@castrol.com)
- Telephone** : +91-22-6698 4100
- Website** : [www.castrol.co.in](http://www.castrol.co.in)
- Financial year for which reporting is being done** : January - December 2023 (Calendar Year)
- Name of the Stock Exchange(s) where shares are listed** : BSE Limited (BSE) and National Stock Exchange of India (NSE)
- Paid-up Capital** : INR 494.56 Crores
- Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** : Ms. Rekha Pillai, Head – CSR and Castrol India Sustainability Group Lead
- Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).** : Standalone Basis
- Name of assurance provider** : Not Applicable
- Type of assurance obtained** : Not Applicable

#### II. Products/services

##### 16. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of main activity | Description of business activity | % of turnover of the entity (CY23) |
|--------|------------------------------|----------------------------------|------------------------------------|
| 1      | Manufacturing                | Coke and Petroleum products      | 93.6%                              |

##### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code                     | % of total turnover contributed |
|--------|-----------------|------------------------------|---------------------------------|
| 1      | Petroleum       | 271000.61 – Lubricating oils | 99.5%                           |

#### III. Operations

##### 18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 3                | 4                 | 7     |
| International | -                | -                 | -     |

<sup>1</sup> As part of bp's ambition to be net zero by 2050 or sooner and to help the world get to net zero <https://www.bp.com/en/global/corporate/sustainability/reporting-centre-and-archive/quick-read.html>.

**19. Markets served by the entity:****a. Number of locations**

| Locations                        | Number |
|----------------------------------|--------|
| National (No. of States/UTs)     | 36*    |
| International (No. of Countries) | -      |

\* Includes 28 states and 8 union territories

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

There were no significant exports by the Company during the year.

**c. A brief on types of customers**

CIL serves a diverse range of customers with its product range that caters to both the business-to-business (B2B) and business-to-consumer (B2C) sectors. The Company's products are distributed through 330 distributors who service close to 1,18,000 customers and sub-distributors who reach out to additional outlets in semi-urban and rural markets. It also leverages its distribution channels to reach a wider network of independent workshops. The Company also serves close to 3,000 key institutional accounts directly, and in some cases through its distributors. With our alliance with Jio-bp (Reliance bp Mobility Limited), we have access to a new channel and are expanding CIL's footprint in fuel forecourts across India.

Over the last few years, the focus on priority channels including e-commerce has contributed to strong topline growth in the Company's business. The Company has invested in a digitally enabled integrated service model to implement better market coverage and improve customer experience for our indirect customers.

**IV. Employees****20. Details as at the end of Financial Year:****a. Employees and Workers (including differently abled):**

| S. No.           | Particulars                | Total<br>(A) | Male    |           | Female  |           |
|------------------|----------------------------|--------------|---------|-----------|---------|-----------|
|                  |                            |              | No. (B) | % (B / A) | No. (C) | % (C / A) |
| <b>EMPLOYEES</b> |                            |              |         |           |         |           |
| 1.               | Permanent (D)              | 472          | 390     | 83%       | 82      | 17%       |
| 2.               | Other than Permanent (E)   | 79           | 56      | 71%       | 23      | 29%       |
| 3.               | Total employees<br>(D + E) | 551          | 446     | 81%       | 105     | 19%       |
| <b>WORKERS</b>   |                            |              |         |           |         |           |
| 4.               | Permanent (F)              | 158          | 154     | 97%       | 4       | 3%        |
| 5.               | Other than Permanent (G)   | 97           | 97      | 100%      | -       | -         |
| 6.               | Total workers<br>(F + G)   | 255          | 251     | 98%       | 4       | 2%        |

**b. Differently abled Employees and Workers**

| S. No.                             | Particulars                               | Total<br>(A) | Male    |           | Female  |           |
|------------------------------------|---|--------------|---------|-----------|---------|-----------|
|                                    |   |              | No. (B) | % (B / A) | No. (C) | % (C / A) |
| <b>DIFFERENTLY ABLED EMPLOYEES</b> |   |              |         |           |         |           |
| 1.                                 | Permanent (D)                             | 1            | 1       | 100%      | -       | -         |
| 2.                                 | Other than Permanent (E)                  | -            | -       | -         | -       | -         |
| 3.                                 | Total differently abled employees (D + E) | 1            | 1       | 100%      | -       | -         |
| <b>DIFFERENTLY ABLED WORKERS</b>   |   |              |         |           |         |           |
| 4.                                 | Permanent (F)                             | -            | -       | -         | -       | -         |
| 5.                                 | Other than permanent (G)                  | -            | -       | -         | -       | -         |
| 6.                                 | Total differently abled workers (F + G)   | -            | -       | -         | -       | -         |

**21. Participation/Inclusion/Representation of women**

|                          | Total<br>(A) | No. and percentage of Females |           |
|--------------------------|--------------|-------------------------------|-----------|
|                          |              | No. (B)                       | % (B / A) |
| Board of Directors       | 11           | 2                             | 18%       |
| Key Management Personnel | 5            | 1                             | 20%       |

**22. Turnover rate for permanent employees and workers**

|                     | CY 2023 |        |       | CY 2022 |        |       | CY 2021 |        |       |
|---------------------|---------|--------|-------|---------|--------|-------|---------|--------|-------|
|                     | Male    | Female | Total | Male    | Female | Total | Male    | Female | Total |
| Permanent Employees | 8%      | 5%     | 8%    | 8%      | 12%    | 9%    | 3%      | 8%     | 4%    |
| Permanent Workers   | 1%      | -      | 1%    | -       | 13%    | 13%   | -       | -      | -     |

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****23. a) Names of holding / subsidiary / associate companies / joint ventures**

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed Entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|--|-----------------------------------|--|
| 1.     | Castrol Limited, U.K.   | Holding  | 51%                               | Yes  |

**VI. CSR Details****24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes**

(ii) Turnover (in INR) - INR 5,074.61 crores

(iii) Net worth (in INR) - INR 2,121.69 crores

**VII. Transparency and Disclosures Compliances****25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance redressal mechanism in place (Yes/No) | CY 2023<br>Current Financial Year          |  |         | CY 2022<br>Previous Financial Year         |  |         |
|---|---|--|--|---------|--|--|---------|
|   |   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities                                       | Y   | -  | -  | None    | -  | -  | None    |
| Investors (other than shareholders)               | Y   | -  | -  | None    | -  | -  | None    |
| Shareholders                                      | Y   | -  | -  | None    | -  | -  | None    |
| Employees and workers                             | Y   | -  | -  | None    | -  | -  | None    |
| Customers   | Y   | 494  | 25   | None    | 664  | -  | None    |
| Value Chain Partners                              | Y   | -  | -  | None    | -  | -  | None    |

**26. Overview of the entity’s material responsible business conduct issues –**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material issue identified                                     | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity   | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications)  |
|--------|---|--|--|--|---|
| 1      | Energy and Emissions Management (Focus Area: Reducing Carbon) | Opportunity                                | CIL has plans in place to reduce carbon emissions in its operations by improving energy efficiency, integrating renewable energy, optimizing products with a focus on product formulation and packaging and working with suppliers that share our values.  | CIL has implemented renewable energy use across its operations. Solar photovoltaic plants have been set up in the Silvassa and Paharpur manufacturing units. Patalganga unit consumes green power from the state DISCOM (Distribution Company). For reduction of Scope 1 emissions, initiatives such as replacement of diesel and furnace oil with PNG (Piped Natural Gas) have been undertaken.                                     | Positive – Reduce emissions and operational costs.  |
| 2      | Product Carbon footprint (Focus Area: Reducing Carbon)        | Opportunity                                | CIL’s commitment to lowering product carbon footprint is delivered through technology incorporation in product design to minimize waste generation and utilizing waste prevention methods during manufacturing of the products. CIL measures and monitors the net carbon intensity <sup>2</sup> per litre of its products. | CIL products contribute to saving energy and driving efficiency in use, however there are carbon emissions associated with their life cycle. The aim is to reduce emissions by improving operational efficiency, promoting decarbonization within supply chain, sourcing low carbon raw materials and collaborating with value chain partners to influence the environmental performance of products during use and post use phases. | Positive – Reduce operational costs, boost sales, and market share, and enhance brand image, leading to an increase in the company’s overall performance. |
| 3      | Sustainable Packaging (Focus Area: Circularity)               | Opportunity                                | To promote responsible design and management of plastic packaging along its lifecycle. CIL defines its plastic footprint <sup>3</sup> as the amount of virgin plastic included in their packaging per litre that isn’t recycled.   | CIL continues to implement initiatives such as using Post-Consumer Recycled (PCR) plastic, new bottle design with smart lighter optimized pack to reduce use of virgin plastics in the packaging of its products.  | Positive – Reducing plastic packaging can assist in adhering to regulations and creating positive impact beyond compliance.                               |

<sup>2</sup> Castrol’s net carbon intensity per litre of our products sold in 2019. See [www.castrol.com/info/CastrolPATH360](http://www.castrol.com/info/CastrolPATH360) for more information.

<sup>3</sup> To promote the responsible design and management of plastic packaging along its life, Castrol defines its plastic footprint as the amount of virgin plastic included in our packaging per litre that isn’t recycled. Our aim to halve it is from our 2019 baseline. See [www.castrol.com/info/CastrolPATH360](http://www.castrol.com/info/CastrolPATH360) for more information.

| S. No. | Material issue identified                                   | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity   | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications)  |
|--------|---|--|--|--|---|
| 4      | Waste Management (Focus Area: Circularity)                  | Opportunity                                | CIL is committed to waste reduction and minimization at all levels. All manufacturing plants are certified for Environment Management Systems (ISO 14001:2015).  | CIL’s waste management focuses on reduce, reuse and recycle to monitor and minimize waste generation. Waste generated in operations are collected and disposed of through authorized vendors ensuring compliance   | Positive – Adhering to the principles of circular economy and effectively handling waste at each stage of the manufacturing process directly influences resource efficiency and ensures compliance with all relevant regulations. |
| 5      | Sustainable Supply Chain (Focus Area: Responsible Sourcing) | Risk                                       | CIL is dependent on an intricate network of suppliers and distributors for the manufacturing and delivery of their products to customers. Any disruptions in any segment of the supply chain may lead to delays in the manufacturing of certain products and shortages in inventory. | CIL has adopted bp’s code of conduct and supplier expectation guidelines to state the ESG requirements. CIL conducts awareness programs on aspects such as the Code of conduct, with all the distributor partners annually.  | Negative – Supply chain disruption may result in increase in the cost of materials, as the company may be compelled to seek materials or products from alternate suppliers or manufacturers.                                      |
| 6      | Occupational Health and Safety (Focus Area: Safety)         | Opportunity                                | CIL is committed to safety, protecting the environment and respecting the communities in the areas of operation. CIL’s Health, Safety, Security and Environment (HSSE) goals are no accidents, no harm to people and no damage to the environment. Safety is good business.          | CIL has set the foundation, standards and thought leadership for operational risk management through bp’s Operating Management System (OMS). Through experts, partners and assurance activities, CIL works with business groups to build operations capability to manage risk and enhance safety performance. CIL seeks to leverage digital, and data driven innovative solutions to improve OMS and assurance impact. | Positive – Focus on health and safety to ensure no workplace injuries and illnesses and enhances employee productivity and morale, potentially improving overall business performance and profitability.                          |

| S. No. | Material issue identified   | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity   | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications)                     |
|--------|---|--|--|--|--|
| 7      | Diversity, Equity and Inclusion (DE&I) (Focus Area: People and Culture) | Opportunity                                | CIL aims for greater diversity, equity and inclusion for the workforce, and customers. CIL also envisions to further enhance DE&I impact through ecosystem partners and suppliers.   | To promote DE&I, CIL has and continues to focus on diversity hiring, conducting DE&I roadshows, recognizing on-ground efforts and conducting disability assessments across its premises.   | Positive - Adopting and promoting a diverse and inclusive culture can improve creativity and productivity.         |
| 8      | Corporate Social Responsibility (Focus area: Empowering communities)    | Opportunity                                | CIL engages with communities around areas of operations through its flagship CSR programmes and community development programmes focused on education and upskilling.  | CIL adopts an approach of implementing pilot projects in collaboration with leading non-governmental organizations (NGOs) to test on-ground relevance. Based on responses shared by partners and contributions towards achieving the defined agenda, the projects are either scaled up or re-strategized. Encouraged by the positive feedback, the company continues to expand its portfolio of activities with partnerships and investments.  | Positive - Ensures continuous engagement with communities empowering sustainable livelihoods.                      |
| 9      | Employee Wellbeing (Focus Area: People and Culture)                     | Opportunity                                | Wellbeing is not just about preventing illness. It is about feeling good and functioning well and covers the physical, psychological, and social factors which influence our health and happiness. A focus on wellbeing with supporting programs provided within the workplace can help individuals to learn and maintain good habits for health and to build resilience to cope with everyday stress. | CIL supports people to perform at their best by promoting wellbeing to maximize personal and business value(s). Various health and wellbeing resources, training, publications, health moments, guidance and other digital tools are provided. Another support provided is the Employee Assistance Programme (EAP) - employees and their family members can access free, confidential and independent advice, and practical support to help manage issues that are worrying them at work or at home. | Positive - Better health and wellbeing of employees leads to improved employee engagement and higher productivity. |

| S. No. | Material issue identified           | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity   | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications)                                |
|--------|-------------------------------------|--|--|---|---|
| 10     | Human Rights and Ethical Operations | Risk                                       | CIL is committed to ethical operations while engaging with workers and communities and conducting its business. CIL encourages its people and businesses to care for others and participate in the local community. CIL maintains an open-minded, ethical stance and respects diversity, local cultures and customs to make a positive impact in its areas of operation. CIL strives for the prevention and elimination of human rights abuses, such as child labour, human trafficking and forced labour. | CIL has adopted a human rights policy applicable to all staff, backed by grievance and disciplinary policy to handle workplace concerns. We have a structured investigation process overseen by the Ethics & Compliance function. Human rights standards are extended through contracts, integrating clauses concerning respect for Human Rights, including labour rights, across all agreements.   | Positive - CIL has a mechanism with respect to human rights and its respective regulations at the workplace.                  |
| 11     | Customer Satisfaction               | Opportunity                                | Customer satisfaction directly affects overall business. CIL aims to focus on improving its products, services, and customer connect to provide innovative solutions that meet customer needs and add value to the company.  | Our 'Onward, Upward, Forward' strategy embodies our dedication to accelerating our customers' progress, helping them to face the challenges of tomorrow. We aim to grow our core business in new ways, using our cutting-edge technology and our trusted global brand to stay at the forefront of our sector. We're developing more circular offers to help customers achieve their sustainability goals and exploring exciting new growth opportunities beyond lubricants. | Positive - Customer satisfaction will lead to lower financial risk, increased business valuation and strong customer loyalty. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications)   |
|--------|---------------------------|--|---|---|--|
| 12     | Corporate Governance      | Risk                                       | CIL is part of the bp group with its corporate governance framework and code of ethics.   | Key aspects of CIL governance processes are:<br>Clear statements of Board processes and Board relationships with executive management, set of Company's beliefs and purpose embedded in the Code of conduct. It lays down the expectations for safe operations, people, working with our business partners, government and communities and our commitment to maintain the integrity of assets and financial information of the Company.   | Positive – CIL is committed to responsible governance that underlines its dedication to responsible business practices, ensuring adherence to regulatory standards, ethical principles, and stakeholder expectations with the evolving dynamic and regulatory landscape. |
| 13     | Risk Management           | Risk                                       | Risk management has a significant impact on an organization's ability to achieve its objectives. Identifying and managing risks proactively is essential to ensure success of the company.                                  | CIL has adopted bp's Risk Management policy, which outlines the identification and assessment of safety and operational risks. These primarily include hazards that could potentially harm people and the environment. The policy also emphasizes the necessity of maintaining a risk register.<br>CIL has risk governance structure which consists of the Risk Management Committee (RMC) that oversees the risks and/or opportunities from both business and ESG perspectives. This process is aptly supported by departmental heads. | Negative – Failure in managing risks may lead to unexpected financial losses, compliance fines, reputational damage, and missed growth opportunities.  |
| 14     | Privacy and Data Security | Risk                                       | Cyber threats are a real risk for business today to conduct business with its stakeholders in a secure environment without compromising on digital security of information and data used in conduct of business operations. | CIL's digital security team collaborates with business units to assess security risks, provide training, and disseminate information that encourages safe behaviors among users and safeguards the business from data breaches.<br>The Digital Security team has created a series of 'cyber moments' that are integrated into meetings and other gatherings to increase awareness of the cyber threats faced by CIL.  | Negative - Cybersecurity breaches could put CIL, as well as its customers, at significant risk and cause reputational damage.  |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications)   |
|--------|---------------------------|--|---|---|--|
| 15     | Technology and Innovation | Opportunity                                | Leverage technology and innovation to enhance the digital experience for customers and consumers, and to gain operational advantages. | As part of its digitalization strategy, CIL continues to implement digital initiatives such as FASTSCAN, FASTLANE, Castrol SMART and Castrol DIGICLAIM.<br>These applications enable streamlining of customer experiences across channels, enhance sales conversations and reduce manual interventions in claim processing, thereby reducing time spent on nonvalue addition activities and releasing working capital for customers and channel partners. | Positive - Technology can enhance work efficiency, expand a business's customer reach and increase convenience. Additionally, it can help with accurate time tracking and business growth. |

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions   | P 1  | P 2  | P 3  | P 4                | P 5  | P 6                 | P 7  | P 8                                   | P 9  |
|--|--|--|--|--------------------|--|---------------------|--|---------------------------------------|--|
| <b>Policy and management processes</b>   |  |  |  |                    |  |                     |  |                                       |  |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes  | Yes  | Yes  | Yes                | Yes  | Yes                 | Yes  | Yes                                   | Yes  |
| b. Has the policy been approved by the Board? (Yes/No)   | Yes  | No   | Yes  | Yes                | Yes  | Yes                 | No   | Yes                                   | No   |
| c. Web Link of the Policies, if available  | Castrol Code of Conduct and bp Code of Conduct | Supplier expectations and *Supplier Information Security | Castrol Code of Conduct and bp Code of Conduct | Castrol CSR policy | bp Human Rights policy and *Sexual Harassment prevention and grievance handling policy | Castrol HSSE policy | Castrol Code of Conduct and bp Code of Conduct | *Manage IT Security and *Data privacy | *Manage IT Security and *Data privacy<br>Castrol Customer policy |

CIL follows the Castrol global policies and policies of bp, its parent company, identified at 1c above. The Castrol and bp policies with links provided are available in the public domain and accessible to all relevant stakeholders.

\*Policies available internally

|   |  |     |     |     |     |     |     |     |     |
|---|--|-----|-----|-----|-----|-----|-----|-----|-----|
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)   | Yes.   |     |     |     |     |     |     |     |     |
|   | 1. Castrol Code of Conduct is applicable to all the value chain partners in business with the Company.                   |     |     |     |     |     |     |     |     |
|   | 2. bp Human rights policy applies to every employee and officer in every bp wholly owned entity, and in bp-operated JVs. |     |     |     |     |     |     |     |     |
|   | 3. HSSE policy applies to everyone who works for Castrol.  |     |     |     |     |     |     |     |     |
|   | 4. Customer policy covers all customers and consumers.   |     |     |     |     |     |     |     |     |
|   | 5. CSR policy applies to communities where our plants are located.   |     |     |     |     |     |     |     |     |
|   | 6. 'bp's expectations of its suppliers' document applies to all our vendors.   |     |     |     |     |     |     |     |     |

| Disclosure Questions   | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| 4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle. |  |     |     |     |     |     |     |     |     |
|  | Majority of CIL's policies are aligned with the bp group's policies. CIL is an ISO 9001:2015 certified company and our manufacturing locations are ISO 14001:2015 and ISO 45001:2018 certified. The bp group operates an enterprise corporate IT infrastructure to provide centralized IT services to the group (the "bp IT infrastructure"), including CIL. bp operates and maintains a documented digital security management system, including policies and procedures, which govern our approach to security, governance, and risk management of the bp IT infrastructure (the "IT control framework"). The relevant requirements from bp's IT control framework are maintained in a central requirements library. The technical and organizational measures from the IT control framework are aligned with best industry practices within the energy sector and, where relevant, to industry standards such as NIST, CSF, COBIT, ISO 27001:2002 and PCI-DSS.  |     |     |     |     |     |     |     |     |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any.   |  |     |     |     |     |     |     |     |     |
|  | Castrol is aiming to be net zero by 2050 or sooner as part of bp's ambition to be net zero by 2050 or sooner and to help the world get to net zero. By 2030, Castrol aims to: <ul style="list-style-type: none"> <li>Reduce our plastic footprint<sup>1</sup> by half by 2030 and continue to help our customers save energy, waste and water.</li> <li>Halve the net carbon intensity per liter of our products<sup>2</sup> by 2030.</li> </ul> <sup>1</sup> To promote the responsible design and management of plastic packaging along its lifecycle, Castrol defines its plastic footprint as the amount of virgin plastic included in our packaging per liter that isn't recycled. Our aim to halve it is from our 2019 baseline. See <a href="http://www.castrol.com/PATH360/Definitions">www.castrol.com/PATH360/Definitions</a> for more information. <sup>2</sup> vs Castrol's net carbon intensity per liter of our products sold in 2019. See <a href="http://www.castrol.com/PATH360/Definitions">www.castrol.com/PATH360/Definitions</a> for more information |     |     |     |     |     |     |     |     |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.  |  |     |     |     |     |     |     |     |     |
|  | CIL shall endeavour to report on the performance of the above targets every year. As of CY 2023, CIL has accomplished the following: <ol style="list-style-type: none"> <li>33% reduction in operational Scope 1 and 2 emissions</li> <li>42% of total energy consumed is from renewables.</li> <li>1000 MT of plastic footprint reduction</li> </ol>  |     |     |     |     |     |     |     |     |

**Governance, leadership and oversight**

|   |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) |  |  |  |  |  |  |  |  |  |
|   | CIL is committed to being a socially and environmentally responsible company. PATH360 is Castrol's holistic sustainability strategy that seeks to maximize our contribution to a more sustainable future. The strategy has three focus areas and six guiding principles, all with the aim to be net zero by 2050 which is a part of bp's ambition to be net zero by 2050 or sooner and to help the world get to net zero. It sets out our aims for 2030 to save waste, reduce carbon and improve lives. <p>Our business practices incorporate PATH360 sustainability concepts, influencing our aim to create a long-lasting organization that meets clients' protection and long-term demands. We implemented focused interventions in our operations, packaging, and distribution to advance our sustainability mission in India with a focus on waste reduction, carbon reduction, and human welfare. On the social front, we have developed an even stronger bond with independent auto technicians and truck drivers as a result of our interactions with them over the years.</p> In order to properly address the continuously changing scenario, the company implemented a business continuity plan. To safeguard the company's well-being and long-term viability, response strategies were created and closely followed. In order to reduce its environmental impact, the Company concentrated on decreasing energy, water, and waste as part of resource optimization. In accordance with its sustainability objective, the Company is also running several programmes. Safety comes first for the company, with the main goal being that everyone returns home safely each day. |  |  |  |  |  |  |  |  |



| Disclosure Questions   | P<br>1  | P<br>2 | P<br>3 | P<br>4 | P<br>5 | P<br>6 | P<br>7 | P<br>8 | P<br>9 |
|--|---|--------|--------|--------|--------|--------|--------|--------|--------|
| 8. <b>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies</b>   | Mr. Sandeep Sangwan,<br>Managing Director   |        |        |        |        |        |        |        |        |
| 9. <b>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b> | No. However, CIL has a risk governance structure which consists of the Risk Management Committee (RMC) that oversees the risks and/or opportunities from an Environmental (E), Social (S), and Governance (G) perspective. This process is aptly supported by departmental heads. |        |        |        |        |        |        |        |        |

#### 10. Details of Review of NGRBCs by the Company:

| Subject for Review  | Indicate whether review was undertaken by<br>Director / Committee of the Board/<br>Any other Committee  |        |        |        |        |        |        |        |        | Frequency<br>(Annually/ Half yearly/Quarterly/<br>Any other – please specify) |        |        |        |        |        |        |        |        |
|---|---|--------|--------|--------|--------|--------|--------|--------|--------|---|--------|--------|--------|--------|--------|--------|--------|--------|
|   | P<br>1  | P<br>2 | P<br>3 | P<br>4 | P<br>5 | P<br>6 | P<br>7 | P<br>8 | P<br>9 | P<br>1  | P<br>2 | P<br>3 | P<br>4 | P<br>5 | P<br>6 | P<br>7 | P<br>8 | P<br>9 |
| Performance against above policies and follow up action   | Business Responsibility policies are reviewed by departmental heads and business heads. Necessary changes to the policies as a result of the assessments are implemented. |        |        |        |        |        |        |        |        | On a periodic basis   |        |        |        |        |        |        |        |        |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | CIL complies with all statutory requirements to the extent applicable.  |        |        |        |        |        |        |        |        |   |        |        |        |        |        |        |        |        |

| 11. <b>Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b> | P<br>1   | P<br>2 | P<br>3 | P<br>4 | P<br>5 | P<br>6 | P<br>7 | P<br>8 | P<br>9 |
|--|--|--------|--------|--------|--------|--------|--------|--------|--------|
|  | Environmental policies and procedures are evaluated as per the Environment management system guidelines. Safety policies and procedures are evaluated as per the Occupational health and safety management system guidelines and are externally verified by a third-party certifying agency. |        |        |        |        |        |        |        |        |

#### 12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

| Questions   | P1 | P2 | P3 | P4 | P5             | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----------------|----|----|----|----|
| The entity does not consider the principles material to its business (Yes/No)   |    |    |    |    | Not applicable |    |    |    |    |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) |    |    |    |    | Not applicable |    |    |    |    |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         |    |    |    |    | Not applicable |    |    |    |    |
| It is planned to be done in the next financial year (Yes/No)  |    |    |    |    | Not applicable |    |    |    |    |
| Any other reason (please specify)   |    |    |    |    | Not applicable |    |    |    |    |

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.****Essential Indicators****1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

At CIL, our primary focus is to utilize our workforce's skills and capabilities through targeted talent development efforts. Our initiatives are designed to empower our employees to pursue personal and professional objectives that align with our organization's strategies and their individual career aspirations. The company offers a variety of training and leadership development programmes for its employees, including skill and competency development initiatives and leadership enhancement sessions.

| Segment                           | Total number of training and awareness programmes held   | Topics / principles covered under the training and its impact  | Percentages of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|--|---|
| Board of Directors (BoD)          | 18   | Business updates<br>Risk Management<br>Governance, Compliance and Regulatory updates<br>Code of Conduct and Vigil Mechanism<br>CSR updates   | 100%  |
| Key Managerial Personnel (KMPs)   | 1  | INSEAD - Leadership program  | 10%   |
| Employees other than BoD and KMPs | 1  | Asset - Commercial business and awareness  | 100%  |
| Employees other than BoD and KMPs | Grow@bp: 150+ trainings (includes mandatory and voluntary courses applicable across business functions and other trainings such as Code of Conduct, cybersecurity and health and safety) | Grow@bp' is a new and personalised learning platform for employees to take ownership of their career and development. The platform contains various resources, including training programs, awareness campaigns, and leadership talks. The learning content addresses topics like code of conduct, ethics and compliance, cyber security, helping employees to enhance their technical skills and awareness of compliance requirements in the Company. Through the bp Growth week all employees are encouraged to dedicate time to enhancing their learning. In addition, training related to environment, diversity, safety, health, and wellness is also available to all employees on e-learning platform. Additionally, Health and Safety related training and awareness sessions are conducted and provided to the workers at regular intervals. Employee training is provided under ESG with emphasis on following aspects:<br>Social: The Grow@bp platform covers topics including the Code of Conduct and ethics and compliance, helping employees to enhance awareness of compliance requirements within the company. Health and safety related training and awareness sessions are carried out regularly for employees and workers. In addition, there are curated learnings in smaller groups around our cultural framework "who we are" focusing on psychological safety, bias at work | 100%  |

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact  | Percentages of persons in respective category covered by the awareness programmes |
|---------|--|--|---|
| Workers | 15   | Environment: Trainings focused on industry-specific environmental topics are made available to all employees via various e-learning platforms.<br>Governance: The Grow@bp platform offers training programs, awareness campaigns, and leadership talks aimed at reinforcing both individual and collective compliance efforts. Cybersecurity training is also provided to ensure employees are well-informed about essential online safety measures.<br>'Growth Week: During this week, all employees are encouraged to allocate time to enhance their learning. Training related to diversity, safety, health, and wellness are offered on various e-learning platforms.<br>In-house training and awareness sessions regarding health and safety, cybersecurity, and the Code of Conduct are regularly conducted for workers. Additionally, training with regards to scope of work is also organized to enhance their technical skills. | 100%  |

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):****a. Monetary**

|                 | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|-----------------|-----------------|---|-----------------|-------------------|--|
| Penalty/ Fine   | -               | -   | -               | -                 | -                                      |
| Settlement      | -               | -   | -               | -                 | -                                      |
| Compounding fee | -               | -   | -               | -                 | -                                      |

**b. Non-Monetary**

|              | NGRBC Principle | Name of the regulatory/ enforcement agencies/ Judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|--------------|-----------------|---|-------------------|--|
| Imprisonment | -               | -   | -                 | -                                      |
| Punishment   | -               | -   | -                 | -                                      |

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---|
| -            | -   |

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company's Code of Conduct, rules and regulations adopted conform to the legal and statutory framework on anti-corruption and anti-bribery legislation prevalent in India. The policy reflects the commitment of the Company and its management for maintaining highest ethical standards while undertaking open and fair business practices. We have implemented appropriate systems to identify and prevent bribery and corrupt business practices.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.**

|           | CY 2023               |  | CY 2022   |  |
|-----------|-----------------------|--|---|--|
|           | Current calendar Year |  | Previous calendar Year  |  |
| Directors | -                     |  | Not applicable as no disciplinary action was necessitated against any of the categories of personnel during the reporting period. |  |
| KMPs      | -                     |  |   |  |
| Employees | -                     |  |   |  |
| Workers   | -                     |  |   |  |

**6. Details of complaints with regard to conflict of interest:**

|  | CY 2023               |         | CY 2022                |         |
|--|-----------------------|---------|------------------------|---------|
|  | Current calendar Year |         | Previous calendar Year |         |
|  | Number                | Remarks | Number                 | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | -                     | -       | -                      | -       |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | -                     | -       | -                      | -       |

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable

**8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

|                                     | CY 2023               |  | CY 2022                |  |
|-------------------------------------|-----------------------|--|------------------------|--|
|                                     | Current calendar Year |  | Previous calendar Year |  |
| Number of days of accounts payables | 96 days               |  | 95 days                |  |

**9. Open-ness of business**

**Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format**

| Parameter                  | Metrics  | CY 2023               | CY 2022                |
|----------------------------|--|-----------------------|------------------------|
|                            |  | Current calendar Year | Previous calendar Year |
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases                                 | -                     | -                      |
|                            | b. Number of trading houses where purchases are made from                                | -                     | -                      |
|                            | c. Purchases from top 10 trading houses as % of total purchases from trading houses      | -                     | -                      |
| Concentration of Sales*    | a. Sales to dealers / distributors as % of total sales                                   | 64.64%                | 66.11%                 |
|                            | b. Number of dealers / distributors to whom sales are made                               | 223                   | 221                    |
|                            | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributor   | 7.91%                 | 7.90%                  |
| Share of RPTs in           | a. Purchases (Purchases with related parties / Total Purchases)                          | 4%                    | 3%                     |
|                            | b. Sales (Sales to related parties / Total Sales)  | 0.25%                 | 0.47%                  |
|                            | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | 0%                    | 0%                     |
|                            | d. Investments (Investments in related parties / Total Investments made)                 | -                     | -                      |

\*The products are sold to dealers who further distribute the products to retailers

**Leadership Indicators**

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

| Total number of awareness programmes held | Topics / principles covered under the training   | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|--|--|
| 1   | Compliance with the laws   | 100%   |
| 1   | Health, Safety, Security and Environment   | 100%   |
| 1   | Bribery and corruption, money laundering, conflict of interests and anti-competitive conduct | 100%   |
| 1   | International trade law  | 100%   |
| 1   | Protecting confidential information  | 100%   |
| 1   | Non-discrimination, grievance processes and freedom of association                           | 100%   |

CIL conducts numerous awareness programs on aspects such as compliance with the company's code of conduct with all its distributor partners at least annually, laying down the guidelines for business ethics and compliances as per the code signed by them in the customer and supplier agreements. All key suppliers are engaged based on their risk and materiality profile, with expectations to comply with the code.

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, the organization has a process in place to avoid/manage conflict of interests involving members of the Board. The Board has adopted the Code of Conduct which stipulates that the Directors must act objectively and in accordance with their responsibilities, while making decisions. The Code details that the Directors must abstain from having any financial stake in any agreements made by the Company. If a director has or could have such an interest, they must disclose it to the Board and refrain from participating in discussions on, casting votes for, or otherwise influencing decisions about such matters.

Each year, the Board members and management certify that the Code of Conduct is being followed. The Company receives declarations from its directors' disclosing details of related parties/parties in which they have interest, which are placed before the Board of Directors in their meetings. These disclosures help the Company and the Board of Directors in evaluating the possibility of any present or potential conflict of interest.

Please refer to the Castrol Code of Conduct linked here: [https://www.castrol.com/en\\_in/india/home/investors/code-of-conduct.html](https://www.castrol.com/en_in/india/home/investors/code-of-conduct.html)

**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

|       | CY 2023               | CY 2022                | Details of improvements in environmental and social impacts  |
|-------|-----------------------|------------------------|--|
|       | Current calendar Year | Previous calendar Year |  |
| R&D   | 15%                   | 15%                    | Products with higher specifications, lower viscosity, improved efficiency; products suited for BS-VI emissions.                  |
| Capex | 1%                    | 3.1%                   | Investments in energy monitoring and measurement systems, pump replacement, air line replacement, five-star rated equipment etc. |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

We are in the process of developing a framework for sustainable sourcing across the portfolio.

b. If yes, what percentage of inputs were sourced sustainably?

Our sustainability sourcing agenda would be defined post development of the sustainable sourcing framework.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

Packaging waste: CIL is proactively working on reducing the use of virgin plastic material in its product packaging. Plastic packaging waste generated as part of its operations are collected and sent to authorized recyclers for the recycling process. During FY 22-23, we have collected 10,321 MT of plastic waste, which has been recycled through an environmentally friendly process.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable to CIL's business operations and CIL is in compliance with EPR regulations. Though the EPR plan set forth by the Pollution Control Board (PCB) requires that the company collect 70% of plastic packaging waste, CIL has gone above and beyond, setting and successfully achieving a target of 100% collection and disposal in 2022. During FY 22-23, we have collected 10,321 MT of plastic waste, which exceeds 100% of the target, and this waste has been recycled.

#### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Castrol has conducted a Life Cycle Assessment of all products sold globally, including its India portfolio. It has been conducted in accordance with the Greenhouse Gas Protocol Product Life Cycle Accounting and Reporting Standard by a third-party environmental consultancy, ERM.

| NIC Code | Name of Product / Service | % Of total Turnover Contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | If yes, provide the web link |
|----------|---------------------------|---------------------------------|--|---|--|------------------------------|
| -        | -                         | -                               | -  | -   | -  | -                            |

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---------------------------|-----------------------------------|--------------|
| -                         | -                                 | -            |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material |                                   |
|-------------------------|--|-----------------------------------|
|                         | CY 2023<br>Current calendar Year                     | CY 2022<br>Previous calendar Year |
| -                       | -  | -                                 |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed as per the following format:

|                                | CY 2023<br>Current calendar Year |           |                 | CY 2022<br>Previous calendar Year |           |                 |
|--------------------------------|----------------------------------|-----------|-----------------|-----------------------------------|-----------|-----------------|
|                                | Re-Used                          | Recycled* | Safely Disposed | Re-Used                           | Recycled* | Safely Disposed |
| Plastics (including packaging) | -                                | 10,321.09 | 8.22            | -                                 | 7,206.68  | -               |
| E-waste                        |                                  |           |                 |                                   |           |                 |
| Hazardous waste                |                                  |           |                 |                                   |           | Not applicable  |
| Other waste                    |                                  |           |                 |                                   |           |                 |

\* Data reported is for financial year

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category   | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| In alignment with Plastic Waste Management Rules, 100% of equivalent plastics are collected and recycled. |   |

#### Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

##### Essential Indicators

1. a. Details of measures for the well-being of employees.

| Category                              | Total (A) | % of employees covered by |         |                    |         |                    |         |                    |         |                     |         |
|---------------------------------------|-----------|---------------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
|                                       |           | Health insurance          |         | Accident insurance |         | Maternity benefits |         | Paternity Benefits |         | Day Care facilities |         |
|                                       |           | No. (B)                   | % (B/A) | No. (C)            | % (C/A) | No. (D)            | % (D/A) | No. (E)            | % (E/A) | No. (F)             | % (F/A) |
| <b>Permanent employees</b>            |           |                           |         |                    |         |                    |         |                    |         |                     |         |
| Male                                  | 390       | 390                       | 100%    | 390                | 100%    | -                  | -       | 390                | 100%    | -                   | -       |
| Female                                | 82        | 82                        | 100%    | 82                 | 100%    | 82                 | 100%    | -                  | -       | 59                  | 72%     |
| Total                                 | 472       | 472                       | 100%    | 472                | 100%    | 82                 | 17%     | 390                | 83%     | 59                  | 13%     |
| <b>Other than permanent employees</b> |           |                           |         |                    |         |                    |         |                    |         |                     |         |
| Male                                  | -         | -                         | -       | -                  | -       | -                  | -       | -                  | -       | -                   | -       |
| Female                                | -         | -                         | -       | -                  | -       | -                  | -       | -                  | -       | -                   | -       |
| Total                                 | -         | -                         | -       | -                  | -       | -                  | -       | -                  | -       | -                   | -       |

b. Details of measures for the well-being of workers:

| Category                            | Total (A) | % of workers covered by |         |                    |         |                    |         |                    |         |                     |         |
|-------------------------------------|-----------|-------------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
|                                     |           | Health Insurance        |         | Accident Insurance |         | Maternity Benefits |         | Paternity Benefits |         | Day Care facilities |         |
|                                     |           | No. (B)                 | % (B/A) | No. (C)            | % (C/A) | No. (D)            | % (D/A) | No. (E)            | % (E/A) | No. (F)             | % (F/A) |
| <b>Permanent workers</b>            |           |                         |         |                    |         |                    |         |                    |         |                     |         |
| Male                                | 154       | 154                     | 100%    | 154                | 100%    | -                  | -       | 154                | 100%    | -                   | -       |
| Female                              | 4         | 4                       | 100%    | 4                  | 100%    | 4                  | 100%    | -                  | -       | -                   | -       |
| Total                               | 158       | 158                     | 100%    | 158                | 100%    | 4                  | 3%      | 154                | 97%     | -                   | -       |
| <b>Other than permanent workers</b> |           |                         |         |                    |         |                    |         |                    |         |                     |         |
| Male                                | -         | -                       | -       | -                  | -       | -                  | -       | -                  | -       | -                   | -       |
| Female                              | -         | -                       | -       | -                  | -       | -                  | -       | -                  | -       | -                   | -       |
| Total                               | -         | -                       | -       | -                  | -       | -                  | -       | -                  | -       | -                   | -       |

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format**

|  | CY 2023               | CY 2022                |
|--|-----------------------|------------------------|
|  | Current calendar Year | Previous calendar Year |
| Cost incurred on wellbeing measures as a % of total revenue of the company | 0.2%                  | 0.2%                   |

**2. Details of retirement benefits.**

| Benefits | CY 2023<br>Current calendar Year                   |  |  | CY 2022<br>Previous calendar Year                  |  |  |
|----------|--|--|--|--|--|--|
|          | No. of employees covered as a % of total Employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers Covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF       | 100%   | 100%   | Yes  | 100%   | 100%   | Yes  |
| Gratuity | 100%   | 100%   | Yes  | 100%   | 100%   | Yes  |
| ESI      | 100%   | 100%   | Yes  | 100%   | 100%   | Yes  |
| Other    | -  | -  | -  | -  | -  | -  |

**3. Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, CIL premises/offices are accessible to differently abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016.

CIL has proactively ensured that new offices in Chennai and Delhi are compliant with regulatory requirements, thereby setting a precedent for disability friendliness and inclusivity across all its premises. As our commitment towards Diversity, Equity and Inclusion continues, we are exploring a comprehensive approach to incorporate such regulatory requirements in our upcoming office premises as well.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Our aim is to achieve greater diversity, equity and inclusion in workforce. We are an equal opportunity employer. Our Code sets out our expectation that we treat everyone with fairness and respect and expect everyone we work with to do the same.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

| Gender | Permanent employees |                | Permanent workers   |                |
|--------|---------------------|----------------|---------------------|----------------|
|        | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male   | 100%                | 100%           | -                   | -              |
| Female | 100%                | 100%           | -                   | -              |
| Total  | 100%                | 100%           | -                   | -              |

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

|                                | Yes/No<br>(If Yes, then give details of the mechanism in brief)  |
|--------------------------------|--|
| Permanent Workers              | Open Talk: <a href="http://www.opentalkweb.com/">http://www.opentalkweb.com/</a>   |
| Other than Permanent Workers   | A systematic investigation process exists in our business structure with clear roles, responsibilities, and accountabilities, along with trained |
| Permanent Employees            | investigators and decision-makers (People and Culture Line Manager/  |
| Other than Permanent Employees | Business Head/Legal representatives). This process is under the oversight of the Ethics and Compliance function.                                 |

CIL is committed to providing a safe and positive work environment. In order to achieve this, all the employees have access to a helpline platform named OpenTalk which is bp's worldwide helpline. Employees can raise questions or concerns about ethics, compliance, or bp's code of conduct through this dedicated channel. It is managed by a separate firm (NAVEX Global), is accessible twenty-four hours a day, seven days a week, and can handle calls in more than 75 languages over the phone or the internet. Most places allow employees to contact OpenTalk anonymously. The employees and/or workers can also raise their concerns to their respective line manager, business head, P&C, Legal or the E&C department. A thorough inquiry procedure assures fairness for all parties concerned, including the ability to submit facts and any relevant evidence.

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

| Category                         | CY 2023<br>Current calendar Year                     |  |         | CY 2022<br>Previous calendar Year                    |  |         |
|----------------------------------|--|--|---------|--|--|---------|
|                                  | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| <b>Total Permanent Employees</b> | 472  | -  | 0%      | 468  | -  | 0%      |
| Male                             | 390  | -  | 0%      | 392  | -  | 0%      |
| Female                           | 82   | -  | 0%      | 76   | -  | 0%      |
| <b>Total Permanent Workers</b>   | 158  | 158  | 100%    | 158  | 158  | 100%    |
| Male                             | 154  | 154  | 100%    | 154  | 154  | 100%    |
| Female                           | 4  | 4  | 100%    | 4  | 4  | 100%    |

**8. Details of training given to employees and workers:**

| Category                   | CY 2023<br>Current calendar Year |                               |         |                      |         | CY 2022<br>Previous calendar Year |                               |         |                      |         |
|----------------------------|----------------------------------|-------------------------------|---------|----------------------|---------|-----------------------------------|-------------------------------|---------|----------------------|---------|
|                            | Total (A)                        | On Health and safety measures |         | On Skill upgradation |         | Total (D)                         | On Health and safety measures |         | On Skill upgradation |         |
|                            |                                  | No. (B)                       | % (B/A) | No. (C)              | % (C/A) |                                   | No. (E)                       | % (E/D) | No. (F)              | % (F/D) |
| <b>Permanent Employees</b> |                                  |                               |         |                      |         |                                   |                               |         |                      |         |
| Male                       | 390                              | 238                           | 61%     | 306                  | 78%     | 392                               | 231                           | 59%     | 297                  | 76%     |
| Female                     | 82                               | 42                            | 51%     | 60                   | 73%     | 76                                | 38                            | 50%     | 54                   | 71%     |
| Total                      | 472                              | 280                           | 59%     | 366                  | 78%     | 468                               | 269                           | 57%     | 351                  | 75%     |
| <b>Permanent Workers*</b>  |                                  |                               |         |                      |         |                                   |                               |         |                      |         |
| Male                       | 154                              | 154                           | 100%    | 154                  | 100%    | 154                               | 154                           | 100%    | 154                  | 100%    |
| Female                     | 4                                | 4                             | 100%    | 4                    | 100%    | 4                                 | 4                             | 100%    | 4                    | 100%    |
| Total                      | 158                              | 158                           | 100%    | 158                  | 100%    | 158                               | 158                           | 100%    | 158                  | 100%    |

\*All personnel in the manufacturing facilities are provided training on Health and Safety through offline mode and on the shopfloor. "Lakshya" is a Manufacturing Excellence program initiated across all the three manufacturing sites based on three pillars: Efficiency, Capability and Continuous improvement and is being provided to all employees as a part of their skill upgradation programme.

CIL upholds a strong commitment to Ethics and Compliance through mandatory training programs and dedicated sessions, emphasizing crucial views such as 'Speak up' and listening, maintaining integrity, zero retaliations, and a stringent stance against non-compliance. The company actively promotes cybersecurity across all teams and locations while investing in leadership development programs for team leaders and managers to drive growth and success.

Further, we seek to enhance the skills of our employees by providing them with access to prominent learning platforms such as Coursera and LinkedIn via Grow@bp. These platforms offer a vast array of training modules, including numerous offerings on sustainability, that employees can select based on their educational needs and career aspirations.

Other trainings are conducted on a voluntary basis which include basic safety, behavioural based safety programs and other wellness programs. In 2023, our employees spent a total of 5,200 hours attending various training programmes.

#### 9. Details of performance and career development reviews of employees and worker:

| Category                   | CY 2023<br>Current calendar Year |         |         | CY 2022<br>Previous calendar Year |         |         |
|----------------------------|----------------------------------|---------|---------|-----------------------------------|---------|---------|
|                            | Total (A)                        | No. (B) | % (B/A) | Total (C)                         | No. (D) | % (D/C) |
| <b>Permanent Employees</b> |                                  |         |         |                                   |         |         |
| Male                       | 390                              | 388     | 99%     | 392                               | 392     | 100%    |
| Female                     | 82                               | 80      | 98%     | 76                                | 76      | 100%    |
| Total                      | 472                              | 468     | 99%     | 468                               | 468     | 100%    |
| <b>Permanent Workers</b>   |                                  |         |         |                                   |         |         |
| Male                       | -                                | -       | -       | -                                 | -       | -       |
| Female                     | -                                | -       | -       | -                                 | -       | -       |
| Total                      | -                                | -       | -       | -                                 | -       | -       |

Building people's functional capability is one of the key elements of the Company's investment in people. There is an emphasis on employee engagement and building line manager and employee capability via trainings covering a range of key people and Human Resource (HR) processes. Robust talent management sessions are conducted with focus on managers having talent conversations with their teams. All eligible employees captured their development needs in a structured format following talent conversations with their line managers.

#### 10. Health and safety management system:

##### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

HSSE is central to the company's business activities and is a key enabler of its business strategy. The company is committed to the goal of 'no accidents, no injuries to people and no damage to the environment' and expects every employee/worker to be a safety leader. The OHS (Occupational Health and Safety) management system encompasses 100% of the company's employees, workers, contractors and service providers working in manufacturing facilities and CIL offices. The company has fully implemented a global Operating Management System (OMS) to consistently improve the delivery of operations that are safe, responsible and reliable. The OMS has helped the company in effectively managing four key elements of operations - People, Plants, Processes and Performance.

Road safety continues to be a priority for the company. All professional drivers (those driving for company business) undergo rigorous defensive driver training. All road safety related incidents, however minor, are reported and investigated in an attempt to learn and adopt improvements. All new employees, both permanent and contractual, undergo HSSE training as part of their onboarding within a month of joining the company.

##### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Health, Safety, Security and Environment are critical focus areas for the Company. Hazard Identification and Risk Assessment (HIRA) are conducted as per ISO 45001 and ISO 14001 standards for all routine activities within the manufacturing plants. Non-routine activities are monitored through OMS procedures such as Control of Work "CoW". As part of the annual risk management process, various risk assurance tools are used to identify and mitigate risks.

##### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Processes have been developed and implemented in accordance with the OMS for reporting of work-related hazards by employees and workers, with the aim to prevent risks. These processes include Safety Observations, Safety Observation Conversations, and Focused Safety Observation Conversations. All instances of risk are documented in the 'IRIS' reporting tool.

Additionally, workers are guided to follow Safety Leadership Principles. All safety observations and near-miss incidents are reported and investigated to prevent any injury or illness. Both offices and plants have established Safety Committees, which provide a forum for reporting of work-related hazards. The company also follows the 'Stop Work' principle. In alignment with this principle, all employees, contractors, and visitors, are authorized to stop any work/activity deemed unsafe.

##### d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes. Employees have access to non-occupational medical and health services through the following provisions:

- Connect and Heal (CNH): This online service, available 24/7, offers medical consultation (both audio and video consultation) as well as emergency assistance. All employees and eligible dependents can avail this service.
- Medclaim facilities: The company has a Medclaim tie-up with ICICI Lombard, supported by a Third-Party Administrator (TPA) i.e., Paramount Health Services & Insurance TPA Pvt. Ltd.
- Employee Assistance Program (EAP): This service offers personal, confidential, and professional counseling, available to employees and their family members via the telephone, email, or face-to-face interactions. Counseling can be availed in English and regional languages, at any given time.

Furthermore, we also provide access to wellness apps such as Headspace and Thrive along with online counseling services through ICAS and informative webinars, emphasizing the company's commitment towards the mental health and overall well-being of its employees. The company also actively promotes psychological safety to further strengthen the safety and wellness of employees through training programs.

#### 11. Details of safety related incidents, in the following format:

| Safety Incident/Number  | Category  | CY 2023               |                        | CY 2022               |                        |
|---|-----------|-----------------------|------------------------|-----------------------|------------------------|
|   |           | Current calendar Year | Previous calendar Year | Current calendar Year | Previous calendar Year |
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.83                  | -                      | -                     | -                      |
|   | Workers   | -                     | -                      | -                     | -                      |
| Total recordable work-related injuries  | Employees | 1                     | -                      | -                     | -                      |
|   | Workers   | -                     | -                      | -                     | -                      |
| No. of fatalities   | Employees | -                     | -                      | -                     | -                      |
|   | Workers   | -                     | -                      | -                     | -                      |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | -                     | -                      | -                     | -                      |
|   | Workers   | -                     | -                      | -                     | -                      |

#### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

CIL firmly believes in providing a safe, supportive, and friendly workplace environment - a workplace where our values come to life through supporting behaviors. A positive workplace environment and a great employee experience are integral parts of our culture.

The Company aims to provide an ergonomically safe and comfortable work environment at all offices and plants. The Company regularly provides annual preventive health checks for all employees.

A core component of the Company's diversity and inclusion ambition is agile working which encompasses a wide range of working options enabling employees to work flexibly at their full potential. Part-time working, work from home and flexible hours are some options granted under these initiatives.

All three manufacturing plants of CIL are certified with the Environment Management System (ISO 14001:2015), Occupational Health and Safety Management System (ISO 45001:2018) and Quality Management System Standard (ISO 9001:2015), with two of the Company's plants certified with Automotive Quality Management System (IATF 16949:2016). Our Paharpur Plant won Platinum award from Apex India Foundation for strong Safety and Health systems in Oil and Gas category. The leadership team maintains the highest standards of occupational HSSE by reviewing business safety performance on a monthly basis.

The India Sexual Harassment Prevention and Grievance Handling Policy (the "Policy") was rolled out in April 2014. This Policy provides guidance around the process to raise such a grievance and methodology for recourse and redressal of the grievance. While the Policy is based on the 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', which deals specifically with acts committed against women, CIL follows this policy irrespective of gender.

**13. Number of complaints on the following made by employees and workers**

|                    | CY 2023               |                                       |         | CY 2022                |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|------------------------|---------------------------------------|---------|
|                    | Current calendar Year |                                       |         | Previous calendar Year |                                       |         |
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year  | Pending resolution at the end of year | Remarks |
| Working Conditions | -                     | -                                     | -       | -                      | -                                     | -       |
| Health & Safety    | -                     | -                                     | -       | -                      | -                                     | -       |

**14. Assessments for the year**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100%  |
| Working Conditions          | 100%  |

Manufacturing facilities are assessed on health and safety practices through the Occupational Health and Safety Management System (ISO 45001:2018) audit carried out by an external certifying agency.

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

An Investigation has been conducted and relevant corrective actions taken to prevent recurrence. Medical support was provided to the employee for the reported incident.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

(A) Employee – Yes, the company provides life insurance benefit to its employees wherein in case of death of an employee, life insurance benefit is provided to the family/nominee.

(B) Workers – Yes, the company provides life insurance benefit to its workmen/technicians wherein in case of death of a worker/technician, life insurance benefit is provided to the family/nominee.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company undertakes statutory compliance review, due diligence review, etc. from time to time to ensure that it adheres to the requirements of deduction and deposit of employee dues like income tax, provident fund, professional tax, ESIC (Employees' State Insurance Corporation), etc. In case of value chain partners, they are equally responsible to comply as per the requirements.

**3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

|           | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |                                   |                                  |                                   |
|-----------|---|-----------------------------------|----------------------------------|-----------------------------------|
|           | Total no. of affected employees/ workers  |                                   |                                  |                                   |
|           | CY 2023<br>Current calendar Year  | CY 2022<br>Previous calendar Year | CY 2023<br>Current calendar Year | CY 2022<br>Previous calendar Year |
| Employees | -   | -                                 | -                                | -                                 |
| Workers   | -   | -                                 | -                                | -                                 |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

Yes, we have established career placement services for handling severance cases.

**5. Details on assessment of value chain partners:**

|                              | % of value chain partners (by value of business done with such partners) that were assessed |
|------------------------------|---|
| Health and safety conditions | -   |
| Working conditions           | -   |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Not applicable.

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

At CIL, stakeholder identification encompasses identifying potential stakeholders, categorizing them, analyzing their interest and influence, and prioritizing them accordingly. An engagement plan is developed, and Relationship Managers address specific concerns. This process is continuously reviewed to ensure effective engagement and to address each individual's/group's needs.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder Group          | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other  | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement  |
|----------------------------|--|--|--|--|
| Employees                  | No   | <ul style="list-style-type: none"> <li>Quarterly employee townhalls</li> <li>Senior leadership engagements</li> <li>Quarterly wellness sessions</li> <li>Training programs and onboarding sessions</li> <li>Internal communication</li> <li>Yammer</li> <li>One bp intranet portal</li> <li>Annual employee conference and pulse survey</li> </ul> | Ongoing/need based   | <ul style="list-style-type: none"> <li>Business and performance updates</li> <li>bp purpose and strategy, new belief system 'Who we are'</li> <li>Physical &amp; mental well-being sessions</li> <li>Code of conduct, Ethics &amp; compliance, Cyber Security</li> <li>Diversity, equity and inclusion</li> <li>Growth week: new skills, learning &amp; development</li> </ul> |
| Shareholders and investors | No   | <ul style="list-style-type: none"> <li>Annual General Meetings (AGM)</li> <li>Shareholder interactions at AGMs</li> <li>Press conferences and media releases</li> <li>Announcement through stock exchanges</li> <li>Company website</li> <li>Dedicated email ID for Investor Grievances</li> <li>Investor/Analyst meet</li> </ul>                  | Ongoing/need based   | <ul style="list-style-type: none"> <li>Financial performance</li> <li>Operational performance</li> <li>New product launches</li> <li>Business Outlook</li> <li>Sustainability</li> <li>CSR programs</li> <li>Corporate Governance</li> <li>Material disclosures</li> <li>MoU, partnerships</li> </ul>  |

| Stakeholder Group                | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other  | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement   |
|----------------------------------|--|--|--|---|
|                                  |  | Information disseminated on stock exchanges, company websites and through newspaper publications, where applicable: <ul style="list-style-type: none"> <li>Quarterly financial statements</li> <li>Investor presentations</li> <li>Annual report</li> <li>Proceedings and outcomes of general meetings</li> <li>Schedule of Investor/Analyst meet and recordings of price earning calls</li> </ul> |  |   |
| Customers                        | No   | <ul style="list-style-type: none"> <li>Fast Lane - Digital application for Indirect customers</li> <li>Customer Portal - Online customer portal for direct customers and distributors</li> </ul>   | Ongoing/need based   | <ul style="list-style-type: none"> <li>Order placement by Indirect customer, visibility of schemes and offers</li> <li>For order placement by customers to CIL and relevant customer-related information</li> </ul> |
| Business Partners                | No   | <ul style="list-style-type: none"> <li>Face-to-face engagements</li> <li>Online sessions</li> <li>Castrol academy</li> </ul>   | Annually/half-yearly/quarterly/need based  | <ul style="list-style-type: none"> <li>Agreements</li> <li>Relationship Management</li> </ul>   |
| Government and regulatory bodies | No   | Following, as applicable under the prevailing laws: <ul style="list-style-type: none"> <li>Submission of reports and returns</li> <li>Directives and circulars</li> <li>Written communication</li> <li>Stock exchange filings</li> <li>Industry associations</li> </ul>  | Annually/half-yearly/quarterly/need based  | <ul style="list-style-type: none"> <li>Regulatory Compliance</li> </ul>   |

| Stakeholder Group   | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other   | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement  |
|---|--|---|--|--|
| Communities - truck drivers, mechanics and their family members, beneficiaries around plants - and NGOs | Yes  | <ul style="list-style-type: none"> <li>Trainings</li> <li>Eco-system engagements</li> <li>Meetings and discussions</li> <li>Videos</li> <li>Awareness workshops</li> <li>Employee volunteering program</li> <li>Community programs</li> </ul> | Annually/half-yearly/quarterly/need based  | <ul style="list-style-type: none"> <li>Road safety training</li> <li>Technical upskilling for mechanics</li> <li>Health and wellbeing sessions</li> <li>Financial and digital literacy training</li> <li>Family connect sessions</li> <li>Stakeholder meetings</li> <li>Entrepreneurship and LifeSkills training</li> <li>Behavior change programs in communities around areas of operation</li> </ul> |

**Leadership Indicators**

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

At CIL, stakeholder consultation plays a critical role in identifying and addressing economic, environmental, and social concerns. Stakeholders are engaged to consider and understand the broader environmental, social and governance contexts in which the company operates and its associated risks.

Each department deals with its respective stakeholders and collects feedback on various issues. These delegated departments engage in several forms of stakeholder consultation which may involve surveys, focus groups, public consultations, individual meetings, annual general meetings, or online engagements. The purpose is to gather thoughts, opinions, and concerns on various topics related to the organization's operations impacting economy, environment, and society. All key points, concerns, and suggestions raised during these consultations are documented and analyzed to understand the concerns of stakeholders, their potential impacts, and possible responses. Regular reports summarizing the feedback from these consultations and analyses are submitted to various committees of the Board for their review. The guidance from these reviews is then passed down to the management for execution.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, stakeholder consultation is indeed used to support the identification and management of environmental and social topics. Stakeholder consultations play an instrumental role in helping us understand their concerns, expectations and the potential impact of our operations on them. This process is critical in evolving our policies and activities for inclusive growth and sustainable development.

We consistently engage in consultations with stakeholders in a variety of ways. Regular needs study, and impact assessments are undertaken as an integral part of our commitment to the community. This includes continuous updates to technical modules, based on feedback from local communities and to keep pace with external technological advancements.

Moreover, we strive to maintain ongoing dialogue with communities and stakeholders, ensuring our services remain relevant and beneficial. During the COVID-19 pandemic, CIL used these interactions to implement interventions specifically catered to enhance health and wellbeing for community members. This co-creation process reflects CIL's dedication to its stakeholder's needs and evolving challenges.



In summary, stakeholder consultation significantly influences the shaping of our policies and activities towards social and environmental issues, allowing us to balance our business objectives with our commitment to our stakeholders, society and the environment.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

At CIL, we believe that we have a responsibility to bring enduring positive value to communities we work with. In line with our core theme to keep India moving, we have and will continue to build enduring and engaging relationships with key stakeholders in the mobility sector.

- The Company's CSR efforts are directed towards mechanics and truck drivers who play a significant role in keeping the wheels of this sector moving. Truck drivers carry most freight traffic in the country, while mechanics service one of the largest automotive markets in the world. However, their skills, livelihood opportunities and socio-economic conditions need more focus. At CIL, we are committed to making a positive impact in the lives of these truck drivers and mechanics by preparing them to face today's reality and leverage tomorrow's opportunity. More than 468,000 truck drivers and mechanics have benefited from these programs. Contributing to the overall empowerment and upliftment of this community, enabling them to earn a sustainable livelihood and live with pride is the key motto of CIL's CSR programs - Sarathi Mitra and Eklavya.
- CIL contracts its logistics through Logistics Services companies who operate approximately 750 trucks for CIL on a daily basis, employing close to 2,000+ truck drivers. With a vision to improve the drivers' safety and wellbeing, we work very closely with our partners to engage, train and support drivers to stay safe on the road. Programs like Defensive Driver Training (DDT) and several risk-based training courses on road safety are organized throughout the year to improve safety mindset and safe driving behaviors.
- The Company continues to engage with the communities around its plant and other areas of presence through various community development programs 'Ujjwal Kal' focused on upskilling and education. Our employees engage with the community to conduct awareness sessions on water, sanitation, health and personal hygiene.
- Our EV (Electric Vehicle) Readiness Trainings embody a forward-thinking approach to mobility. By training over 1000 mechanics, we not only equip them for the future but also contribute to a sustainable and greener mode of transportation.
- The Castrol Super Mechanic Learning Academy is a testament to our commitment to skill development. Available in six vernacular languages, the academy has empowered 18,000+ mechanics since its inception in 2023, aiming to impact over 500,000 mechanics in total.

### Principle 5: Businesses should respect and promote human rights

#### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category             | CY 2023   |  |         | CY 2022   |  |         |
|----------------------|-----------|--|---------|-----------|--|---------|
|                      | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. of employees / workers covered (D) | % (D/C) |
| <b>Employees</b>     |           |  |         |           |  |         |
| Permanent            | 472       | 472                                    | 100%    | 468       | 468                                    | 100%    |
| Other than permanent | 79        | 79                                     | 100%    | 84        | 84                                     | 100%    |
| Total employees      | 551       | 551                                    | 100%    | 552       | 552                                    | 100%    |
| <b>Workers</b>       |           |  |         |           |  |         |
| Permanent            | 158       | 158                                    | 100%    | 158       | 158                                    | 100%    |
| Other than permanent | 97        | 97                                     | 100%    | -         | -                                      | -       |
| Total workers        | 255       | 255                                    | 100%    | 158       | 158                                    | 100%    |

A formal Human Rights Policy was launched in 2013 and has been revised in 2020 which applies to every employee and worker at bp / Castrol. There are many ways in which human rights issues might be associated with our activities, including impacts on people's livelihoods, access to water, land and resources, workforce rights – including modern slavery, and the

actions of the security personnel who protect our sites. Applicable aspects in the Human rights policy such as child labor, discrimination, harassment and working conditions are covered as a part of mandatory Code of Conduct training for all employees and workers at CIL. Principles on Labour Rights and Modern Slavery (LRMS) such as clear employment status, protection of young persons, freedom from forced labour, grievance process, work environment, freedom of association training is also provided to all employees and contractors across the manufacturing facilities on an annual basis.

Our actions and operations can also bring about major benefits and improvements to individuals, communities and society. bp wants to contribute to sustainable development and is working to do more to support the delivery of the United Nations Sustainable Development Goals (UN SDGs). We also recognize the importance of a just transition as envisaged by the Paris Agreement – one which delivers decent work, quality jobs and supports the livelihoods of local communities. We aim to actively advocate for policies that support net zero. This includes encouraging the use of finance and revenues from carbon pricing to support the just transition. To deliver our purpose we must continue to work to a consistent and high set of standards wherever we operate in the world. There will be instances where we won't get it right, and we will need the support and challenge of others to help us make a positive, and sustainable difference to people's lives. The policy document (link below) further details bp's Commitment, Delivery and Governance which has been put in place.

<https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-human-rights-policy.pdf>

#### 2. Details of minimum wages paid to employees and workers, in the following format

| Category                    | CY 2023<br>Current calendar Year |          |         |           |         | CY 2022<br>Previous calendar Year |          |      |           |      |
|-----------------------------|----------------------------------|----------|---------|-----------|---------|-----------------------------------|----------|------|-----------|------|
|                             | Total<br>(A)                     | Equal to |         | More than |         | Total<br>(D)                      | Equal to |      | More than |      |
|                             |                                  | Minimum  |         | Minimum   |         |                                   | Minimum  |      | Minimum   |      |
|                             |                                  | Wage     |         | Wage      |         |                                   | Wage     |      | Wage      |      |
| No. (B)                     | % (B/A)                          | No. (C)  | % (C/A) | No. (E)   | % (E/D) | No. (F)                           | % (F/D)  |      |           |      |
| <b>Employees</b>            |                                  |          |         |           |         |                                   |          |      |           |      |
| <b>Permanent</b>            | 472                              | -        | -       | 472       | 100%    | 468                               | -        | -    | 468       | 100% |
| Male                        | 390                              | -        | -       | 390       | 100%    | 392                               | -        | -    | 392       | 100% |
| Female                      | 82                               | -        | -       | 82        | 100%    | 76                                | -        | -    | 76        | 100% |
| <b>Other than Permanent</b> | 79                               | 79       | 100%    | -         | -       | 84                                | 84       | 100% | -         | -    |
| Male                        | 56                               | 56       | 100%    | -         | -       | 64                                | 64       | 100% | -         | -    |
| Female                      | 23                               | 23       | 100%    | -         | -       | 20                                | 20       | 100% | -         | -    |
| <b>Workers</b>              |                                  |          |         |           |         |                                   |          |      |           |      |
| <b>Permanent</b>            | 158                              | -        | -       | 158       | 100%    | 158                               | -        | -    | 158       | 100% |
| Male                        | 154                              | -        | -       | 154       | 100%    | 154                               | -        | -    | 154       | 100% |
| Female                      | 4                                | -        | -       | 4         | 100%    | 4                                 | -        | -    | 4         | 100% |
| <b>Other than Permanent</b> | 97                               | 97       | 100%    | -         | -       | -                                 | -        | -    | -         | -    |
| Male                        | 97                               | 97       | 100%    | -         | -       | -                                 | -        | -    | -         | -    |
| Female                      | -                                | -        | -       | -         | -       | -                                 | -        | -    | -         | -    |

**3. Details of remuneration/salary/wages, in the following format:****a. Median remuneration / wages:**

|                                   | Gender | Total Number | Median remuneration/salary/wages of respective category (INR) |
|-----------------------------------|--------|--------------|---|
| Board of Directors (BoD)*         | Male   | 4            | 31,458,616  |
|                                   | Female | -            | -   |
| Key Managerial Personnel          | Male   | 4            | 31,458,616  |
|                                   | Female | 1            | 15,032,463  |
| Employees other than BoD and KMP# | Male   | 346          | 3,651,304   |
|                                   | Female | 67           | 3,559,476   |
| Workers##                         | Male   | 148          | 848,120   |
|                                   | Female | 4            | 641,846   |

\*Includes Managing Director and Whole-time Directors and excludes Independent Directors and Nominee Directors in order to give an appropriate representation.

# Includes employees who have served for the full year, for median remuneration and excludes workers.

## Includes workers who have served for the full year, for median remuneration

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

|   | CY 2023<br>Current calendar Year | CY 2022<br>Previous calendar Year |
|---|----------------------------------|-----------------------------------|
| Gross wages paid to females as % of total wages | 14.98%                           | 15.70%                            |

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

The Company has a robust vigil mechanism called OpenTalk. The employees are encouraged to raise any of their concerns using OpenTalk. Also, employees have been given access to reach out to the Audit Committee Chairman through a dedicated e-mail address [indiaauditcommitteec@bp.com](mailto:indiaauditcommitteec@bp.com). No employee has been denied access to the Audit Committee for raising concerns. The POSH (Prevention of Sexual Harassment) committee members are responsible for addressing sexual discrimination issues caused or contributed by the business. Furthermore, Grievance Committees have also been established as per statutory requirements at plant-level to redress grievances/issues of workmen.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

We have developed a well-defined Grievance Policy and a Disciplinary Policy tailored to handle matters related to employee work conditions or issues which affect them personally. A systematic investigation process exists in our business structure with clear roles, responsibilities, and accountabilities, along with trained investigators and decision-makers (People and Culture Line Manager/Business Head/Legal representatives). This process is under the vigilant oversight of the Ethics and Compliance Liaison department.

Additionally, OpenTalk serves as a global helpline for bp, providing a confidential medium for people to raise their issues or seek explanations about our code. Every reported matter is treated with the utmost confidentiality, complying simultaneously with legal necessities and best business practices.

**6. Number of Complaints on the following made by employees and workers:**

|                                      | CY 2023<br>Current calendar Year |  |         | CY 2022<br>Previous calendar Year |  |         |
|--------------------------------------|----------------------------------|--|---------|-----------------------------------|--|---------|
|                                      | Filed during<br>the year         | Pending<br>Resolution<br>at the end of<br>year | Remarks | Filed during<br>the year          | Pending<br>Resolution<br>at the end of<br>year | Remarks |
|                                      | Sexual Harassment                | -  | -       | -                                 | -  | -       |
| Discrimination at workplace          | -                                | -  | -       | -                                 | -  | -       |
| Child Labour                         | -                                | -  | -       | -                                 | -  | -       |
| Forced Labour/<br>Involuntary Labour | -                                | -  | -       | -                                 | -  | -       |
| Wages                                | -                                | -  | -       | -                                 | -  | -       |
| Other human rights related<br>issues | -                                | -  | -       | -                                 | -  | -       |

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

|   | CY 2023<br>Current calendar Year | CY 2022<br>Previous calendar Year |
|---|----------------------------------|-----------------------------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | -                                | -                                 |
| Complaints on POSH as a % of female employees / workers   | -                                | -                                 |
| Complaints on POSH upheld   | -                                | -                                 |

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

CIL has a Grievance Policy, a Disciplinary Policy and Prevention of Sexual Harassment Policy. The Company on a regular basis sensitizes its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness program which are held on a regular basis.

CIL does not tolerate retaliation of any kind. All complaints can be made without fear of reprisal and with the assurance that the Company stands with its employees. Retaliation of any type against someone who reports harassment in good faith, against someone who provides information, or against someone who otherwise assists in a harassment investigation is not permitted.

If an individual believes he or she has been retaliated against for reporting harassment, for making a complaint of harassment, or for participating in an investigation related to harassment, should immediately report the alleged retaliation to their line manager or any of the speak up channels. Any employee who is found to have acted in retaliation against someone after an investigation will face disciplinary action, which may include termination of employment.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes. CIL extends human rights requirements as a part of its business agreements and contracts. Human Rights (HuRi) clauses are incorporated across contracts coming up for renewals. A formal Human Rights Policy was launched in 2013 and revised in 2020, which applies to every employee at CIL.

**10. Assessments of the year**

|                             | % of your plants and offices that<br>were assessed (by entity or statutory<br>authorities or third parties) |
|-----------------------------|---|
| Child labour                | 100%  |
| Forced/involuntary labour   | 100%  |
| Sexual harassment           | 100%  |
| Discrimination at workplace | 100%  |
| Wages                       | 100%  |

CIL does not engage in or tolerate any violations of human rights in any form or manner and does not adopt any discriminatory employment practices. CIL performs risk-based assessments at periodic intervals.

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not applicable – there were no significant risks / concerns arising from the assessments conducted in our premises.

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints**

Not applicable for CIL as no significant grievances/complaints were received on human rights.

**2. Details of the scope and coverage of any Human rights due diligence conducted**

Human rights due diligence process and mechanisms are being established to enhance the current human rights assessment in CIL. Risk based assessments are conducted at periodic intervals which include events like onboarding and renewal of agreements. Set criteria and risk-based reviews are performed.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, CIL offices in Chennai and Delhi are designed in accordance with the accessibility requirements of differently abled individuals. Some measures undertaken include wheelchair availability, dedicated parking slots, meeting room signages in Braille, adjustable desk availability, Herman Miller's chairs, disability friendly elevators and ramps.

**4. Details on assessment of value chain partners:**

|                             | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Sexual harassment           | -   |
| Discrimination at workplace | -   |
| Child labour                | -   |
| Forced/involuntary labour   | -   |
| Wages                       | -   |
| Others – please specify     | -   |

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not applicable

**Principle 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter   | Unit of measurement | CY 2023               |                        | CY 2022               |                        |
|---|---------------------|-----------------------|------------------------|-----------------------|------------------------|
|   |                     | Current calendar Year | Previous calendar Year | Current calendar Year | Previous calendar Year |
| <b>From renewable sources</b>                               |                     |                       |                        |                       |                        |
| Total electricity consumption (A)                           | GJ                  | 6,466                 | 155.40                 |                       |                        |
| Total fuel consumption (B)                                  | GJ                  | -                     | -                      |                       |                        |
| Energy consumption through other sources (C)                | GJ                  | -                     | -                      |                       |                        |
| <b>Total energy consumed from renewable sources (A+B+C)</b> | GJ                  | 6,466                 | 155.40                 |                       |                        |
| <b>From non-renewable sources</b>                           |                     |                       |                        |                       |                        |
| Total electricity consumption (D)                           | GJ                  | 8,848                 | 14,138                 |                       |                        |
| Total fuel consumption (E)                                  | GJ                  | 12,385                | 6,732                  |                       |                        |
| Energy consumption through other sources (F)                | GJ                  | -                     | -                      |                       |                        |

| Parameter  | Unit of measurement | CY 2023               |                        | CY 2022               |                        |
|--|---------------------|-----------------------|------------------------|-----------------------|------------------------|
|  |                     | Current calendar Year | Previous calendar Year | Current calendar Year | Previous calendar Year |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b>  | GJ                  | 21,232                | 20,870                 |                       |                        |
| <b>Total energy consumed (A+B+C+D+E+F)</b>   | GJ                  | 27,698                | 21,026                 |                       |                        |
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)   | GJ/Rupee turnover   | 0.00000055            | 0.00000044             |                       |                        |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) | -                   | -                     | -                      |                       |                        |
| Energy intensity in terms of physical output Specific Power Consumption  | GJ/KL               | 0.144                 | 0.106                  |                       |                        |
| Energy intensity (optional) – the relevant metric may be selected by the entity  | -                   | -                     | -                      |                       |                        |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency**

Yes. The energy consumption data is audited and verified by a certified third-party agency.

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

CIL works in a sector that is not categorized under designated consumers (DCs), so none of the facilities are identified under the Performance, Achieve and Trade (PAT) scheme.

**3. Provide details of the following disclosures related to water, in the following format:**

| Parameter  | CY 2023                          |                                  | CY 2022               |                        |
|--|----------------------------------|----------------------------------|-----------------------|------------------------|
|  | Current calendar Year            | Previous calendar Year           | Current calendar Year | Previous calendar Year |
| <b>Water withdrawal by source (in kilolitres)</b>  |                                  |                                  |                       |                        |
| (i) Surface water  |                                  |                                  |                       |                        |
| (ii) Groundwater   | 24,372                           | 23,923                           |                       |                        |
| (iii) Third party water (Municipal water supplies)   | 21,474                           | 18,252                           |                       |                        |
| (iv) Seawater / desalinated water  | -                                | -                                |                       |                        |
| (v) Others (Rainwater storage)   | -                                | -                                |                       |                        |
| <b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>  | 45,846                           | 42,175                           |                       |                        |
| <b>Total volume of water consumption (in kiloliters)</b>   | 45,846                           | 42,175                           |                       |                        |
| <b>Water intensity per rupee of turnover</b><br>(Total water consumption / Revenue from operations)  | 0.00000090 KL/<br>Rupee turnover | 0.00000088 KL/<br>Rupee turnover |                       |                        |
| <b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP) | -                                | -                                |                       |                        |
| <b>Water intensity</b> in terms of physical output   | -                                | -                                |                       |                        |
| <b>Water intensity (optional)</b> – the relevant metric may be selected by the entity  | -                                | -                                |                       |                        |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency**

Yes. The water consumption data, treatment scheme and water saving measures implemented and benefits achieved are audited through the Environment management system and verified by a certified third-party agency.

## 4. Provide the following details related to water discharged:

| Parameter   | CY 2023               | CY 2022                |
|---|-----------------------|------------------------|
|   | Current calendar Year | Previous calendar Year |
| <b>Water discharge by destination and level of treatment (in kilo liters)</b>       |                       |                        |
| (i) To Surface water  |                       |                        |
| - No treatment  | -                     | -                      |
| - With treatment – please specify level of treatment                                | -                     | -                      |
| (ii) To Groundwater   |                       |                        |
| - No treatment  | -                     | -                      |
| - With treatment – please specify level of treatment                                | -                     | -                      |
| (iii) To Seawater   |                       |                        |
| - No treatment  | -                     | -                      |
| - With treatment – please specify level of treatment                                | -                     | -                      |
| (iv) Sent to third parties  |                       |                        |
| - No treatment  | -                     | -                      |
| - With treatment – please specify level of treatment (send to CETP after treatment) | 77.8                  | 78                     |
| (v) Others  |                       |                        |
| - No treatment  | -                     | -                      |
| - With treatment – Tertiary treatment   | -                     | -                      |
| <b>Total water discharged (in kilo liters)</b>                                      | <b>77.8</b>           | <b>78</b>              |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes. The water, treatment scheme, disposal data and water saving measures implemented and benefits achieved are audited through Environment management system and verified by a certified third-party agency.

## 5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

CIL has been continuously working to reduce freshwater consumption in its manufacturing facilities. Initiatives such as sprinkler systems and water-efficient taps have been implemented. Each facility has water balance flow charts to monitor freshwater usage and identify conservation measures. Water audits are conducted at one of the plants, and the outcomes are shared across plants for implementation.

Silvassa: Fresh water is used only for domestic and boiler operations. The boiler blowdown water, which is minimal in quantity, is sent to CETP (Common Effluent Treatment Plant) for treatment. The domestic wastewater is treated in an in-house sewage treatment plant, and the treated water is used for gardening within the plant premises. This plant operates as a Zero Liquid Discharge facility.

The Paharpur and Patalganga plants send their wastewater to CETP for further treatment.

## 6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter                           | Please specify unit | CY 2023               | CY 2022                |
|-------------------------------------|---------------------|-----------------------|------------------------|
|                                     |                     | Current calendar Year | Previous calendar Year |
| NOx                                 | Kg                  | 1,149                 | 922                    |
| SOx                                 | Kg                  | 1,655                 | 2,283                  |
| Particulate matter (PM2.5)          | Kg                  | 1,624                 | 1,859                  |
| Particulate matter (PM10)           | Kg                  | -                     | -                      |
| Persistent organic pollutants (POP) | Kg                  | -                     | -                      |
| Volatile organic compounds (VOC)    | Kg                  | -                     | -                      |
| Hazardous air pollutants (HAP)      | Kg                  | -                     | -                      |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes. The parameters and the schedule of monitoring along with the stack monitoring reports (emissions generated from DG sets) and the compliance with the regulatory requirements are audited through the Environment management system and verified by a certified third-party agency.

## 7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) &amp; its intensity, in the following format:

| Parameter   | Unit  | CY 2023               | CY 2022                |
|---|---|-----------------------|------------------------|
|   |   | Current calendar Year | Previous calendar Year |
| <b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                              | Metric tons of CO <sub>2</sub> equivalent                     | 745                   | 388                    |
| <b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                              | Metric tons of CO <sub>2</sub> equivalent                     | 2,032                 | 3,181                  |
| <b>Total Scope 1 and Scope 2 emissions</b>  | Metric tons of CO <sub>2</sub> equivalent                     | 2,777                 | 3,569                  |
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)   | Metric tons of CO <sub>2</sub> equivalent/ turnover in crores | 0.547                 | 0.748                  |
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | -   | -                     | -                      |
| <b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>   | -   | -                     | -                      |
| <b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity  | Metric tons of CO <sub>2</sub> equivalent/ kilolitre          | 0.014                 | 0.018                  |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

## 8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

CIL has been continuously working towards reducing the GHG emissions through process improvements, energy monitoring systems, energy efficiency measures and renewable alternatives. Installation of Solar photovoltaic plant within premises and purchasing renewable energy are the different options studied with respective to the plant locations and the key actions implemented are listed below:

|                   |  |
|-------------------|--|
| Scope 1 emissions | Patalganga plant: Replaced diesel with piped natural gas (PNG)<br>Silvassa plant: Uses natural gas as heating fuel   |
| Scope 2 emissions | 1. Silvassa plant: The installation of the on-ground solar photovoltaic system is currently in progress. It is expected to be operational from the year 2024 onwards.<br>2. Patalganga plant: The facility purchases green energy for 100% of its operations.<br>3. Paharpur plant: A rooftop solar photovoltaic system is currently in operation. Furthermore, provisions have been made for the procurement of IREC.<br>4. From November 2023, the corporate office in Mumbai has been purchasing green power to sustain 100% of its operations.<br>Continuous improvement measures are undertaken across CIL's manufacturing operations resulting in consistent year-on-year energy efficiency. |
| Scope 3 emissions | CIL has initiated the process of monitoring their logistics scope 3 emissions.   |

9. Provide details related to waste management by the entity, in the following format:

| Parameter   | CY 2023                     | CY 2022                     |
|---|-----------------------------|-----------------------------|
|   | Current calendar Year       | Previous calendar Year      |
| <b>Total Waste generated (in metric tons)</b>   |                             |                             |
| Plastic waste (A)   | 100.285                     | 90.85                       |
| E-waste (B)   | 0.43                        | 3.095                       |
| Bio-medical waste (C)   | 0.042                       | 0.50                        |
| Construction and demolition waste (D)   | -                           | -                           |
| Battery waste (E)   | -                           | 6.20                        |
| Radioactive waste (F)   | -                           | -                           |
| Other Hazardous waste -excluding e-waste and biomedical waste (G)   | 703.05                      | 800.51                      |
| Other Non-hazardous waste generated (H) - excluding plastic waste   | 383.09                      | 183                         |
| <b>Total (A+B + C + D + E + F + G + H)</b>  | 1,186.90                    | 1,084                       |
| <b>Waste intensity per rupee of Turnover</b><br>(Total waste generated /Revenue from operations)  | 0.0000233 MT/Rupee turnover | 0.0000227 MT/Rupee turnover |
| <b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total waste generated / Revenue from operations adjusted for PPP) | -                           | -                           |
| <b>Waste intensity</b> in terms of physical output  | -                           | -                           |
| <b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity   | 0.006 MT/KL                 | 0.005 MT/KL                 |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)</b>                  |                             |                             |
| <b>Category of waste</b>  |                             |                             |
| (i) Recycled  | 1,151                       | 1,063.61                    |
| (ii) Re-used  | -                           | -                           |
| (iii) Other recovery operations   | -                           | -                           |
| <b>Total</b>  | 1,151                       | 1,063.61                    |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)</b>   |                             |                             |
| <b>Category of waste</b>  |                             |                             |
| (i) Incineration  | 35.80                       | 20                          |
| (ii) Landfilling  | -                           | -                           |
| (iii) Landfilling after incineration  | -                           | -                           |
| <b>Total</b>  | 35.80                       | 20                          |

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

CIL employs the PATH360 guiding principles around circularity to minimize waste generated from its operations. Waste generated data is monitored and reviewed at the leadership level. The production process does not use any toxic chemicals. CIL's waste management practices are audited during the Environment Management System audit.

**Hazardous waste :** Hazardous waste quantities are consistently monitored, recorded and sent to authorized recyclers as per the facility's hazardous waste authorization rules stipulated by the Pollution Control Board. Corresponding manifests, forms and annual returns are maintained at the respective facilities.

**Non-Hazardous waste :** Non-hazardous waste quantities are routinely monitored, recorded and sent to company authorized recyclers. Details about this are reported in the annual Environment statement.

Inspections are conducted at waste disposal facilities to ensure that waste is recycled and/or treated according to the agreed processes.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| S. No. | Location of operations/offices   | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--------|--|--------------------|---|
|        | No manufacturing facilities and offices are located or planned in/around ecologically sensitive areas. |                    |   |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project  | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|--|----------------------|------|---|--|-------------------|
| EIA is not applicable as none of our projects are carried out in ecologically sensitive areas. |                      |      |   |  |                   |

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

CIL is in compliance with all applicable environmental rules and regulations. Verification of this compliance is conducted during the Environment Management System audit.

| S. No.                            | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|-----------------------------------|---|---------------------------------------|---|---------------------------------|
| No non-compliance has been noted. |   |                                       |   |                                 |

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilo liters):- Not applicable

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area: -
- Nature of operations: -
- Water withdrawal, consumption, and discharge in the following format:

| Parameter   | CY 2023               | CY 2022                |
|---|-----------------------|------------------------|
|   | Current calendar Year | Previous calendar Year |
| <b>Water withdrawal by source (in kilolitres)</b>                                     |                       |                        |
| (i) Surface water   | -                     | -                      |
| (ii) Groundwater  | -                     | -                      |
| (iii) Third party water   | -                     | -                      |
| (iv) Seawater / desalinated water   | -                     | -                      |
| (v) Others  | -                     | -                      |
| <b>Total volume of water withdrawal (in kilolitres)</b>                               | -                     | -                      |
| <b>Total volume of water consumption (in kilolitres)</b>                              | -                     | -                      |
| <b>Water intensity per rupee of turnover</b> (Water consumed / turnover)              | -                     | -                      |
| <b>Water intensity</b> (optional) – the relevant metric may be selected by the entity | -                     | -                      |
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>          |                       |                        |
| (i) Into Surface water  |                       |                        |
| - No treatment  | -                     | -                      |
| - With treatment – please specify level of treatment                                  | -                     | -                      |

| Parameter  | CY 2023               | CY 2022                |
|--|-----------------------|------------------------|
|  | Current calendar Year | Previous calendar Year |
| (ii) Into Groundwater                                |                       |                        |
| - No treatment                                       | -                     | -                      |
| - With treatment – please specify level of treatment | -                     | -                      |
| (iii) Into Seawater                                  |                       |                        |
| - No treatment                                       | -                     | -                      |
| - With treatment – please specify level of treatment | -                     | -                      |
| (iv) Sent to third parties                           |                       |                        |
| - No treatment                                       | -                     | -                      |
| - With treatment – please specify level of treatment | -                     | -                      |
| (v) Others   |                       |                        |
| - No treatment                                       | -                     | -                      |
| - With treatment – please specify level of treatment | -                     | -                      |
| <b>Total water discharged (in kilolitres)</b>        | NA                    | NA                     |

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter  | Unit  | CY 2023               | CY 2022                |
|--|---|-----------------------|------------------------|
|  |   | Current calendar Year | Previous calendar Year |
| <b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | -                     | -                      |
| <b>Total Scope 3 emissions per Crore of turnover</b>   | -   | -                     | -                      |
| <b>Total Scope 3 emission intensity (optional)</b> – the relevant metric may be selected by the entity   | -   | -                     | -                      |

**Note: Indicate if any independent assessment / evaluation /assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

**3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| S. No. | Details of initiative undertaken<br>(Web-link, if any, may be provided along-with summary)   | Outcome of the initiative   |
|--------|--|---|
| 1.     | Reuse of flush oil generated in operations at Patalganga plant   | Increasing circularity - Reduction in waste oil (hazardous waste) generation    |
| 2.     | Recycling of empty dye containers (hazardous waste) instead of incineration  | Increasing circularity - Reduction in emissions due to hazardous waste disposal |
| 3.     | Installation of 7 KW rooftop solar in Paharpur plant   | Reducing carbon   |
| 4.     | IREC (International Renewable Energy Certificate) procurement for the equivalent amount of electricity purchased in Paharpur plant | Reducing carbon   |
| 5.     | Green energy procurement at Patalganga plant – 100% energy source is from renewables   | Reducing carbon   |

| S. No. | Details of initiative undertaken<br>(Web-link, if any, may be provided along-with summary)   | Outcome of the initiative   |
|--------|--|---|
| 6.     | Small packs of 600 liters capacity are transported through Electric vehicles   | Reducing carbon   |
| 7.     | Usage of Natural gas as a replacement of Diesel and furnace oil in Patalganga and Silvassa plant   | Reducing carbon   |
| 8.     | Reduction of temperatures used in blending processed to reduce electricity consumption without impact product quality at Patalganga and Paharpur plant | Reducing carbon   |
| 9.     | Reduction in energy usage by optimizing the circulation pump running hours during blending process at Patalganga and Paharpur plant                    | Reducing carbon   |
| 10.    | 100% Post-Consumer Recycled bottle <sup>4</sup> for Castrol Power1 ULTIMATE range products at Patalganga plant   | Increasing circularity - Reduction of plastic waste (packaging waste) |
| 11.    | Highlander-Lighter optimized pack design reducing overall annual plastic consumption by 6% <sup>5</sup>  | Increasing circularity - Reduction of plastic waste (packaging waste) |
| 12.    | Substitution of plastic tapes to Vulcro belts to eliminate plastic waste generation at Silvassa plant  | Increasing circularity - Reduction of plastic waste (packaging waste) |
| 13.    | Installation of food waste composter to convert food waste into manure at Paharpur plant   | Increasing circularity - Recycling of food waste                      |

<sup>4</sup> The new packaging includes a 100% PCR plastic bottle and a non-PCR plastic cap. The label on the pack is made from paper.

<sup>5</sup> To promote the responsible design and management of plastic packaging along its lifecycle, Castrol defines its plastic footprint as the amount of virgin plastic included in our packaging per liter that isn't recycled. The company aim to halve its carbon footprint by 2030 is from its 2019 baseline. See [www.castrol.com/PATH360/Definitions](http://www.castrol.com/PATH360/Definitions) for more information.

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**

Business Continuity Plan: Failure to address an incident effectively could potentially disrupt our business. A robust Crisis Management process enables us to address any incident or issues (safety, environment or product quality) which may escalate into an internal or external crisis. We have a detailed Business Continuity Plan (BCP), Incident Management Plan, Crisis Communication Plan, Emergency Response Plan and Tactical Management Plan for all sites. Regular annual trainings and exercises are conducted for team members in charge of the above plans in case of emergencies. A detailed Business Continuity Plan provides guidance on the actions to be taken to remain operational at acceptable levels, during and after a disruptive event, and to resume normal operations as quickly and effectively as possible. The BCP includes eight possible business disruptions and has detailed contingency strategies and action plans to mitigate them.

Incident Management Plan: CIL has an Incident Management Plan (IMP) that outlines broadly the guidelines for emergency response and incident escalation and management. The IMP is applicable across CIL's operations (manufacturing units and offices). The Incident Management Team (IMT) operates in line with the IMP. The response of the IMT is defined through a structured process flowchart aligned to BP 3 Tier Response System. The primary role of the IMT is to verify safety of responders, manage incident impacts, direct emergency response to the incident and brief the BST (Business Support Team) and/or CST (Country Support Team) on status response activities.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

There are no significant adverse environmental impacts identified in our value chain.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

-

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with and industry chambers/ associations.**

Ten

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

| S. No. | Name of the trade and industry chambers/ associations          | Reach of trade and industry chambers/ associations (State/National) |
|--------|--|---|
| 1      | ASCI - The Advertising Standards Council of India              | National  |
| 2      | Bombay Chambers of Commerce and Industry                       | State   |
| 3      | Confederation of Indian Industry                               | National  |
| 4      | Employer's Federation of India (EFI)                           | National  |
| 5      | Federation of Indian Chambers of Commerce and Industry (FICCI) | National  |
| 6      | International Market Assessment India Pvt Ltd                  | National  |
| 7      | Patalganga and Rasayani Industrial Association                 | State   |
| 8      | Silvassa Industries Association                                | State   |
| 9      | The Employers' Federation of Southern India (EFSI)             | National  |
| 10     | The Indian Society of Advertisers (ISA)                        | National  |

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not applicable

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

| S. No. | Public policy advocated  | Method resorted for such advocacy | Whether information available in the public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|--------|--|-----------------------------------|--|---|------------------------|
|        | The Company strategically channels industry-specific suggestions and contributions through active participation in trade bodies or associations, rather than direct public advocacy. |                                   |  |   |                        |

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web Link |
|-----------------------------------|----------------------|----------------------|---|--|-------------------|
|-----------------------------------|----------------------|----------------------|---|--|-------------------|

Not applicable. No assessments were undertaken or necessitated during the reporting period.

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|--------|--|-------|----------|---|--------------------------|---|
|--------|--|-------|----------|---|--------------------------|---|

Not applicable as there are no ongoing projects as such.

**3. Describe the mechanisms to receive and redress grievances of the community.**

OpenTalk serves as a global helpline for bp, providing a confidential medium for people to raise their issues or seek explanations about our code. This service is managed by an autonomous enterprise, accessible 24/7 and provides assistance in over 75 different languages. Anyone, including contractors, partners, suppliers, customers and local community members can use OpenTalk. OpenTalk can be contacted anonymously from most locations. Every reported matter is treated with the utmost confidentiality, complying simultaneously with legal necessities and best business practices.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| Parameter                                   | CY 2023               | CY 2022                |
|---|-----------------------|------------------------|
|   | Current calendar Year | Previous calendar Year |
| Directly sourced from MSMEs/small producers | 6%                    | 5%                     |
| Directly from within India                  | 38%                   | 35%                    |

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:**

| Location*    | CY 2023               | CY 2022                |
|--------------|-----------------------|------------------------|
|              | Current calendar Year | Previous calendar Year |
| Rural        | 10%                   | 12%                    |
| Semi-urban   | 6%                    | 5%                     |
| Urban        | 7%                    | 8%                     |
| Metropolitan | 77%                   | 75%                    |

\*(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
|  | Not applicable          |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State           | Aspirational District | Amount Spent (In INR) |
|--------|-----------------|-----------------------|-----------------------|
| 1      | Assam           | Baksa                 | 2,016                 |
| 2      | Assam           | Barpeta               | 4,032                 |
| 3      | Assam           | Darrang               | 4,032                 |
| 4      | Assam           | Dhubri                | 6,048                 |
| 5      | Assam           | Goalpara              | 2,016                 |
| 6      | Assam           | Udalguri              | 2,016                 |
| 7      | Bihar           | Araria                | 46,368                |
| 8      | Bihar           | Aurangabad            | 24,192                |
| 9      | Bihar           | Banka                 | 30,240                |
| 10     | Bihar           | Begusarai             | 2,016                 |
| 11     | Bihar           | Gaya                  | 88,704                |
| 12     | Bihar           | Jamui                 | 8,064                 |
| 13     | Bihar           | Muzaffarpur           | 36,288                |
| 14     | Bihar           | Nawada                | 72,576                |
| 15     | Bihar           | Purnia                | 6,048                 |
| 16     | Bihar           | Sitamarhi             | 16,128                |
| 17     | Chhatisgarh     | Bijapur               | 6,048                 |
| 18     | Chhatisgarh     | Korba                 | 4,032                 |
| 19     | Haryana         | Nuh                   | 4,032                 |
| 20     | Jammu & Kashmir | Kupwara               | 2,016                 |
| 21     | Jharkhand       | Bokara                | 8,064                 |
| 22     | Jharkhand       | Chatra                | 18,144                |
| 23     | Jharkhand       | Dumka                 | 8,064                 |
| 24     | Jharkhand       | Garhwa                | 2,016                 |
| 25     | Jharkhand       | Giridih               | 38,304                |
| 26     | Jharkhand       | Godda                 | 46,368                |
| 27     | Jharkhand       | Gumla                 | 2,016                 |
| 28     | Jharkhand       | Hazaribag             | 40,320                |
| 29     | Jharkhand       | Latehar               | 22,176                |
| 30     | Jharkhand       | Lohardaga             | 6,048                 |
| 31     | Jharkhand       | Pakur                 | 2,016                 |
| 32     | Jharkhand       | Ranchi                | 14,112                |
| 33     | Karnataka       | Gadag                 | 551,552               |
| 34     | Karnataka       | Kalabhuragai          | 1,936,852             |
| 35     | Madhya Pradesh  | Guna                  | 2,016                 |
| 36     | Madhya Pradesh  | Rajgarh               | 2,016                 |
| 37     | Madhya Pradesh  | Singrauli             | 2,016                 |
| 38     | Madhya Pradesh  | Vidisha               | 4,032                 |
| 39     | Maharashtra     | Jalgaon               | 6,048                 |
| 40     | Maharashtra     | Osmanabad             | 2,099,516             |
| 41     | Rajasthan       | Dholpur               | 2,016                 |
| 42     | Rajasthan       | Jaisalmer             | 6,048                 |
| 43     | Rajasthan       | Karauli               | 6,048                 |
| 44     | Tamil Nadu      | Ramanathapuram        | 2,016                 |
| 45     | Tamil Nadu      | Virudhunagar          | 4,032                 |
| 46     | Telangana       | Adilabad              | 2,016                 |
| 47     | Uttar Pradesh   | Bahraich              | 18,144                |
| 48     | Uttar Pradesh   | Balrampur             | 10,080                |
| 49     | Uttar Pradesh   | Chandauli             | 22,176                |
| 50     | Uttar Pradesh   | Chitrakoot            | 2,016                 |
| 51     | Uttar Pradesh   | Fatehpur              | 2,016                 |
| 52     | Uttar Pradesh   | Shravasti             | 2,016                 |
| 53     | Uttar Pradesh   | Siddharth Nagar       | 24,192                |

| S. No. | State       | Aspirational District | Amount Spent (In INR) |
|--------|-------------|-----------------------|-----------------------|
| 54     | Uttarakhand | Haridwar              | 6,048                 |
| 55     | Uttarakhand | Udham Singh Nagar     | 12,096                |
| 56     | West Bengal | Birbhum               | 22,176                |
| 57     | West Bengal | Nadia                 | 22,176                |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

No. The suppliers primarily considered for procurement of input materials include refineries and chemical industries. CIL follows principles detailed in 'bp's expectations of its suppliers' document and internal guidelines for all procurement.

(b) From which marginalized/vulnerable groups do you procure?

Not applicable

(c) What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| S. No. | Intellectual Property based on traditional knowledge | Owned/Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|--------|--|-------------------------|---------------------------|------------------------------------|
| -      | -  | -                       | -                         | -                                  |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| -                 | -                 | -                       |

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Projects  | No. of persons benefited from CSR Projects 2023 | % of beneficiaries from vulnerable and marginalized groups |
|--------|---|---|--|
| 1      | Castrol Sarathi Mitra - The programme aims at holistically improving lives of truck drivers through interventions that enable a sustainable livelihood and opportunities for socio-economic growth.   | 33,335 truck drivers                            | 100%   |
| 2      | Castrol Eklavya - The programme offers skilling initiatives in the automotive industry aiming to deliver inclusive growth for mechanics, covering the basics and focusing on diagnostic skills.   | 14,721 mechanics                                | 100%   |
| 3      | Castrol Ujjwal Kal - Community development initiatives in key areas of education, upskilling and health.  | 4,145 beneficiaries in communities near plants  | 100%   |
| 4      | Humanitarian Aid - Flood relief efforts in Himachal Pradesh Program for driving safety - Castrol 2 Wheels 1 Life - educating the youth on safe two-wheeler riding techniques and sensitizing them on road safety; encouraging the formation of Road Safety Clubs, with trained youth as ambassadors of Road Safety, to educate their peers. | 1,127 beneficiaries                             | 100%   |
| 5      |   | 2,256 two-wheeler riders in Mumbai              | -  |



**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner****Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The company is committed to addressing consumer queries, complaints and feedback in a timely manner. To this end, it has established a dedicated call center, which operates in English and seven other regional languages. Customers can reach the call center at 18002098100 or 1800222100. Additionally, the company has set up an email address, [customercare.india@castrol.com](mailto:customercare.india@castrol.com), for addressing queries and feedback. Each consumer pack prominently displays these contact details. Several efficient workflows are in place to ensure all queries are addressed in a timely manner.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

| Parameter   | As a percentage to total turnover |
|---|-----------------------------------|
| Environmental and social parameters relevant to the product | -                                 |
| Safe and responsible usage                                  | 100%                              |
| Recycling and/or safe disposal                              | 100%                              |

Product Data Sheets and Material Safety Data Sheets list specific guidelines to ensure safe and responsible usage and disposal instructions for CIL's products. The company also includes requisite disclosures on the packaging of its products. Additionally, CIL also undertakes information sharing through multiple channels of engagement to educate its stakeholders of responsible practices.

**3. Number of consumer complaints in respect of the following:**

|                                | CY 2023<br>(Current Calendar Year) |                                   |         | CY 2022<br>(Previous Calendar Year) |                                   |         |
|--------------------------------|------------------------------------|-----------------------------------|---------|-------------------------------------|-----------------------------------|---------|
|                                | Received during the year           | Pending resolution at end of year | Remarks | Received during the year            | Pending resolution at end of year | Remarks |
| Data privacy                   | -                                  | -                                 | -       | -                                   | -                                 | -       |
| Advertising                    | -                                  | -                                 | -       | -                                   | -                                 | -       |
| Cyber-security                 | -                                  | -                                 | -       | -                                   | -                                 | -       |
| Delivery of essential services | -                                  | -                                 | -       | -                                   | -                                 | -       |
| Restrictive Trade Practices    | -                                  | -                                 | -       | -                                   | -                                 | -       |
| Unfair Trade Practices         | -                                  | -                                 | -       | -                                   | -                                 | -       |
| Other                          | -                                  | -                                 | -       | -                                   | -                                 | -       |

**4. Details of instances of product recalls on account of safety issues:**

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | -      | -                  |
| Forced recalls    | -      | -                  |

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the organization has established a system and guidelines regarding cyber security and issues pertaining to data privacy.

A variety of measures are implemented to manage risks associated with cyber security. This includes the application of cyber security policies and procedures, the utilization of security defense tools, continuous monitoring of threats, and the capacities to detect events. Also, we have response strategies for incidents and routinely run drills to evaluate our recovery skills and response tactics to cyber-attacks. Our cyber security education and awareness initiative provides training to our staff on subjects like phishing and the proper classification and handling of our data. Actively engaging with governments, law enforcement agencies and peer industries allows us to gauge and respond appropriately to new and upcoming threats.

The cyber security guidelines and framework can be found on the company's intranet. bp's Privacy Policy outlines our privacy compliance framework, detailing the arrangement of central and local privacy resources. Best practices for managing personal data are promoted by a central team backed by local privacy coordinators appointed by local management, all in compliance with the bp Code of Conduct, bp privacy rules and any local legislative obligations.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable

**7. Provide the following information relating to data breaches:**

- Number of instances of data breaches
- Percentage of data breaches involving personally identifiable information of customers
- Impact, if any, of the data breaches

Not applicable

**Leadership Indicators****1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Details about all the products and services offered by the company can be found on its website at [https://www.castrol.com/en\\_in/india/home.html](https://www.castrol.com/en_in/india/home.html).

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Product Data Sheets and Material Safety Data Sheets for all CIL's products have been made available on the CIL website (<https://thelubricantoracle.castrol.com/>). These sheets detail procedures for safe usage and disposal of the company's products. Additionally, requisite disclosures have also been included on the packaging of these products.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

At CIL, we do not deal with any essential services, however, in event of any disruption or discontinuation of services, the company proactively informs its stakeholders through its website, social media platforms, distributor and retailer networks, sales representatives, emails etc. Also, customers can reach the call centers at 18002098100 or 1800222100 or email at [customercare.india@castrol.com](mailto:customercare.india@castrol.com), for addressing queries and feedback.

**4. Does the entity display product information on the product over & above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief? Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

CIL has a wide range of products. In addition to mandate as per local laws, wherever space permits, information about benefits accrued from usage of a product and the product functionality towards the benefit are also elaborated on each product label.

Surveys carried out with principal customers have prompted implementation of strategies to enhance consumer experience. Regular evaluations are also conducted on significant brands to ascertain brand strength and cognitive impact among consumers.

# Independent Auditor's Report

## To The Members of Castrol India Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Castrol India Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flows Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described below to be the key audit matter to be communicated in our report:

##### Key audit matter

The Company has material indirect tax litigations which involve significant judgment to determine the outcome of the matters into probable, possible and remote.

Refer note 12, 25(i)(a) & 25(ii) to the financial statements.

##### Auditor's response

Principal audit procedures:

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as under:

- Obtained a detailed understanding of the Company's process and controls with respect to assessment of possible outcome of indirect tax litigations.
- Evaluated the design of the controls relating to assessment of probability of outcome, estimates of the timing and the amount of the outflows, and appropriate reporting by the management and testing implementation and operating effectiveness of the key controls.
- Performed following procedures on samples selected:
  - Understood the matters by reading the correspondence/communications and made corroborative enquiries with appropriate level of management personnel including status update, expectation of outcomes with the basis, and the future course of action contemplated by the Company and perusing legal opinions, where applicable, obtained by the management.
  - Obtained independent confirmations from the Company's external lawyers/advisors with respect to the material litigations and probability assessment of the outcome of the demands.

- Evaluated the evidences supporting the judgement of the management about possible outcome and the reasonableness of the estimates. We involved our internal tax experts in assessing the nature and amount of the tax exposures and assessed management's conclusions on whether exposures are probable, possible, or remote.
- Evaluated appropriateness and adequacy of disclosures in the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Director's Report including annexures, Business Responsibility and Sustainability Report and Corporate Governance report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit, we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that the Company has complied with the requirement of maintaining server(s) physically located in India for back-up of books of account on a daily basis with effect from December 11, 2023 (the date as represented by the management), as required pursuant to amendment in Companies (Accounts) Rules, 2014 on August 5, 2022 – refer note 34 to the financial statements.
  - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flows Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on December 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - We refer paragraph 1(b) above relating to our observation on the maintenance of accounts and other matters connected therewith.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except when disputes relating to ownership of the underlying shares are unresolved - refer note 11.2 to the financial statements.
  - The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - As stated in note 9(b) to the financial statements:
    - The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
    - The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.
    - The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.
  - Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended December 31, 2023.
- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**Saira Nainar**  
Partner  
Membership No. 040081  
UDIN: 24040081BKGPDP7570

**Place:** Mumbai  
**Date:** February 1, 2024

## Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Castrol India Limited ("the Company") as of December 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future

periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

**Saira Nainar**

Partner

Membership No. 040081

UDIN: 24040081BKGPDP7570

**Place:** Mumbai

**Date:** February 1, 2024

## Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets;
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - The Company has a program of verification of Property, Plant and Equipment (other than sign boards at customer's premises- Refer note 2.5 (f) of the financial statement), capital work-in-progress and right-of-use of assets so to cover all the items once every two years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain Property, Plant and Equipment (other than sign boards at customer's premises), capital work-in-progress and right-of-use of assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - With respect to immovable properties (other than immovable properties taken on lease by the Company where the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties are held in the name of the Company as at the balance sheet date except following:

| Description of Property                   | As at December 31, 2023 |   | Held in the name of               | Whether Promoter, director or their relatives or employee | Period held | Reason for not held in the name of the Company   |
|---|-------------------------|---|-----------------------------------|---|-------------|--|
|   | Gross carrying value    | Carrying value in the financial statement |                                   |   |             |  |
| Freehold Land located at Mehsana, Gujarat | Rs. 0.01 crores         | Rs. 0.01 crores                           | Indrol Lubricants Specialist Ltd. | NA  | Since 1988  | The deed of conveyance is in the erstwhile name of the Company and it has filed an application for mutation of name. |

- The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
  - No proceedings have been initiated during the year or are pending against the Company as at December 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. In respect of inventories;
- The inventories (other than Goods in Transit) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with books of account.
  - According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.

- (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to any other entity, other than loans to its employees and the details of which are given below:-

| Particulars   | Loans to employees (Rs. In crores) |
|---|------------------------------------|
| Aggregate amount granted during the year                                | 0.26                               |
| Balance outstanding as at Balance Sheet Date in respect of above cases* | 0.85                               |

\*Includes opening balances

Accordingly, the requirement to report on Clause 3(iii)(a)(A) of the Order is not applicable to the Company.

- (b) During the year, the investment made and the terms and conditions of the grant of loans to its employees are not prejudicial to the Company's interest.
  - (c) In respect of loans to its employees, the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts are regular.
  - (d) In respect of loans granted to employees during the year, there are no amounts overdue for more than ninety days.
  - (e) In respect of loans granted to employees, there were no amounts which have fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same employees.
  - (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans to employees which are either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- iv. In our opinion and according to information and explanations given to us and based on the audit procedures performed, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments. The Company has not granted any loans or provided guarantees or securities under sections 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the manufacturing activities of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:

- Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and Other material statutory dues in arrears as at December 31, 2023 for a period of more than six months from the date they became payable.

- Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on December 31, 2023 on account of disputes are given below:

| (Rs. In crores)          |                |                                |                                    |                     |             |               |
|--------------------------|----------------|--------------------------------|------------------------------------|---------------------|-------------|---------------|
| Name of Statute          | Nature of Dues | Forum where dispute is pending | Period to which the Amount Relates | Total disputed dues | Amount paid | Amount unpaid |
| Central Excise Act, 1944 | Excise Duty    | Commissioner                   | 1996-2018                          | 19.65               | 0.69        | 18.96         |
|                          |                | Commissioner (Appeals)         | 2005-2017                          | 2.75                | 0.35        | 2.40          |
|                          |                | Tribunal                       | 1996-2016                          | 79.37               | 2.79        | 76.57         |
|                          |                | High Court                     | 1999-2008                          | 7.72                | -           | 7.72          |

| (Rs. In crores)  |                              |  |   |   |                                      |   |
|--|------------------------------|--|---|---|--------------------------------------|---|
| Name of Statute  | Nature of Dues               | Forum where dispute is pending   | Period to which the Amount Relates  | Total disputed dues                                 | Amount paid                          | Amount unpaid                                       |
| Local Sales Tax Act, VAT Act and Central Sales Tax Act | Local Sales Tax, VAT and CST | Commissioner<br>Appellate Authority<br>Tribunal<br>Maharashtra Sales Tax Tribunal (MSTT)<br>High Court<br>Central Sales Tax Appellate Authority (CSTAA)# | 2000-2018<br>1994-2018<br>1999-2017<br>2016-2017<br>1999-2000<br>2007-08 to 2015-16 & 2017-18 | 38.12<br>5.62<br>5.17<br>565.00<br>0.23<br>3,566.27 | 10.24<br>2.93<br>2.90<br>-<br>-<br>- | 27.89<br>2.68<br>2.28<br>565.00<br>0.23<br>3,566.27 |
| The Income Tax Act, 1961                               | Income tax                   | Income Tax Appellate Tribunal<br>Commissioner Income Tax   | 2003-04, 2005-06 & 2017-18<br>2015-2016   | 4.02<br>0.62  | -<br>-                               | 4.02<br>0.62  |

# includes favourable order received from MSTT related to financial year 2015-16 amounting to Rs. 510.69 crores, for which the department is yet to file an appeal

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. (a) The Company has not taken any loans or other borrowings from any lenders. Hence, reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) Based on the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.
- (c) The Company has not taken any term loan during the year and there is no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. In respect of frauds:
- (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of audit report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.

- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. In respect of internal audits:
- (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 31, 2023.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly the requirement to report on Clause 3(xv) of the Order is not applicable to the Company.
- xvi. In respect of registration u/s 45-IA:
- (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) is not applicable.
- (b) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Hence, reporting under this clause is not applicable for the year.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**Saira Nainar**  
Partner  
Membership No. 040081  
UDIN: 24040081BKGPDP7570

**Place:** Mumbai  
**Date:** February 1, 2024

## Balance Sheet

as at December 31, 2023

| Particulars  | Note No. | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|--|----------|--|--|
| <b>Assets</b>  |          |  |  |
| <b>Non-current assets</b>  |          |  |  |
| Property, plant and equipment  | 3        | 167.30   | 190.89   |
| Right-of-use asset   | 23       | 89.36  | 66.13  |
| Capital work-in-progress   | 3        | 108.36   | 60.76  |
| Other intangible assets  | 3        | 2.19   | 3.77   |
| Financial assets   |          |  |  |
| Investments  | 4.6      | 487.50   | 325.00   |
| Loans receivable   | 4.1      | 0.57   | 0.73   |
| Other financial assets   | 4.2      | 9.44   | 6.52   |
| Income tax assets (net)  | 5        | 49.74  | 56.18  |
| Deferred tax assets (net)  | 6        | 78.10  | 68.55  |
| Other non-current assets   | 7        | 103.55   | 56.67  |
| <b>Total Non-current assets</b>  |          | <b>1,096.11</b>                                | <b>835.20</b>                                  |
| <b>Current assets</b>  |          |  |  |
| Inventories  | 8        | 532.92   | 534.44   |
| Financial assets   |          |  |  |
| Trade receivables  | 4.3      | 422.82   | 350.36   |
| Cash and cash equivalents  | 4.4      | 493.21   | 554.50   |
| Bank balances other than above   | 4.5      | 706.58   | 663.21   |
| Loans receivable   | 4.1      | 0.28   | 0.36   |
| Other financial assets   | 4.2      | 49.64  | 22.07  |
| Other current assets   | 7        | 118.37   | 108.87   |
| <b>Total Current assets</b>  |          | <b>2,323.82</b>                                | <b>2,233.81</b>                                |
| <b>Total assets</b>  |          | <b>3,419.93</b>                                | <b>3,069.01</b>                                |
| <b>Equity and liabilities</b>  |          |  |  |
| <b>Equity</b>  |          |  |  |
| Equity share capital   | 9        | 494.56   | 494.56   |
| Other equity   | 10       | 1,627.13                                       | 1,391.47                                       |
| <b>Total equity</b>  |          | <b>2,121.69</b>                                | <b>1,886.03</b>                                |
| <b>Liabilities</b>   |          |  |  |
| <b>Non-current liabilities</b>   |          |  |  |
| Financial liabilities  |          |  |  |
| Lease Liabilities  | 23       | 59.36  | 41.35  |
| Other liabilities  | 14       | -  | 3.79   |
| Provisions   | 12       | 23.44  | 18.73  |
| <b>Total Non-current liabilities</b>   |          | <b>82.80</b>                                   | <b>63.87</b>                                   |
| <b>Current liabilities</b>   |          |  |  |
| Financial liabilities  |          |  |  |
| Trade payables   |          |  |  |
| Total outstanding dues of micro enterprises and small enterprises                      | 11.1     | 25.03  | 23.50  |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 11.1     | 681.40   | 655.36   |
| Lease Liabilities  | 23       | 17.59  | 8.60   |
| Other financial liabilities  | 11.2     | 383.10   | 310.46   |
| Other liabilities  | 14       | 60.75  | 74.35  |
| Provisions   | 12       | 34.16  | 33.99  |
| Current tax liabilities (net)  | 13       | 13.41  | 12.85  |
| <b>Total Current liabilities</b>   |          | <b>1,215.44</b>                                | <b>1,119.11</b>                                |
| <b>Total equity and liabilities</b>  |          | <b>3,419.93</b>                                | <b>3,069.01</b>                                |
| Summary of significant accounting policies   | 2        |  |  |

The accompanying notes 1 - 36 are an integral part of the financial statements.

As per our report of even date  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of Board of Directors  
Executive Directors

**R Gopalakrishnan** Chairman  
DIN : 00027858

**Sandeep Sangwan** Managing Director  
DIN : 08617717

**Saira Nainar** Company Secretary  
Partner  
FCS No : 9329

**Deepesh Baxi** Chief Financial Officer & Whole time Director  
DIN : 02509800

Place : Mumbai  
Date : February 1, 2024

## Statement of Profit and Loss

for the year ended December 31, 2023

| Particulars  | Note No. | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|--|----------|---|---|
| <b>Income</b>  |          |   |   |
| Revenue from operations  | 15       | 5,074.61  | 4,774.49  |
| Other income   | 16       | 83.15   | 67.05   |
| <b>Total Income</b>  |          | <b>5,157.76</b>   | <b>4,841.54</b>   |
| <b>Expenses</b>  |          |   |   |
| Cost of raw and packing materials consumed   | 17.1     | 2,407.18  | 2,278.87  |
| Purchase of traded goods   | 17.2     | 240.61  | 249.40  |
| Changes in inventories of finished goods / traded goods  | 17.3     | (11.38)   | (28.35)   |
| Employee benefits expense  | 18       | 291.58  | 272.58  |
| Finance costs  | 19       | 7.53  | 4.01  |
| Depreciation and amortization expense  | 20       | 92.43   | 81.39   |
| Other expenses   | 21       | 948.71  | 890.89  |
| <b>Total Expenses</b>  |          | <b>3,976.66</b>   | <b>3,748.79</b>   |
| <b>Profit Before Tax</b>   |          | <b>1,181.10</b>   | <b>1,092.75</b>   |
| <b>Tax expenses</b>  |          |   |   |
| Current tax (net of Charge / (reversal) of earlier years - Rs. 9.22 Crores (December 31, 2022 : Rs. (10.31) Crores)) |          | 325.53  | 274.49  |
| Deferred tax   | 6        | (8.56)  | 3.11  |
| <b>Total tax expenses</b>  |          | <b>316.97</b>   | <b>277.60</b>   |
| <b>Profit after tax</b>  |          | <b>864.13</b>   | <b>815.15</b>   |
| <b>Other comprehensive income / (expenses) not to be reclassified to profit or loss in subsequent period</b>         |          |   |   |
| Re-measurement gains / (losses) on defined benefit plans   |          | (3.95)  | (1.25)  |
| Less : Income tax effect on above  |          | 0.99  | 0.31  |
| <b>Other comprehensive income / (expense) for the year</b>   |          | <b>(2.96)</b>   | <b>(0.94)</b>   |
| <b>Total comprehensive income for the year</b>   |          | <b>861.17</b>   | <b>814.21</b>   |
| Earnings per equity share - Basic and Diluted - Face Value Rs. 5.00 each   | 22       | 8.74  | 8.24  |
| Summary of significant accounting policies   | 2        |   |   |

The accompanying notes 1 - 36 are an integral part of the financial statements.

As per our report of even date  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of Board of Directors  
Executive Directors

**R Gopalakrishnan** Chairman  
DIN : 00027858

**Sandeep Sangwan** Managing Director  
DIN : 08617717

**Saira Nainar** Company Secretary  
Partner  
FCS No : 9329

**Deepesh Baxi** Chief Financial Officer & Whole time Director  
DIN : 02509800

Place : Mumbai  
Date : February 1, 2024

## Cash Flow Statement

for the year ended December 31, 2023

| Particulars  | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|--|---|---|
| <b>Cash flow from operating activities</b>   |   |   |
| <b>Profit before tax</b>   | 1,181.10  | 1,092.75  |
| Adjustments for:   |   |   |
| Depreciation and amortization expenses   | 92.43   | 81.39   |
| (Profit) /Loss on disposal of Property, plant and equipment and intangible assets (net)              | (3.10)  | 0.32  |
| Capital work in progress write off   | 1.40  | 6.07  |
| Allowance for doubtful debts written off/(back) (net)  | 0.94  | 0.29  |
| Expense recognised in respect of share based payments  | 17.42   | 19.78   |
| Loss/ (gain) on fair valuation of forward contract   | 0.88  | (2.86)  |
| Unrealized foreign exchange (gain) / loss  | (4.15)  | 4.08  |
| Unrealised gain on Overnight Funds   | (0.81)  | (0.17)  |
| Finance costs  | 7.53  | 4.01  |
| Interest income  | (49.93)   | (45.30)   |
| Excess accruals written back   | (1.51)  | (1.17)  |
| <b>Operating profit before working capital changes</b>   | <b>1,242.20</b>   | <b>1,159.19</b>   |
| Movements in working capital:  |   |   |
| Decrease / (Increase) in inventories   | 1.52  | (42.79)   |
| Decrease / (Increase) in other receivables   | (86.96)   | 25.07   |
| Decrease / (Increase) in trade receivables   | (73.40)   | (39.00)   |
| Increase / (Decrease) in trade and other payables and provisions                                     | 88.21   | 87.07   |
| <b>Cash generated from / (used in) operations</b>  | <b>1,171.57</b>   | <b>1,189.54</b>   |
| Income tax refund / (payment) (net) (including interest)   | (318.53)  | (273.98)  |
| <b>Net cash flow from / (used in) operating activities (A)</b>                                       | <b>853.04</b>   | <b>915.56</b>   |
| <b>Cash flow from investing activities</b>   |   |   |
| Purchase of property, plant and equipment (including capital work-in-progress and intangible assets) | (95.54)   | (109.71)  |
| Investment made  | (162.50)  | (325.00)  |
| Proceeds from sale of property, plant and equipment  | 3.94  | -   |
| Placement of bank deposits   | (940.00)  | (803.44)  |
| Encashment of bank deposits  | 897.14  | 1,255.37  |
| Interest received  | 45.38   | 44.47   |
| Loan (given to)/refunded by employees  | 0.24  | 0.35  |
| <b>Net cash flow from / (used in) investing activities (B)</b>                                       | <b>(251.34)</b>   | <b>62.04</b>  |

## Cash Flow Statement

for the year ended December 31, 2023

| Particulars  | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|--|---|---|
| <b>Cash flow from financing activities</b>                     |   |   |
| Dividend paid  | (642.93)  | (593.47)  |
| Interest paid on other than lease liabilities                  | (1.49)  | (1.16)  |
| Principal payment of lease liabilities                         | (13.51)   | (10.54)   |
| Interest paid on lease liabilities                             | (5.87)  | (2.33)  |
| <b>Net cash flow from / (used in) financing activities (C)</b> | <b>(663.80)</b>   | <b>(607.50)</b>   |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (62.10)   | 370.10  |
| Add: Unrealised gain on Overnight funds                        | 0.81  | 0.17  |
| Cash and cash equivalents at the beginning of the year         | 554.50  | 184.23  |
| <b>Cash and cash equivalents at the end of the year</b>        | <b>493.21</b>   | <b>554.50</b>   |
| <b>Components of cash and cash equivalents</b>                 |   |   |
| Balances with banks in current accounts                        | 8.96  | 5.42  |
| Deposits with banks  | 273.44  | 368.91  |
| Overnight funds  | 210.81  | 180.17  |
| <b>Total cash and cash equivalents (note 4.4)</b>              | <b>493.21</b>   | <b>554.50</b>   |

### Non cash transactions:

#### Share value plan:

Equity settled share based payments of Rs. 17.42 Crores (Previous Year: Rs. 19.78 Crores) is expensed over the vesting period with a corresponding adjustment to Other Equity as the cost of such share value plan is borne by the Ultimate Holding Company (refer note 2.5 (d))

#### Note:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'

The accompanying notes 1 - 36 are an integral part of the financial statements.

As per our report of even date  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of Board of Directors  
Executive Directors

**Saira Nainar**  
Partner  
**Hemangi Ghag**  
FCS No : 9329

Chairman  
Company Secretary

**Sandeep Sangwan**  
DIN : 08617717  
Managing Director  
**Deepesh Baxi**  
DIN : 02509800  
Chief Financial Officer & Whole time Director

Place : Mumbai  
Date : February 1, 2024



## Statement of Changes in Equity

for the year ended December 31, 2023

### (a) Equity share capital

| Particulars                                     | Rupees in Crores   |               |
|---|--------------------|---------------|
|   | No. of shares      | Amount        |
| <b>Balance as at January 1, 2022</b>            | <b>989,122,384</b> | <b>494.56</b> |
| Changes in equity share capital during the year | -                  | -             |
| <b>Balance as at December 31, 2022</b>          | <b>989,122,384</b> | <b>494.56</b> |
| Changes in equity share capital during the year | -                  | -             |
| <b>Balance as at December 31, 2023</b>          | <b>989,122,384</b> | <b>494.56</b> |

### (b) Other equity

| Particulars                                    | Reserves & Surplus |                   |                     | Total Other Equity |
|--|--------------------|-------------------|---------------------|--------------------|
|  | Capital Reserve    | Retained Earnings | Share based payment |                    |
| <b>Balance as at January 1, 2022</b>           | <b>13.62</b>       | <b>1,095.58</b>   | <b>41.75</b>        | <b>1,150.95</b>    |
| Profit for the year                            | -                  | 815.15            | -                   | 815.15             |
| Recognition of Share based payment charge      | -                  | -                 | 19.78               | 19.78              |
| Other comprehensive Income, net of tax         | -                  | (0.94)            | -                   | (0.94)             |
| <b>Total comprehensive income for the year</b> | <b>-</b>           | <b>814.21</b>     | <b>19.78</b>        | <b>833.99</b>      |
| Payment of Dividend                            | -                  | (593.47)          | -                   | (593.47)           |
| <b>Balance as at December 31, 2022</b>         | <b>13.62</b>       | <b>1,316.32</b>   | <b>61.53</b>        | <b>1,391.47</b>    |
| Profit for the year                            | -                  | 864.13            | -                   | 864.13             |
| Recognition of Share based payment charge      | -                  | -                 | 17.42               | 17.42              |
| Other comprehensive Income, net of tax         | -                  | (2.96)            | -                   | (2.96)             |
| <b>Total Comprehensive Income for the year</b> | <b>-</b>           | <b>861.17</b>     | <b>17.42</b>        | <b>878.59</b>      |
| Payment of Dividend                            | -                  | (642.93)          | -                   | (642.93)           |
| <b>Balance as at December 31, 2023</b>         | <b>13.62</b>       | <b>1,534.56</b>   | <b>78.95</b>        | <b>1,627.13</b>    |

The accompanying notes 1 - 36 are an integral part of the financial statements.

As per our report of even date  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants

For and on behalf of Board of Directors  
 Executive Directors

|   |                                      |  |   |
|---|--------------------------------------|--|---|
| <b>R Gopalakrishnan</b><br>DIN : 00027858 | Chairman                             | <b>Sandeep Sangwan</b><br>DIN : 08617717 | Managing Director                             |
| <b>Saira Nainar</b><br>Partner            | <b>Hemangi Ghag</b><br>FCS No : 9329 | Company Secretary                        | <b>Deepesh Baxi</b><br>DIN : 02509800         |
|   |                                      |  | Chief Financial Officer & Whole time Director |

**Place :** Mumbai  
**Date :** February 1, 2024

## Notes to the Financial Statements

for the year ended December 31, 2023

### 1. Corporate information

Castrol India Limited (the 'Company') is a public limited Company incorporated in India with its registered office at Technopolis Knowledge Park, Mahakali Caves Road, Chakala, Andheri (East), Mumbai-400 093. The equity shares of the Company are listed on two recognised stock exchanges in India. The Company is principally engaged in the business of manufacturing & marketing of automotive and industrial lubricants and related services.

### 2. Significant accounting policies

#### 2.1. Basis of preparation

The Statement of Compliance with Indian Accounting Standards (Ind AS): The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

#### Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical Cost: Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

#### 2.2. Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

### 2.3. Critical accounting estimates, judgments and assumptions

#### A. Useful lives and residual values of property, plant and equipment

Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

#### B. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

#### C. Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

#### D. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Management judgment is required to determine the potential liabilities that are possible or remote but not probable of crystallizing or cannot be measured with sufficient reliability. Such liabilities are disclosed in the notes as contingent liabilities, unless the possibility of an outflow of resources embodying economic benefits is remote in Management's judgment.

# Notes to the Financial Statements

for the year ended December 31, 2023

## 2.4. Recent accounting pronouncements

### Standard issued that are not yet effective

Standards issued but not yet effective: In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable to the Company for the financial year starting January 1, 2024 as stated below:

- Ind AS 1 – Presentation of Financial Statements – the amendment prescribes disclosure of material accounting policies instead of significant accounting policies. The impact of the amendment on the Financial Statements is expected to be insignificant basis the preliminary evaluation.
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – the amendment added definition of accounting estimate and clarifies what is accounting estimate and treatment of change in the accounting estimate and accounting policy. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.
- Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

## 2.5. Summary of significant accounting policies

### a. Current versus non-current classification

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### b. Revenue recognition

#### Revenue

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

#### Sale of products

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

#### Income from services

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses input method for measurement of revenue from services as it is directly linked to the expenses incurred by the Company.

# Notes to the Financial Statements

for the year ended December 31, 2023

### Interest income

Interest income is recorded using the Effective Interest Rate (EIR) for debt instruments carried at amortised cost. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset.

### c. Foreign currencies

#### Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to Crores).

#### Transactions and balances

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. All foreign currency monetary assets and monetary liabilities as at the Balance Sheet date are translated into the functional currency at the applicable exchange rates prevailing on that date. All exchange differences arising on translation, are recognised in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Gain or losses upon settlement of foreign currency transactions are recognized in the Statement of Profit and Loss for the period in which the transaction is settled.

### d. Retirement and other employee benefits

#### Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and tenure of employment with the Company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using projected unit credit method. The Company fully contributes all ascertained liabilities to the Castrol India Limited Employees' Gratuity Fund Trust ('the Trust'). Trustees administer contributions made to the Trusts and contributions are invested in insurance and deposit schemes.

The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Net interest on the net defined benefit liability/(asset) is the change during the period in the net defined benefit liability/(asset) that arises from the passage of time.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss.

Gains and losses through remeasurements of the net defined benefit liability/(asset) are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet. Remeasurements of the net defined benefit liability/(asset) recognised in other comprehensive income are not reclassified to profit or loss in a subsequent period. The effect of any plan amendments is recognised in net profit in Statement of Profit and Loss.

#### Superannuation

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contributions which are periodically contributed to the Castrol India Limited Staff Pension Fund, the corpus of which is invested with the Life Insurance Corporation of India and Bajaj Allianz Life Insurance Co. Ltd. The Company's contribution paid/payable during the year to Superannuation Fund is recognised in profit or loss.

#### Provident fund

Eligible employees of the Company receive benefits from a Provident fund, which is defined benefit plan. Both the eligible employees and the Company make monthly contributions to the provident fund equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Castrol India Limited

## Notes to the Financial Statements

for the year ended December 31, 2023

Employees' Provident Fund Trust ('The PF trust'). The PF trust invests in specific designated instruments as permitted by Indian Law. The rate at which the annual interest is payable to the beneficiaries by the PF trust is being administrated by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the PF trust and the notified interest rate. The Company's contribution paid/payable during the year to Provident fund is recognised in profit or loss.

### Compensated absences

The Company has a policy on compensated absences which is applicable to its executives joined upto a specified period and all workers. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

### Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the Statement of Profit and Loss. The Company recognises termination benefits at the earlier of the following dates:

- when the Company can no longer withdraw the offer of those benefits; or
- when the Company recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

### Share-based compensation

#### Share value plan

BP PLC ("Ultimate Holding Company") has a "Share Value Plan" whereby the specified employees of its subsidiaries are granted restricted share units of Ultimate Holding Company. Each restricted share unit represents a conditional entitlement to receive one share of Ultimate Holding Company in future, provided that certain terms and conditions are met. The main terms and conditions are a) continuous employment with the BP group until the end of restricted period and b) achievement of certain performance targets by the employee and/

or BP Group. The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments on the date on which they are granted and is recognised as an expense over the restricted period. A corresponding credit is recognised within equity since the cost of such share value plan is borne by the Ultimate Holding Company.

#### Restricted share unit and options

BP PLC ("Ultimate Holding Company") has a "One time reinvent plan" whereby all the employees of its subsidiaries are granted restricted share units of Ultimate Holding Company. Each restricted share unit represents a conditional entitlement to receive one share of Ultimate Holding Company in future, provided that certain terms and conditions are met. Each Option consist of a defined number of shares of ultimate holding Company (lot) at a fixed price with a condition entitlement to sell the lot of shares in future after the vesting period.

The main terms and conditions are a) continuous employment with the BP group until the end of vesting period and b) achievement of certain performance targets by the employee and/or BP Group. The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments on the date on which they are granted and is recognized as an expense over the vesting period. A corresponding credit is recognized within equity since the cost of such share value plan is borne by the Ultimate Holding Company.

#### Share match plan

The Ultimate Holding Company has a "Share Match Plan" whereby all executive employees of its subsidiaries have been given a right to purchase the shares of Ultimate Holding Company upto a specified amount. Every employee who opts for the scheme contributes by way of payroll deduction a specified amount towards purchase of share. The Company contributes equal amount and charges it to employee benefits expense.

#### Other employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

Redundancy Expenses are fully charged to the Statement of Profit and Loss in the year in which they accrue.

## Notes to the Financial Statements

for the year ended December 31, 2023

### e. Taxes

Income tax expense comprises current income tax and deferred income tax. Income tax expense is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income or other equity as the case may be.

#### Current income tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. The current tax year for the Company being the year ending March 31, the provision for taxation for the year is aggregate of the provision made for the three months ended on March 31, 2023 and the provision for the remaining period of nine months ending on December 31, 2023. The provision for the remaining period of nine months has been arrived at by applying the applicable tax rate of the financial year 2023-24 to Profit Before Tax of the said period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profits.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off tax assets against tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### f. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, including import duties and non-refundable purchase taxes (Net of taxes credit wherever applicable) and any attributable cost of bringing the assets to its working condition for its intended use. Such cost also includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

## Notes to the Financial Statements

for the year ended December 31, 2023

Depreciation on Property, plant and equipment is calculated on a straight-line basis, from the month of addition, using the estimated useful lives based on single shift, as specified in Schedule II to the Companies Act, 2013, except in respect of the following assets:

| Assets description               | Useful life as per management<br>(as technically assessed) | Useful life under Schedule II |
|----------------------------------|--|-------------------------------|
| Residential and office buildings | 5 years to 30 years  | 60 years                      |
| Plant and machinery              | 2 years to 21 years  | 15 years                      |
| Computers                        | 3 years to 6 years   | 3 years                       |
| Equipment board with dealers*    | 3 years  | 10 years                      |
| Furniture and fixtures           | 2 years to 15 years  | 10 years                      |
| Motor vehicles                   | 4 years to 10 years  | 8 years                       |
| Laboratory equipment             | 5 years to 21 years  | 10 years                      |

\*The Equipment board with dealers are derecognized at the end of the useful life of 3 years.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

### g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life i.e. 4-5 years based on management assessment and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss.

### h. Leases

The Company, at the inception of a contract, assesses whether a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Also, the Company has elected not to recognise right-of-use of assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured, with a corresponding adjustment to the ROU asset, upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## Notes to the Financial Statements

for the year ended December 31, 2023

### i. Inventories

Inventories consist of raw and packing materials, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realisable value. Cost of inventories is determined on weighted average basis. Cost of manufactured finished goods and work-in-progress includes material cost determined on weighted average basis and also includes an appropriate portion of allocable overheads. Cost of traded goods includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Due allowances are made in respect of slow moving, non-moving and obsolete inventories based on estimate made by management.

### j. Impairment of non-financial assets

The carrying amount of assets are reviewed for impairment at the end of each reporting date if there is any indication of impairment based on internal/external factor. An impairment loss is recognised in the Statement of Profit and Loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash generating unit's fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining fair value, recent market transactions are taken into account.

The business plans which are approved on an annual basis by senior management are the primary source of information for the determination of value in use. As an initial step in the preparation of these plans, various assumptions regarding market conditions, and cost inflation rates are set by senior management. These assumptions take account of existing prices and other macro economic factors and historical trends and variability.

Impairment losses including impairment on inventories are recognised in the Statement of Profit and Loss, except for previously revalued tangible assets, where the revaluation was taken to Revaluation Reserve. In this case, the impairment is also recognised in the Revaluation Reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased

beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. Such reversal is recognised in the Statement of Profit and Loss.

### k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

### l. Financial instruments

#### a) Non-derivative financial instruments:

##### Initial recognition and measurement

All financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Trade receivables that do not contain a significant financing component are measured at transaction price. Purchase and sale of financial assets are recognised using trade date accounting.

##### Subsequent measurement

##### Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and which are not held for trading.

## Notes to the Financial Statements

for the year ended December 31, 2023

For equity instrument, the Company may make irrevocable election to present such investments at FVOCI. The Company makes such election on an instrument-by-instrument basis. Pursuant to such irrevocable option, changes in fair value are recognised in the OCI and is subsequently not reclassified to the Statement of Profit and Loss.

### Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

### b) Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately.

### Derecognition of financial instruments

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the

consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

### Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. 12 months expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

## Notes to the Financial Statements

for the year ended December 31, 2023

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 months expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

### m. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, investment in overnight funds and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. As part of the Company's cash management policy to meet short-term cash commitments, it parks its surplus funds in overnight funds that are held for a period of three months or less from the date of acquisition. These funds are open-ended debt funds that are readily convertible into known amounts of cash and are subject to insignificant

risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

### n. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### o. Cash dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### p. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

**3. Property, plant and equipment, Capital work-in-progress and Intangible assets**

| Particulars                                       | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|---|--|--|
|   | <b>A. Carrying amounts</b>                     |  |
| Tangible Assets                                   |  |  |
| Freehold Land                                     | 3.87   | 3.92   |
| Leasehold Land                                    | -  | -  |
| Building (Including Leasehold Improvements)       | 38.85  | 42.37  |
| Plant & equipment                                 | 44.44  | 55.15  |
| Laboratory Equipment                              | 10.10  | 11.98  |
| Computer Hardware                                 | 7.89   | 0.62   |
| Furniture & Fixture                               | 60.41  | 74.81  |
| Office Equipment                                  | 1.59   | 1.95   |
| Motor Vehicles                                    | 0.15   | 0.09   |
|   | <b>167.30</b>                                  | <b>190.89</b>                                  |
| Intangible Assets                                 |  |  |
| Computer Software                                 | 2.19   | 3.77   |
| <b>B. Capital work-in-progress (Refer Note 2)</b> | <b>108.36</b>                                  | <b>60.76</b>                                   |

| Particulars                           | Rupees in Crores |   |                   |                      |                   |                     |                  |                |                   |               |
|---------------------------------------|------------------|---|-------------------|----------------------|-------------------|---------------------|------------------|----------------|-------------------|---------------|
|                                       | Freehold Land    | Building (Including Leasehold Improvements) | Plant & equipment | Laboratory Equipment | Computer Hardware | Furniture & Fixture | Office Equipment | Motor Vehicles | Computer Software | Total         |
| <b>Cost</b>                           |                  |   |                   |                      |                   |                     |                  |                |                   |               |
| Balance at January 1, 2022            | 3.92             | 60.89                                       | 147.20            | 22.96                | 8.61              | 123.86              | 9.61             | 0.22           | 16.82             | 394.09        |
| Additions                             | -                | 9.19  | 20.55             | 2.34                 | 0.14              | 54.87               | 0.53             | -              | 0.07              | 87.69         |
| Disposals                             | -                | 0.01  | 3.17              | 0.04                 | 0.70              | 38.85               | 1.69             | -              | -                 | 44.46         |
| <b>Balance at December 31, 2022</b>   | <b>3.92</b>      | <b>70.07</b>                                | <b>164.58</b>     | <b>25.26</b>         | <b>8.05</b>       | <b>139.88</b>       | <b>8.45</b>      | <b>0.22</b>    | <b>16.89</b>      | <b>437.32</b> |
| Additions                             | -                | 1.30  | 5.33              | 0.79                 | 8.95              | 33.70               | 0.65             | 0.09           | -                 | 50.81         |
| Disposals                             | 0.05             | 0.66  | 3.38              | -                    | 0.16              | 32.09               | 0.02             | 0.08           | -                 | 36.44         |
| <b>Balance at December 31, 2023</b>   | <b>3.87</b>      | <b>70.71</b>                                | <b>166.53</b>     | <b>26.05</b>         | <b>16.84</b>      | <b>141.49</b>       | <b>9.08</b>      | <b>0.23</b>    | <b>16.89</b>      | <b>451.69</b> |
| <b>Accumulated depreciation</b>       |                  |   |                   |                      |                   |                     |                  |                |                   |               |
| Balance at January 1, 2022            | -                | 23.93                                       | 96.36             | 10.74                | 6.55              | 61.15               | 6.78             | 0.11           | 11.41             | 217.03        |
| Additions                             | -                | 3.78  | 16.09             | 2.58                 | 1.37              | 42.73               | 1.33             | 0.02           | 1.71              | 69.61         |
| Disposals                             | -                | 0.01  | 3.02              | 0.04                 | 0.63              | 38.81               | 1.61             | -              | -                 | 44.12         |
| <b>Balance at December 31, 2022</b>   | <b>-</b>         | <b>27.70</b>                                | <b>109.43</b>     | <b>13.28</b>         | <b>7.29</b>       | <b>65.07</b>        | <b>6.50</b>      | <b>0.13</b>    | <b>13.12</b>      | <b>242.52</b> |
| Additions                             | -                | 4.49  | 15.60             | 2.67                 | 1.68              | 48.09               | 1.01             | 0.03           | 1.58              | 75.15         |
| Disposals                             | -                | 0.33  | 2.94              | -                    | 0.16              | 32.08               | 0.02             | 0.08           | -                 | 35.61         |
| <b>Balance at December 31, 2023</b>   | <b>-</b>         | <b>31.86</b>                                | <b>122.09</b>     | <b>15.95</b>         | <b>8.81</b>       | <b>81.08</b>        | <b>7.49</b>      | <b>0.08</b>    | <b>14.70</b>      | <b>282.06</b> |
| <b>Impairment Loss [refer Note a]</b> |                  |   |                   |                      |                   |                     |                  |                |                   |               |
| Balance at January 1, 2022            | -                | -   | -                 | -                    | 0.14              | -                   | -                | -              | -                 | 0.14          |
| Additions                             | -                | -   | -                 | -                    | -                 | -                   | -                | -              | -                 | -             |
| Disposals                             | -                | -   | -                 | -                    | -                 | -                   | -                | -              | -                 | -             |
| <b>Balance at December 31, 2022</b>   | <b>-</b>         | <b>-</b>                                    | <b>-</b>          | <b>-</b>             | <b>0.14</b>       | <b>-</b>            | <b>-</b>         | <b>-</b>       | <b>-</b>          | <b>0.14</b>   |
| Additions                             | -                | -   | -                 | -                    | -                 | -                   | -                | -              | -                 | -             |
| Disposals                             | -                | -   | -                 | -                    | -                 | -                   | -                | -              | -                 | -             |
| <b>Balance at December 31, 2023</b>   | <b>-</b>         | <b>-</b>                                    | <b>-</b>          | <b>-</b>             | <b>0.14</b>       | <b>-</b>            | <b>-</b>         | <b>-</b>       | <b>-</b>          | <b>0.14</b>   |
| <b>Carrying amounts</b>               |                  |   |                   |                      |                   |                     |                  |                |                   |               |
| Balance at January 1, 2022            | 3.92             | 36.96                                       | 50.84             | 12.22                | 1.92              | 62.71               | 2.83             | 0.11           | 5.41              | 176.92        |
| Additions                             | -                | 9.19  | 20.55             | 2.34                 | 0.14              | 54.87               | 0.53             | -              | 0.07              | 87.69         |
| Depreciation / Impairment             | -                | 3.78  | 16.09             | 2.58                 | 1.37              | 42.73               | 1.33             | 0.02           | 1.71              | 69.61         |
| Disposals (net)                       | -                | -   | 0.15              | -                    | 0.07              | 0.04                | 0.08             | -              | -                 | 0.34          |
| <b>Balance at December 31, 2022</b>   | <b>3.92</b>      | <b>42.37</b>                                | <b>55.15</b>      | <b>11.98</b>         | <b>0.62</b>       | <b>74.81</b>        | <b>1.95</b>      | <b>0.09</b>    | <b>3.77</b>       | <b>194.66</b> |
| Additions                             | -                | 1.30  | 5.33              | 0.79                 | 8.95              | 33.70               | 0.65             | 0.09           | -                 | 50.81         |
| Depreciation / Impairment             | -                | 4.49  | 15.60             | 2.67                 | 1.68              | 48.09               | 1.01             | 0.03           | 1.58              | 75.15         |
| Disposals (net)                       | 0.05             | 0.33  | 0.44              | -                    | -                 | 0.01                | -                | -              | -                 | 0.83          |
| <b>Balance at December 31, 2023</b>   | <b>3.87</b>      | <b>38.85</b>                                | <b>44.44</b>      | <b>10.10</b>         | <b>7.89</b>       | <b>60.41</b>        | <b>1.59</b>      | <b>0.15</b>    | <b>2.19</b>       | <b>169.49</b> |

**3. Property, plant and equipment, Capital work-in-progress and Intangible assets (Contd.)**

| Particulars                              | Rupees in Crores |
|--|------------------|
|  | Total            |
| <b>Capital work in progress movement</b> |                  |
| Balance at January 1, 2022               | 50.04            |
| Addition during the year                 | 104.48           |
| Capitalised during the year              | 87.69            |
| Impairment of Capital work in progress   | 6.07             |
| <b>Balance at December 31, 2022</b>      | <b>60.76</b>     |
| Addition during the year                 | 99.81            |
| Capitalised during the year              | 50.81            |
| Impairment of Capital work in progress   | 1.40             |
| <b>Balance at December 31, 2023</b>      | <b>108.36</b>    |

**Notes :**

(a) Impairment Loss is recognized in the Statement of Profit and Loss under "Impairment on property, plant and equipment and other intangible assets".

**Note 2****B. Capital work-in-progress**

| Particulars       | As at<br>December 31, 2023<br>Rupees in Crores |                               | As at<br>December 31, 2022<br>Rupees in Crores |                              |
|-------------------|--|-------------------------------|--|------------------------------|
|                   | Projects in progress                           | Projects Temporary suspended* | Projects in progress                           | Projects Temporary suspended |
| Less than 1 year  | 80.19  | -                             | 56.26  | -                            |
| 1 - 2 year        | 24.95  | -                             | 3.74   | -                            |
| 2 - 3 year        | 3.09   | -                             | 0.76   | -                            |
| More than 3 years | 0.13   | -                             | -  | -                            |
|                   | <b>108.36</b>                                  | <b>-</b>                      | <b>60.76</b>                                   | <b>-</b>                     |

**Projects with cost overrun/timeline delayed as of December 31, 2023**

| Particulars            | As at December 31, 2023<br>To be completed in |            |            |                   | As at December 31, 2022<br>To be completed in |            |            |                   |
|------------------------|---|------------|------------|-------------------|---|------------|------------|-------------------|
|                        | Less than 1 year                              | 1 - 2 year | 2 - 3 year | More than 3 years | Less than 1 year                              | 1 - 2 year | 2 - 3 year | More than 3 years |
| 1.Project 1 (X20CM008) | 0.55  | -          | -          | -                 | 0.24  | -          | -          | -                 |
| 2.Project 2 (Z21CM015) | -   | -          | -          | -                 | 1.47  | -          | -          | -                 |
| 3.Project 3 (X20IM012) | 35.54   | -          | -          | -                 | 22.85   | -          | -          | -                 |
| 4.Project 4 (Z22IM023) | 1.86  | -          | -          | -                 | -   | -          | -          | -                 |
| 5.Project 5 (Z21IM019) | 3.95  | -          | -          | -                 | 3.60  | -          | -          | -                 |
| 5.Project 6 (X21IM013) | 1.62  | -          | -          | -                 | -   | -          | -          | -                 |
| 5.Project 7 (S21CM001) | 1.96  | -          | -          | -                 | -   | -          | -          | -                 |
| 5.Project 8 (Z23IM004) | 1.75  | -          | -          | -                 | -   | -          | -          | -                 |
| 6.Others               | 6.47  | -          | -          | -                 | 4.51  | -          | -          | -                 |
| <b>Total</b>           | <b>53.70</b>                                  | <b>-</b>   | <b>-</b>   | <b>-</b>          | <b>32.67</b>                                  | <b>-</b>   | <b>-</b>   | <b>-</b>          |

**4. Financial assets**

(Unsecured, considered good, unless otherwise stated)

**4.1 Loans receivable**

| Particulars                                 | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|---|--|--|
| <b>Non-Current</b>                          |  |  |
| Loans receivable Considered good- Unsecured |  |  |
| Loans to employees *                        | 0.57   | 0.73   |
|   | <b>0.57</b>                                    | <b>0.73</b>                                    |
| <b>Current</b>                              |  |  |
| Loans receivable Considered good- Unsecured |  |  |
| Loans to employees                          | 0.28   | 0.36   |
|   | <b>0.28</b>                                    | <b>0.36</b>                                    |

\* Includes Rs. 0.02 Crores (December 31, 2022 : Rs. 0.02 Crores) to key managerial personnel.

**4.2 Other financial assets**

| Particulars  | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|--|--|--|
| <b>Financial assets carried at amortized cost</b>                  |  |  |
| <b>Non Current</b>   |  |  |
| Advance to Customers - Rebate                                      |  |  |
| - Considered good  | -  | -  |
| - Considered Doubtful  | 4.29   | 4.29   |
|  | <b>4.29</b>                                    | <b>4.29</b>                                    |
| Less : Allowance for doubtful advances                             | (4.29)   | (4.29)   |
|  | -  | -  |
| Security deposits #  | 9.44   | 6.52   |
|  | <b>9.44</b>                                    | <b>6.52</b>                                    |
| <b>Current</b>   |  |  |
| Rebates receivable   | 31.47  | 7.57   |
| Interest accrued on bank deposits                                  | 17.96  | 13.41  |
| Security deposits #  | 0.18   | 0.18   |
| <b>Derivative instruments at fair value through Profit or loss</b> |  |  |
| Derivatives not designated as hedges                               |  |  |
| Foreign exchange forward contracts *                               | 0.03   | 0.91   |
|  | <b>49.64</b>                                   | <b>22.07</b>                                   |

# Security deposit are non interest bearing and recoverable at the termination of contract unless otherwise agreed

\* While the Company entered into forward contracts with the intention of reducing the foreign exchange risk of expected purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

**4. Financial assets (Contd.)****4.3 Trade receivables \*\* (Refer note 28)**

| Particulars                                    | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|--|--|--|
| <b>Current</b>                                 | <b>(A)</b>                                     |  |
| Trade receivables Considered good - Secured ## | 88.77  | 98.59  |
| <b>Unsecured</b>                               |  |  |
| Trade receivables Considered good - Unsecured  | 334.05   | 251.77   |
| Trade receivables - Considered Doubtful        | 9.04   | 8.09   |
| Less : Allowance for doubtful debts            | (9.04)   | (8.09)   |
|  | <b>(B)</b>                                     | <b>251.77</b>                                  |
|  | <b>(A+B)</b>                                   | <b>350.36</b>                                  |

**Movement in the allowance of doubtful debts during the year**

| Particulars                                 | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|---|---|---|
| <b>Balance at the beginning of the year</b> | <b>8.09</b>   | <b>7.85</b>   |
| Add: Allowance created during the year      | 1.36  | 1.23  |
| Less: Reversal of allowance during the year | (0.42)  | (0.94)  |
| Less: Amount Written back during the year   | -   | (0.05)  |
| <b>Balance at end of the year</b>           | <b>9.04</b>   | <b>8.09</b>   |

\* Refer note no. 28 for related party receivables.

# The average credit period ranges from 1 to 90 days. Interest is charged at 24% p.a. on the overdue balance.

## Secured by deposits and bank guarantees from customers.

| As at December 31, 2023                         | Undisputed Trade receivables |                     | Disputed Trade receivables |                     |
|---|------------------------------|---------------------|----------------------------|---------------------|
|   | Considered Good              | Considered Doubtful | Considered Good            | Considered Doubtful |
| Unbilled  | 6.06                         | -                   | -                          | -                   |
| Not Due   | 398.81                       | -                   | -                          | -                   |
| Less than 6 months                              | 16.32                        | 1.21                | -                          | -                   |
| 6months - 1 year                                | 1.63                         | 0.07                | -                          | 0.03                |
| 1-2 Years                                       | -                            | 0.47                | -                          | -                   |
| 2-3 Years                                       | -                            | 0.18                | -                          | 0.54                |
| More than 3 years                               | -                            | 0.37                | -                          | 6.17                |
| <b>Sub total</b>                                | <b>422.82</b>                | <b>2.30</b>         | -                          | <b>6.74</b>         |
| <b>Total</b>                                    |                              |                     |                            | <b>431.86</b>       |
| Less : Allowance for doubtful Trade receivables |                              |                     |                            | (9.04)              |
| <b>Total Trade Receivables</b>                  |                              |                     |                            | <b>422.82</b>       |

**4. Financial assets (Contd.)****4.3 Trade receivables \*# (Refer note 28)**

| As at December 31, 2022                         | Rupees in Crores             |                     |                            |                     |
|---|------------------------------|---------------------|----------------------------|---------------------|
|   | Undisputed Trade receivables |                     | Disputed Trade receivables |                     |
|   | Considered Good              | Considered Doubtful | Considered Good            | Considered Doubtful |
| Unbilled  | 5.68                         | -                   | -                          | -                   |
| Not Due   | 331.71                       | -                   | -                          | -                   |
| Less than 6 months                              | 12.97                        | 0.30                | -                          | -                   |
| 6months - 1 year                                | -                            | 0.32                | -                          | -                   |
| 1-2 Years                                       | -                            | 0.28                | -                          | 0.56                |
| 2-3 Years                                       | -                            | 0.15                | -                          | 0.12                |
| More than 3 years                               | -                            | 0.27                | -                          | 6.09                |
| <b>Sub total</b>                                | <b>350.36</b>                | <b>1.32</b>         | <b>-</b>                   | <b>6.77</b>         |
| <b>Total</b>                                    |                              |                     |                            | <b>358.45</b>       |
| Less : Allowance for doubtful Trade receivables |                              |                     |                            | (8.09)              |
| <b>Total Trade Receivables</b>                  |                              |                     |                            | <b>350.36</b>       |

**4.4 Cash and cash equivalents**

| Particulars   | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|---|--|--|
| Balance with banks                                    |  |  |
| In current accounts                                   | 8.96   | 5.42   |
| Deposits with original maturity of less than 3 months | 273.44   | 368.91   |
| Investment in overnight funds#                        | 210.81   | 180.17   |
|   | <b>493.21</b>                                  | <b>554.50</b>                                  |

# These instruments are mandatorily measured at fair value through profit and loss in accordance with Ind AS 109

**4.5 Bank Balances other than above**

| Particulars  | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|--|--|--|
| Deposits with original maturity for less than 12 months  | 690.00   | 645.00   |
| Earmarked deposit with banks #   | -  | 2.14   |
| Unclaimed dividend account and capital reduction (Includes unclaimed amount of Rs. 1.22 Crores (December 31, 2022 : Rs. 1.22 Crores) pertaining to capital reduction in earlier years) | 16.58  | 16.07  |
|  | <b>706.58</b>                                  | <b>663.21</b>                                  |

# Represents deposit placed for payment for acquisition of land

**4. Financial assets (Contd.)****4.6 Non Current Investment**

| Particulars  | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|--|--|--|
| Investments Measured at Fair Value Through Other Comprehensive Income (FVTOCI) | 487.50   | 325.00   |
|  | <b>487.50</b>                                  | <b>325.00</b>                                  |

**As at December 31, 2023****Nature of Instrument Unquoted, Fully Paid up**

|   | No. of shares | Total Value<br>Rupees in Crores |
|---|---------------|---------------------------------|
| 0.001% Compulsorily Convertible Preference Shares (FV of Rs. 10 each) | 95,083.00     | 486.99                          |
| Equity Shares (FV of Rs. 10 each)                                     | 100.00        | 0.51                            |
| <b>Closing Balance</b>  |               | <b>487.50</b>                   |

**As at December 31, 2022****Nature of Instrument Unquoted, Fully Paid up**

|   | No. of shares | Total Value<br>Rupees in Crores |
|---|---------------|---------------------------------|
| 0.001% Compulsorily Convertible Preference Shares (FV of Rs. 10 each) | 63,355.00     | 324.49                          |
| Equity Shares (FV of Rs. 10 each)                                     | 100.00        | 0.51                            |
| <b>Closing Balance</b>  |               | <b>325.00</b>                   |

**Break up of financial assets carried at amortized cost**

Rupees in Crores

| Particulars               | Note | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|---------------------------|------|--|--|
| Loans                     | 4.1  | 0.85   | 1.09   |
| Trade receivables         | 4.3  | 422.82   | 350.36   |
| Cash and cash equivalents | 4.4  | 282.40   | 374.33   |
| Other balances with banks | 4.5  | 706.58   | 663.21   |
| Other financial assets    | 4.2  | 59.05  | 27.68  |
| <b>Total</b>              |      | <b>1,471.70</b>                                | <b>1,416.67</b>                                |

The Company has invested Rs. 48750 Crores in Ki Mobility Solutions Pvt. Ltd (Subsidiary of TVS Automobile Solutions Pvt Ltd) through Equity and Compulsory Convertible Preference Shares (CCPS). The first tranche of Rs. 325 Crores was invested on December 8, 2022. The second & final tranche of Rs. 162.5 Crores was invested on January 10, 2023.

**5. Income tax assets (net)**

| Particulars  | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|--|--|--|
| Advance Income tax / tax deducted at source (net of current tax provision) | 49.74  | 56.18  |
|  | <b>49.74</b>                                   | <b>56.18</b>                                   |



**6. Deferred tax assets - (net)**

| Particulars               | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|---------------------------|--|--|
| Deferred tax assets (net) | 78.10  | 68.55  |
|                           | <b>78.10</b>                                   | <b>68.55</b>                                   |

**Movement in deferred tax assets balances**

| Particulars                               | Rupees in Crores                        |                                  |                      |   |
|---|---|----------------------------------|----------------------|---|
|   | Net balance<br>as at<br>January 1, 2023 | Recognised in<br>profit and loss | Recognised in<br>OCI | Net deferred tax<br>asset/(liability)<br>as at December<br>31, 2023 |
| <b>Deferred tax asset / (liabilities)</b> |   |                                  |                      |   |
| Property, plant and equipment             | 44.19                                   | 7.09                             | -                    | 51.28   |
| Lease Asset (Net)                         | 0.38                                    | 0.78                             | -                    | 1.16  |
| 43B disallowances                         | 15.31                                   | (0.90)                           | 0.99                 | 15.40   |
| Inventory - obsolete                      | 2.15                                    | 1.02                             | -                    | 3.17  |
| Allowance for doubtful debts              | 4.87                                    | 0.21                             | -                    | 5.08  |
| Other temporary differences               | 1.65                                    | 0.36                             | -                    | 2.01  |
| <b>Deferred tax asset / (liabilities)</b> | <b>68.55</b>                            | <b>8.56</b>                      | <b>0.99</b>          | <b>78.10</b>  |

**Movement in deferred tax assets balances**

| Particulars                               | Rupees in Crores                        |                                  |                      |   |
|---|---|----------------------------------|----------------------|---|
|   | Net balance<br>as at<br>January 1, 2022 | Recognised in<br>profit and loss | Recognised in<br>OCI | Net deferred tax<br>asset/(liability)<br>as at December<br>31, 2022 |
| <b>Deferred tax asset / (liabilities)</b> |   |                                  |                      |   |
| Property, plant and equipment             | 37.90                                   | 6.29                             | -                    | 44.19   |
| Lease Asset (Net)                         | (0.05)                                  | 0.43                             | -                    | 0.38  |
| 43B disallowances                         | 12.13                                   | 2.87                             | 0.31                 | 15.31   |
| Inventory - obsolete                      | 2.13                                    | 0.02                             | -                    | 2.15  |
| Allowance for doubtful debts              | 5.09                                    | (0.22)                           | -                    | 4.87  |
| Other temporary differences               | 14.15                                   | (12.50)                          | -                    | 1.65  |
| <b>Deferred tax asset / (liabilities)</b> | <b>71.35</b>                            | <b>(3.11)</b>                    | <b>0.31</b>          | <b>68.55</b>  |

**Income Tax**

The major components of income tax expense

| Particulars  | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|--|---|---|
| <b>Profit and Loss:</b>  |   |   |
| Current tax (net of Charge / (reversal) of earlier years - Rs. 9.22 Crores (December 31, 2022 : Rs. (10.31) Crores)) | 325.53  | 274.49  |
| Deferred tax   | (8.56)  | 3.11  |
| <b>Total Income tax expense</b>  | <b>316.97</b>   | <b>277.60</b>   |

**Notes to the Financial Statements**

for the year ended December 31, 2023

**6. Deferred tax assets - (net) (Contd.)****Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate**

| Particulars  | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|--|---|---|
| Profit before Income tax expense                               | 1,181.10  | 1,092.75  |
| Tax at the Indian tax rate 25.17% (December 31, 2022 : 25.17%) | 297.28  | 275.05  |
| <b>Item giving rise to difference in tax</b>                   |   |   |
| Effect of non-deductible expenses                              | 11.17   | 13.08   |
| Effect of tax adjustment of earlier years                      | 9.45  | (10.31)   |
| Exempt Income  | (0.91)  | -   |
| Others   | (0.02)  | (0.22)  |
| Income tax expense   | 316.97  | 277.60  |

**7. Other assets**

| Particulars  | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|--|--|--|
| <b>Non-Current</b>   |  |  |
| Advance to Customers - Rebate                              |  |  |
| - Considered good  | 68.32  | 15.73  |
| - Doubtful   | -  | -  |
|  | <b>68.32</b>                                   | <b>15.73</b>                                   |
| Capital advances   | 0.42   | 4.18   |
| Prepaid expenses   | 0.67   | 1.10   |
| Deposits / balance with statutory / government authorities |  |  |
| - Considered good  | 34.14  | 35.66  |
| - Doubtful   | 6.86   | 6.86   |
|  | <b>110.41</b>                                  | <b>63.53</b>                                   |
| Less: Allowance for doubtful deposits                      | (6.86)   | (6.86)   |
|  | <b>103.55</b>                                  | <b>56.67</b>                                   |
| <b>Current</b>   |  |  |
| Advance to Customers - Rebate                              |  |  |
| - Considered good  | 41.00  | 21.61  |
| - Doubtful   | -  | -  |
|  | <b>41.00</b>                                   | <b>21.61</b>                                   |
| Less : Allowance for doubtful advances                     | -  | -  |
|  | <b>41.00</b>                                   | <b>21.61</b>                                   |
| Prepaid expenses   | 3.81   | 5.61   |
| Advance to supplier  | 7.64   | 12.65  |
| Other receivables  |  |  |
| Considered good  | 5.41   | 4.49   |
| Considered doubtful  | -  | -  |
|  | <b>5.41</b>                                    | <b>4.49</b>                                    |
| Deposits / balance with statutory / government authorities | 60.51  | 64.51  |
|  | <b>118.37</b>                                  | <b>108.87</b>                                  |

## Notes to the Financial Statements

for the year ended December 31, 2023

### 8. Inventories (lower of cost and net realizable value)

| Particulars   | As at             | As at             |
|---|-------------------|-------------------|
|   | December 31, 2023 | December 31, 2022 |
|   | Rupees in Crores  | Rupees in Crores  |
| Raw materials (including stock in transit Rs. 91.48 Crores (December 31, 2022 : Rs. 61.08 Crores) | 304.46            | 314.00            |
| Packing materials (including stock in transit Nil (December 31, 2022 : Nil)                       | 2.33              | 5.69              |
| Finished goods (including stock in transit Rs. 0.39 Crores (December 31, 2022 : Nil)              | 145.71            | 146.06            |
| Traded goods (including stock in transit Rs. 7.45 Crores (December 31, 2022 : Rs. 14.46 Crores)   | 80.42             | 68.69             |
|   | <b>532.92</b>     | <b>534.44</b>     |

**Note:** The cost of inventories recognised in December 31, 2023 includes Rs. 4.29 Crores in respect of write down of inventories to net realisable value (December 31, 2022 : Rs. 0.08 Crores in respect of reversal write down of inventories)

### 9. Equity share capital

| Particulars   | As at             | As at             |
|---|-------------------|-------------------|
|   | December 31, 2023 | December 31, 2022 |
|   | Rupees in Crores  | Rupees in Crores  |
| <b>Authorized</b>   |                   |                   |
| 990,000,000 equity shares (December 31, 2022 : 990,000,000 equity shares) - Rs. 5/- each) | 495.00            | 495.00            |
|   | <b>495.00</b>     | <b>495.00</b>     |
| <b>Issued, subscribed and fully paid-up</b>   |                   |                   |
| 989,122,384 equity shares (December 31, 2022 : 989,122,384 equity shares) - Rs. 5/- each) | 494.56            | 494.56            |
|   | <b>494.56</b>     | <b>494.56</b>     |

#### a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

| Particulars                          | As at             |                  | As at             |                  |
|--------------------------------------|-------------------|------------------|-------------------|------------------|
|                                      | December 31, 2023 |                  | December 31, 2022 |                  |
|                                      | No. of Shares     | Rupees in Crores | No. of Shares     | Rupees in Crores |
| Balance at the beginning of the year | 989,122,384       | 494.56           | 989,122,384       | 494.56           |
| Outstanding at the end of the year   | 989,122,384       | 494.56           | 989,122,384       | 494.56           |

#### b. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5/- per share (December 31, 2022 : Rs. 5/- per share). Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approvals of the shareholders in the ensuing Annual General Meeting (AGM). The Company declares and pays dividend in Indian Rupees.

| Dividend on Equity Shares   | For the year ended | For the year ended |
|---|--------------------|--------------------|
|   | December 31, 2023  | December 31, 2022  |
|   | Rupees in Crores   | Rupees in Crores   |
| <b>Dividend on Equity Shares paid during the year</b>   |                    |                    |
| Final Dividend Rs. 3.50 per share for the year December 31, 2022 (December 31, 2021 : Rs. 3.00 per share)   | 346.19             | 296.73             |
| Interim Dividend Rs. 3.00 per share for the year December 31, 2023 (December 31, 2022 : Rs. 3.00 per share) | 296.73             | 296.73             |

The Board of Directors of the Company has at its meeting held on February 01, 2024 recommended a final dividend of Rs. 4.5 per share for year ended December 31, 2023 (December 31, 2022 : Rs. 3.50 per share) which is subject to the approval of the members at the ensuing Annual General Meeting.

## Notes to the Financial Statements

for the year ended December 31, 2023

### 9. Equity share capital (Contd.)

In the event of the Company being liquidated, since the equity shares of the Company are fully paid - up, there would be no additional liability on the shareholders of the Company. However, post settlement of the liabilities of the Company, the surplus, if any, would be distributed amongst the shareholders in proportion to the number of shares held by each one of them.

#### c. Equity shares in the Company held by its holding/ultimate holding Company and/or their subsidiaries/associates are as below:

| Particulars   | As at             | As at             |
|---|-------------------|-------------------|
|   | December 31, 2023 | December 31, 2022 |
|   | Rupees in Crores  | Rupees in Crores  |
| Castrol Limited, U.K. 504,452,416 equity shares of Rs. 5/- each fully paid (Holding Company) [December 31, 2022 : 504,452,416 equity shares of Rs. 5/- each fully paid (Holding Company)] | 252.22            | 252.22            |

#### d. Details of shareholders holding more than 5% shares in the Company are as below:

| Particulars                            | As at December 31, 2023  |                        |                          |
|--|--------------------------|------------------------|--------------------------|
|  | No. of Shares            | % holding in the class | % Change during the year |
|  | 1. Castrol Limited, U.K. | 504,452,416            | 51.00%                   |
| 2. Life Insurance Corporation of India | 111,689,381              | 11.29%                 | 0.00%                    |

| Particulars                            | As at December 31, 2022  |                        |                          |
|--|--------------------------|------------------------|--------------------------|
|  | No. of Shares            | % holding in the class | % Change during the year |
|  | 1. Castrol Limited, U.K. | 504,452,416            | 51.00%                   |
| 2. Life Insurance Corporation of India | 111,689,381              | 11.29%                 | -0.04%                   |

#### e. Share held by promoters/promoters group at the end of the year

| Particulars                           | As at             | As at             | % Change during the year |
|---------------------------------------|-------------------|-------------------|--------------------------|
|                                       | December 31, 2023 | December 31, 2022 |                          |
| Castrol Limited, U.K. (No. of shares) | 504,452,416       | 504,452,416       | 0.00%                    |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### 10. Other Equity \*\*

| Particulars            | As at             | As at             |
|------------------------|-------------------|-------------------|
|                        | December 31, 2023 | December 31, 2022 |
|                        | Rupees in Crores  | Rupees in Crores  |
| Share based payment ## | 78.95             | 61.53             |
| Capital Reserve #      | 13.62             | 13.62             |
| Retained Earnings @    | 1,534.56          | 1,316.32          |
|                        | <b>1,627.13</b>   | <b>1,391.47</b>   |

## Share value plan of Ultimate Holding Company (refer note 2.5 (d) of significant accounting policies)

# Capital Reserve mainly represents amount transferred on amalgamation with erstwhile Tata BP Lubricants

\*\* For movement, refer Statement of Changes in Equity

@ Retained earnings represents profit that a Company has earned to date, less any dividends or other distributions paid to the investor.

**11. Financial Liabilities****11.1 Trade payables # (Refer note 28)**

| Particulars  | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|--|--|--|
| <b>Current</b>   |  |  |
| Total outstanding dues of micro enterprises and small enterprises (Refer note 26)      | 25.03  | 23.50  |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 681.40   | 655.36   |
|  | <b>706.43</b>                                  | <b>678.86</b>                                  |

# Trade payables are non-interest bearing and are normally settled between 7 to 90 days credit terms

**As at December 31, 2023**

Outstanding for the following period from the due date of payment

| Ageing                      | Rupees in Crores |               |                       |                         |
|-----------------------------|------------------|---------------|-----------------------|-------------------------|
|                             | MSME             | Others        | Disputed dues<br>MSME | Disputed dues<br>Others |
| Less than 1 Year            | 1.85             | 16.90         | -                     | -                       |
| 1-2 Years                   | 0.40             | 0.31          | -                     | 0.50                    |
| 2-3 Years                   | -                | 0.69          | -                     | 0.27                    |
| More than 3 Years           | -                | -             | -                     | 6.95                    |
| Not due                     | 22.78            | 119.14        | -                     | -                       |
| Unbilled                    | -                | 536.64        | -                     | -                       |
| <b>Sub Total</b>            | <b>25.03</b>     | <b>673.68</b> | <b>-</b>              | <b>7.72</b>             |
| <b>Total Trade Payables</b> |                  |               |                       | <b>706.43</b>           |

**As at December 31, 2022**

Outstanding for the following period from the due date of payment

| Ageing                      | Rupees in Crores |               |                       |                         |
|-----------------------------|------------------|---------------|-----------------------|-------------------------|
|                             | MSME             | Others        | Disputed dues<br>MSME | Disputed dues<br>Others |
| Less than 1 Year            | 0.39             | 19.21         | -                     | 0.50                    |
| 1-2 Years                   | 0.01             | 2.23          | -                     | 0.27                    |
| 2-3 Years                   | -                | 0.01          | -                     | 0.50                    |
| More than 3 Years           | -                | 0.01          | -                     | 6.45                    |
| Not due                     | 23.10            | 84.03         | -                     | -                       |
| Unbilled                    | -                | 542.15        | -                     | -                       |
| <b>Sub Total</b>            | <b>23.50</b>     | <b>647.64</b> | <b>-</b>              | <b>7.72</b>             |
| <b>Total Trade Payables</b> |                  |               |                       | <b>678.86</b>           |

**11. Financial Liabilities (Contd.)****11.2 Other financial liabilities****Financial liabilities at amortized cost**

| Particulars  | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|--|--|--|
| <b>Current</b>   |  |  |
| Deposit from customers #   | 31.85  | 29.51  |
| Employee benefits payable  | 43.03  | 33.38  |
| Capex payables   | 40.99  | 40.47  |
| Interest accrued and due on deposit from customers   | 0.83   | 0.66   |
| Rebate payables  | 249.82   | 190.37   |
| Unclaimed dividend account and capital reduction (Includes unclaimed amount of Rs. 1.22 Crores (December 31, 2022 : Rs. 1.22 Crores) pertaining to capital reduction in earlier years)## | 16.58  | 16.07  |
|  | <b>383.10</b>                                  | <b>310.46</b>                                  |

# Deposit from customers are interest bearing and repayable on termination of agreement unless otherwise agreed

## The Company has transferred the amounts required to be transferred to the Investor Education and Protection Fund within due date. The Company has not transferred an amount of Rs. 0.16 Crores (December 31, 2022: Rs. 0.14 Crores), accumulated over the years as dividends held in abeyance, for cases where disputes relating to ownership of the underlying shares have remained unresolved. There are no other amounts due for payment to the IEPF under Section 125 of the Companies Act, 2013 as at the year end.

**12. Provisions**

| Particulars   | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|---|--|--|
| <b>Non Current</b>  |  |  |
| Provision for employee benefit (Refer note 27)              | 23.44  | 18.73  |
|   | <b>23.44</b>                                   | <b>18.73</b>                                   |
| <b>Current</b>  |  |  |
| Provision for employee benefit (Refer note 27)              | 0.39   | 0.61   |
| Provision for indirect taxes (Refer note (a) and (c) below) | 32.93  | 31.77  |
| Provision for litigations (Refer note (b) and (c) below)    | 0.84   | 1.61   |
|   | <b>34.16</b>                                   | <b>33.99</b>                                   |

**(a) Movement in Provision for Indirect Taxes:**

| Particulars                       | For the year ended<br>December 31, 2023<br>Rupees in Crores |                           | For the year ended<br>December 31, 2022<br>Rupees in Crores |                           |
|-----------------------------------|---|---------------------------|---|---------------------------|
|                                   | Excise, Customs<br>and Service tax                          | Sales Tax, VAT<br>and GST | Excise, Customs<br>and Service tax                          | Sales Tax, VAT<br>and GST |
| Balance as at January, 1          | 2.70  | 29.07                     | 2.70  | 28.68                     |
| Addition during the year          | -   | 1.42                      | -   | 1.77                      |
| Reversed / Paid during the year   | -   | 0.26                      | -   | 1.38                      |
| <b>Balance as at December, 31</b> | <b>2.70</b>   | <b>30.23</b>              | <b>2.70</b>   | <b>29.07</b>              |
|                                   |   | <b>32.93</b>              |   | <b>31.77</b>              |

(b) Movement in provisions for litigations during the year is due to amount received for case of BPCL and CIL

(c) The Company has made provision for known litigation cases and pending assessments in respect of taxes, duties and other levies, the outflow of which would depend on cessation of respective events.

**13. Current tax liabilities (net)**

| Particulars   | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|---|--|--|
| Provision for tax (net of advance tax and tax deducted at source) | 13.41  | 12.85  |
|   | <b>13.41</b>                                   | <b>12.85</b>                                   |

**14. Other liabilities**

| Particulars                  | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|------------------------------|--|--|
| <b>Non Current</b>           |  |  |
| Advance Rebate from Supplier | -  | 3.79   |
|                              | -  | <b>3.79</b>                                    |
| <b>Current</b>               |  |  |
| Statutory dues               | 42.51  | 50.57  |
| Advance from customers       | 6.53   | 5.09   |
| Deferred revenue             | 11.71  | 18.69  |
|                              | <b>60.75</b>                                   | <b>74.35</b>                                   |

**15. Revenue from operations #**

| Particulars  | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|--|---|---|
| <b>Revenue from operations</b>   |   |   |
| Sale of products ([net of rebates Rs. 574.64 Crores] December 31, 2022 :<br>Rs. 479.71 Crores) | 5,053.86  | 4,759.80  |
| <b>Other operating revenue</b>   |   |   |
| Income from services   | 14.90   | 9.24  |
| Scrap sale   | 5.85  | 5.45  |
| <b>Revenue from operations</b>   | <b>5,074.61</b>   | <b>4,774.49</b>   |

# In case of sale of goods, the Company satisfies its performance obligation upon delivery, which is based on the terms agreed with the customer, and for the sale of services, the performance obligation is satisfied as and when the services are rendered. The Company does not have any remaining performance obligations as contracts entered for sale of goods are for shorter duration. There are no contract for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated. The Company disaggregated revenues from contracts with customers by geography. Refer Note 24 below.

**16. Other income**

| Particulars   | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|---|---|---|
| Interest income on financial assets carried at amortized cost |   |   |
| From bank deposits  | 48.85   | 44.89   |
| Others  | 1.08  | 0.41  |
| Excess accruals written back                                  | 1.51  | 1.17  |
| Gain on overnight funds**                                     | 12.92   | 6.91  |
| Exchange Gain (net)   | 3.71  | -   |
| Profit on sale of property, plant and equipment (net)         | 3.10  | -   |
| Profit on fair valuation of forward contract                  | -   | 2.86  |
| Miscellaneous income *  | 11.98   | 10.81   |
|   | <b>83.15</b>  | <b>67.05</b>  |

\* Includes service rendered to related parties of Rs. 11.42 Crores (December 31, 2022 : Rs. 10.69 Crores)

\*\*These instruments are measured at fair value through profit and loss in accordance with IND AS 109

**17.1 Cost of raw and packing materials consumed**

| Particulars   | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|---|---|---|
| <b>Raw materials and packing materials consumed</b>       |   |   |
| Inventory at the beginning of the year                    | 319.69  | 305.25  |
| Add : Purchases during the year                           | 2,394.28  | 2,293.31  |
|   | <b>2,713.97</b>   | <b>2,598.56</b>   |
| Less : Inventory at the end of the year                   | 306.79  | 319.69  |
| <b>Total raw materials and packing materials consumed</b> | <b>2,407.18</b>   | <b>2,278.87</b>   |

**17.2 Purchase of traded goods**

| Particulars              | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|--------------------------|---|---|
| Purchase of traded goods | 240.61  | 249.40  |
|                          | <b>240.61</b>   | <b>249.40</b>   |

**17.3 Changes in inventories of finished goods / traded goods**

| Particulars  | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|--|---|---|
| <b>Inventories at the end of the year</b>                                  |   |   |
| Traded goods   | 80.42   | 68.69   |
| Finished goods   | 145.71  | 146.06  |
|  | <b>226.13</b>   | <b>214.75</b>   |
| <b>Inventories at the beginning of the year</b>                            |   |   |
| Traded goods   | 68.69   | 47.29   |
| Finished goods   | 146.06  | 139.11  |
|  | <b>214.75</b>   | <b>186.40</b>   |
| <b>Net (Increase) / decrease in inventories of finished / traded goods</b> | <b>(11.38)</b>  | <b>(28.35)</b>  |

**18. Employee benefits expense**

| Particulars                               | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|---|---|---|
| Salaries and wages                        | 243.49  | 225.95  |
| Share based payments                      | 18.91   | 21.12   |
| Contribution to provident and other funds | 18.80   | 16.77   |
| Staff welfare expenses                    | 10.38   | 8.74  |
|   | <b>291.58</b>   | <b>272.58</b>   |

**19. Finance costs**

| Particulars   | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|---|---|---|
| Interest on financial liabilities carried at amortized cost | 1.66  | 1.25  |
| Interest on income tax                                      | -   | 0.31  |
| Interest on lease liabilities                               | 5.87  | 2.45  |
|   | <b>7.53</b>   | <b>4.01</b>   |

**20. Depreciation and amortization expense**

| Particulars   | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|---|---|---|
| Depreciation of property plant and equipment (refer note 3) | 73.57   | 67.90   |
| Depreciation of Right-of-use asset                          | 17.28   | 11.78   |
| Amortization of intangible assets (refer note 3)            | 1.58  | 1.71  |
|   | <b>92.43</b>  | <b>81.39</b>  |

**21. Other expenses**

| Particulars   | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|---|---|---|
| Rent  | 2.83  | 1.65  |
| Rates and taxes   | 2.30  | 1.63  |
| Power and fuel  | 6.42  | 6.21  |
| Stores and consumables  | 2.53  | 2.49  |
| Freight and forwarding charges  | 151.41  | 141.44  |
| Insurance   | 6.41  | 7.76  |
| Repairs and maintenance   |   |   |
| Land and buildings  | 6.92  | 5.69  |
| Plant and equipment   | 9.47  | 8.54  |
| Others  | 20.54   | 21.13   |
| Allowance for doubtful debts (net)  | 0.94  | 0.29  |
| Processing and filling charges  | 19.58   | 17.05   |
| Advertising   | 129.15  | 130.21  |
| Stock point operating charges   | 35.84   | 39.65   |
| Loss on disposal/write off of Property, plant and equipment and Intangible assets (net) | -   | 0.32  |
| Capital work in progress write off  | 1.40  | 6.07  |
| Director sitting fees   | 0.28  | 0.31  |

**21. Other expenses (Contd.)**

| Particulars   | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|---|---|---|
| Commission to resident non-whole time Indian directors  | 0.78  | 0.68  |
| Royalty   | 122.42  | 112.44  |
| Sales promotion fees                                    | 234.60  | 201.32  |
| Travelling expenses                                     | 18.60   | 13.53   |
| Legal, professional fees and contract charges           | 134.86  | 132.59  |
| Payment to auditors [Refer note (i) below]              | 1.84  | 1.72  |
| Exchange loss (net)                                     | -   | 2.34  |
| Loss on fair valuation of forward contract              | 0.87  | -   |
| Corporate social responsibility [Refer note (ii) below] | 20.53   | 20.85   |
| Miscellaneous expenses                                  | 18.19   | 14.98   |
|   | <b>948.71</b>   | <b>890.89</b>   |

| Particulars | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|-------------|---|---|
|-------------|---|---|

**Note****(i) Payment to auditor (excluding taxes)****As auditor:**

|                                 |             |             |
|---------------------------------|-------------|-------------|
| Audit fee                       | 1.21        | 1.15        |
| Tax accounts and tax audit fees | 0.31        | 0.29        |
| Limited review                  | 0.21        | 0.20        |
| Certification fees              | 0.03        | 0.03        |
| Reimbursement of expenses       | 0.08        | 0.05        |
|                                 | <b>1.84</b> | <b>1.72</b> |

**(ii) Corporate social responsibility activities**

|  |        |       |
|--|--------|-------|
| a. Gross amount required to be spent by the Company during the year.   | 20.41* | 20.74 |
| b. Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the Company) - includes amount spent by implementation agency on behalf of the Company and direct expenses.                            | 20.53  | 20.85 |
| c. Amount given to implementation agency (on purpose other than construction / acquisition of assets controlled by the Company) during the year and spent within 30 days from the year-end by the implementation agency towards on-going project | -      | -     |
| d. Amount outstanding (payable to implementation /CSR monitoring agency) as at year end for ongoing projects   | -      | -     |
| e. Details of related party transactions   | N/A    | N/A   |
| f. Nature of CSR activities:   |        |       |
| 1. Programme for truck drivers - holistic development of truck drivers   |        |       |
| 2. Programme for mechanics - Strengthening skills in the automotive and industrial sectors, with a focus on technology   |        |       |
| 3. Community Development in the areas of operation and presence  |        |       |
| 4. Humanitarian aid  |        |       |
| g. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision   | N/A    | N/A   |

**Note:** The Company will set-off the excess contribution paid during the year amounting to Rs. 0.12 crores in next 3 years

\*Net off excess contribution of previous year Rs. 0.11 crores

**22. Earnings per share (EPS)**

| Particulars   | For the year ended<br>December 31, 2023 | For the year ended<br>December 31, 2022 |
|---|---|---|
|   | Rupees in Crores                        | Rupees in Crores                        |
| Profit for the year   | 864.13                                  | 815.15                                  |
|   | No. of Shares                           | No. of Shares                           |
| Weighted average number of equity shares in calculating Basic and Diluted EPS | 989,122,384                             | 989,122,384                             |
| Basic and Diluted earnings per share (Rs.)                                    | 8.74                                    | 8.24                                    |
| Nominal value per share (Rs.)   | 5.00                                    | 5.00                                    |

**23. Leases**

| Particulars                         | Rupees in Crores |              |              |              |
|-------------------------------------|------------------|--------------|--------------|--------------|
|                                     | Land             | Buildings    | Vehicles     | Total        |
| <b>Right-of-use assets</b>          |                  |              |              |              |
| <b>Balance at January 1, 2023</b>   | <b>17.16</b>     | <b>40.11</b> | <b>8.86</b>  | <b>66.13</b> |
| Additions                           | -                | 27.93        | 12.58        | 40.51        |
| Less: Deletions                     | -                | -            | -            | -            |
| Less: Depreciation                  | 0.20             | 13.22        | 3.86         | 17.28        |
| <b>Balance at December 31, 2023</b> | <b>16.96</b>     | <b>54.82</b> | <b>17.58</b> | <b>89.36</b> |

| Particulars                         | Rupees in Crores |              |             |              |
|-------------------------------------|------------------|--------------|-------------|--------------|
|                                     | Land             | Buildings    | Vehicles    | Total        |
| <b>Balance at January 1, 2022</b>   | <b>18.07</b>     | <b>5.69</b>  | <b>0.50</b> | <b>24.26</b> |
| Additions                           | -                | 43.22        | 10.44       | 53.66        |
| Less: Deletions                     | -                | -            | 0.01        | 0.01         |
| Less: Depreciation                  | 0.91             | 8.80         | 2.07        | 11.78        |
| <b>Balance at December 31, 2022</b> | <b>17.16</b>     | <b>40.11</b> | <b>8.86</b> | <b>66.13</b> |

| Particulars                         | Rupees in Crores |              |              |              |
|-------------------------------------|------------------|--------------|--------------|--------------|
|                                     | Land             | Buildings    | Vehicles     | Total        |
| <b>Lease Liabilities</b>            |                  |              |              |              |
| <b>Balance at January 1, 2023</b>   | <b>0.03</b>      | <b>40.81</b> | <b>9.11</b>  | <b>49.95</b> |
| Additions                           | -                | 27.93        | 12.58        | 40.51        |
| Add: Finance costs                  | -                | 4.45         | 1.42         | 5.87         |
| Less: Deletions                     | -                | -            | -            | -            |
| Less: Payments                      | 0.03             | 14.53        | 4.82         | 19.38        |
| <b>Balance at December 31, 2023</b> | <b>-</b>         | <b>58.66</b> | <b>18.29</b> | <b>76.95</b> |

| Particulars                         | Rupees in Crores |              |             |              |
|-------------------------------------|------------------|--------------|-------------|--------------|
|                                     | Land             | Buildings    | Vehicles    | Total        |
| <b>Balance at January 1, 2022</b>   | <b>0.01</b>      | <b>6.17</b>  | <b>0.54</b> | <b>6.72</b>  |
| Additions                           | -                | 43.22        | 10.44       | 53.66        |
| Add: Finance costs                  | 0.02             | 1.73         | 0.70        | 2.45         |
| Less: Deletions                     | -                | -            | 0.01        | 0.01         |
| Less: Payments                      | 0.00             | 10.31        | 2.56        | 12.87        |
| <b>Balance at December 31, 2022</b> | <b>0.03</b>      | <b>40.81</b> | <b>9.11</b> | <b>49.95</b> |

**23. Leases (Contd.)**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis as at December 31, 2023:

| Particulars                | Rupees in Crores |
|----------------------------|------------------|
| Less than one year         | 23.42            |
| Between one and five years | 67.30            |

**24. Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

The Company has integrated its organization structure with respect to its automotive and non-automotive business considering that the synergies, risks and returns associated with business operations are not predominantly distinct. The Company has aligned its internal financial reporting system in line with the new organization structure. As a result the Company's reportable business segment consists of a single segment of "Lubricants" in terms of Ind AS 108. The Managing Director (Chief Operating Decision Maker) is accountable for leading the growth agenda for an integrated Automotive and Industrial business.

| Information by Geographies                                      | For the year ended<br>December 31, 2023 | For the year ended<br>December 31, 2022 |
|---|---|---|
|   | Rupees in Crores                        | Rupees in Crores                        |
| <b>Revenue</b>  |   |   |
| India   | 5,050.62                                | 4,748.23                                |
| Outside India   | 23.99                                   | 26.26                                   |
| <b>Total</b>  | <b>5,074.61</b>                         | <b>4,774.49</b>                         |
| <b>Capital expenditure (including capital work-in-progress)</b> |   |   |
| India   | 99.81                                   | 104.48                                  |
| Outside India   | -                                       | -                                       |
| <b>Total</b>  | <b>99.81</b>                            | <b>104.48</b>                           |

| Information by Geographies | As at<br>December 31, 2023 | As at<br>December 31, 2022 |
|----------------------------|----------------------------|----------------------------|
|                            | Rupees in Crores           | Rupees in Crores           |
| <b>Non-current assets</b>  |                            |                            |
| India                      | 470.76                     | 378.22                     |
| Outside India              | -                          | -                          |
| <b>Total</b>               | <b>470.76</b>              | <b>378.22</b>              |

There are no transactions with single customer which amounts to 10% or more of the Company's revenue for year ended December 31, 2023 and December 31, 2022.

**25. (i) Contingent liabilities & commitments**

| Particulars  | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|--|--|--|
| <b>(a) Contingent liabilities [Refer note below]</b>   |  |  |
| <b>Claims against the Company not acknowledged as debts:</b>   |  |  |
| - Income tax matters in dispute under appeal   | 5.54   | 10.57  |
| - Sales tax matter under appeals   | 29.29  | 29.32  |
| - In respect of compensation claimed by third parties / workers / employees  | 1.70   | 1.09   |
| <b>(A)</b>   | <b>36.53</b>                                   | <b>40.98</b>                                   |
| <b>(b) Commitments</b>   |  |  |
| - Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 64.09  | 68.68  |
| <b>(B)</b>   | <b>64.09</b>                                   | <b>68.68</b>                                   |
| <b>Total (A+B)</b>   | <b>100.62</b>                                  | <b>109.66</b>                                  |

**Note:**

The management based on internal assessment/external legal opinion does not expect these demands / claims to succeed. Claims, where the possibility of outflow of resources embodying economic benefits is remote, have not been considered in contingent liability.

- 25. (ii)** The Company has received following demand orders from Maharashtra Sales Tax Department for disputes relating to the movement of goods from the Plant/ MWHs situated in Maharashtra to the CFAs for sale of goods made by the Company in the states other than Maharashtra, where applicable taxes have been paid as per the provisions of law. The department alleged that the movement of goods was to fulfil pre-existing orders in the destination States, and were therefore in the nature of inter-State sales. The Company contends that the movement of goods from Maharashtra was not pursuant to any contract /order from customers in other States hence the understanding of operations/ systems recorded in the assessment orders are not factually correct. The Company's tax payment methodology in respect of the goods sold is adequately supported by robust legal grounds/precedents and in Company's opinion the said demands are unjustified. Thus considering the favorable orders from MVAT Tribunal and based on the legal advice the Company has not made any provision in the books for the year ended December 31, 2023 and the possibility of outflow of resources embodying economic benefits is considered to be remote.

| Financial Year             | Amount of demand<br>(including interest) | Status   |
|----------------------------|--|--|
| 2007-08                    | 306.71                                   | The Company had received favourable orders from Maharashtra Sales Tax Tribunal (MSTT) against which the department filed appeals in Central Sales Tax Appellate Authority, Delhi (CSTAA). Hearing dates are awaited. |
| 2009-10                    | 255.50                                   |  |
| 2010-11                    | 263.63                                   |  |
| 2011-12                    | 474.64                                   |  |
| 2012-13                    | 578.05                                   |  |
| 2013-14                    | 485.22                                   |  |
| 2014-15                    | 528.34                                   |  |
| 2015-16                    | 510.69                                   | The Company has received favourable order from MSTT.   |
| 2016-17                    | 565.00                                   | The Company has filed an appeal at MSTT. Hearing date is awaited.  |
| 2017-18 (Apr-17 to Jun-17) | 163.47                                   | The Company had received favourable order from MSTT against which department had filed the appeal in CSTAA. Hearing date is awaited.   |
| <b>Total</b>               | <b>4,131.25</b>                          |  |

**Note:** It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

**26. Details of dues to micro enterprises and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act 2006\*#**

| Particulars   | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|---|--|--|
| a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year   |  |  |
| - Principal amount due to micro and small enterprises   | 1.54   | 1.18   |
| - Interest due on above   | 0.03   | 0.20   |
| b. The amount of interest paid by the buyer in terms of section 16 of the Micro and Small Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.  | -  | -  |
| c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.   | -  | -  |
| d. The amount of interest accrued and remaining unpaid at the end of each accounting year   | 0.03   | 0.20   |
| e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of Micro and Small Enterprise Development Act, 2006. | -  | -  |

\*The Company has initiated the process of identification of suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received.

#The Company had awarded certain works contracts to vendors who are registered under the Micro, Small and Medium Enterprises Development Act, 2006. Since, the scope of the said Act does not effectively extend to works contract, the payment and the reporting obligations thereunder would also not apply to such retention monies and hence the same has been accordingly reported.

**27. Employee Benefits****I) Defined Contribution Plan**

Contribution to Provident and Other Funds' in Note 18 includes Rs. 0.85 Crores (December 31, 2022: Rs. 0.90 Crores) for ESIC and Labour Welfare Fund. Note 21 includes Insurance Rs. 3.07 Crores (December 31, 2022: Rs. 3.68 Crores) for Medical Insurance benefits and post retiral medical benefit scheme. Salaries, wages and bonus in Note 18 includes Rs. 1.49 Crores for share match (December 31, 2022: Rs. 1.33 Crores).

**II) Defined Benefit Plan****A) General Description of Defined Benefit Plan****i) Gratuity**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days/one month salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service, retirement or death, whichever is earlier. The benefit vests after five years of continuous service.

The Company has a defined benefit gratuity plan in India (funded). The Company defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund.

**27. Employee Benefits (Contd.)**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

**ii) Provident Fund**

The Provident Fund (administered by a trust) is a defined benefit scheme whereby the Company deposits amounts determined as a fixed percentage of basic pay to the fund every month. The actuary has provided a valuation and determined the fund assets and obligations as at December 31, 2023. Further, it has been determined that the yield on the investments of the trust is adequate to meet the obligation towards the payment of the interest rate notified by the government.

**iii) Pension Benefit to Past Employees**

Under the Company's pension scheme, certain categories of employees, on retirement, are eligible for monthly differential pension which is accounted for on an actuarial basis as on the Balance Sheet date.

**iv) Compensated absences**

The Company has a policy on compensated absences which is applicable to its executives jointed upto a specified period and all workers. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date.

**B) The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.**

|                 |  |
|-----------------|--|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments. |
| Interest risk   | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.   |
| Longevity risk  | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.  |
| Salary risk     | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.  |

**27. Employee Benefits (Contd.)****C) Amounts recognized in financial statements respect of these defined benefit plans are as follows:**

- i) The following tables set out the funded status of the gratuity, pension, compensated absences and provident fund plans and the amounts recognized in the Company's financial statements as at December 31, 2023 and December 31, 2022:

| Particulars   | As at December 31, 2023 |                 |                      |                | As at December 31, 2022 |                 |                      |                |
|---|-------------------------|-----------------|----------------------|----------------|-------------------------|-----------------|----------------------|----------------|
|   | Gratuity                | Pension Benefit | Compensated absences | Provident Fund | Gratuity                | Pension Benefit | Compensated absences | Provident Fund |
|   | (Funded)                | (Non-funded)    | (Non-funded)         | (Funded)       | (Funded)                | (Non-funded)    | (Non-funded)         | (Funded)       |
| <b>Change in the present value of the defined benefit obligation and fair value of plan assets:</b> |                         |                 |                      |                |                         |                 |                      |                |
| <b>Obligation at period beginning</b>   | <b>52.56</b>            | <b>1.35</b>     | <b>1.17</b>          | <b>229.65</b>  | <b>51.91</b>            | <b>1.55</b>     | <b>1.41</b>          | <b>221.50</b>  |
| Current service cost  | 4.13                    | (0.03)          | 0.21                 | 9.65           | 3.73                    | (0.20)          | -                    | 8.86           |
| Past service cost   | -                       | -               | -                    | -              | -                       | -               | -                    | -              |
| Interest cost   | 3.65                    | -               | -                    | 18.60          | 2.95                    | -               | (0.02)               | 18.89          |
| Actuarial (gain) / loss due to change in assumptions  | 3.08                    | -               | -                    | -              | 1.84                    | -               | -                    | -              |
| Experience (gain) / loss on plan liability  | -                       | -               | -                    | 4.13           | (2.21)                  | -               | -                    | (12.22)        |
| Benefits paid and transfer out  | (3.84)                  | -               | (0.14)               | (31.45)        | (5.92)                  | -               | (0.22)               | (24.37)        |
| Contributions by employee   | -                       | -               | -                    | 13.84          | -                       | -               | -                    | 12.53          |
| Transfer in / (Out)   | 0.87                    | -               | -                    | 7.85           | 0.26                    | -               | -                    | 4.46           |
| Adjustment made to Opening Liability balance  | -                       | -               | -                    | 1.67           | -                       | -               | -                    | -              |
| <b>Obligation at period end</b>   | <b>60.45</b>            | <b>1.32</b>     | <b>1.24</b>          | <b>253.94</b>  | <b>52.56</b>            | <b>1.35</b>     | <b>1.17</b>          | <b>229.65</b>  |
| <b>Change in plan assets</b>  |                         |                 |                      |                |                         |                 |                      |                |
| <b>Plan assets at period beginning, at fair value</b>   | <b>37.20</b>            | <b>-</b>        | <b>-</b>             | <b>229.75</b>  | <b>36.36</b>            | <b>-</b>        | <b>-</b>             | <b>221.50</b>  |
| Expected return on plan assets  | 2.75                    | -               | -                    | 18.61          | 2.25                    | -               | -                    | 19.02          |
| Experience gain / (loss) on plan assets   | (0.92)                  | -               | -                    | 4.18           | (0.04)                  | -               | -                    | (13.79)        |
| Asset gain / (loss)   | 0.86                    | -               | -                    | -              | 0.26                    | -               | -                    | -              |
| Contributions by employer   | 4.64                    | -               | -                    | 9.65           | 4.29                    | -               | -                    | 8.86           |
| Contributions by employee   | -                       | -               | -                    | 13.84          | -                       | -               | -                    | 12.53          |
| Benefits paid   | (3.84)                  | -               | -                    | (31.45)        | (5.92)                  | -               | -                    | (24.37)        |
| Transfer in / (Out)   | -                       | -               | -                    | 7.85           | -                       | -               | -                    | 6.00           |
| <b>Plan assets at period end, at fair value</b>   | <b>40.69</b>            | <b>-</b>        | <b>-</b>             | <b>252.43</b>  | <b>37.20</b>            | <b>-</b>        | <b>-</b>             | <b>229.75</b>  |
| <b>Change in the present value of the defined benefit obligation and fair value of plan assets:</b> |                         |                 |                      |                |                         |                 |                      |                |
| Fair value of plan assets at the end of the period  | 40.69                   | -               | -                    | 252.43         | 37.20                   | -               | -                    | 229.75         |
| Present value of the defined benefit obligation at the end of the period                            | (60.45)                 | (1.32)          | (1.24)               | (253.94)       | (52.56)                 | (1.35)          | (1.17)               | (229.65)       |
| <b>Asset / (liability) recognized in the Balance Sheet</b>  | <b>(19.76)</b>          | <b>(1.32)</b>   | <b>(1.24)</b>        | <b>(1.51)</b>  | <b>(15.36)</b>          | <b>(1.35)</b>   | <b>(1.17)</b>        | <b>0.10</b>    |



**27. Employee Benefits (Contd.)**

b) Amount for the year ended December 31, 2023 and December 31, 2022 recognized in the Statement of Profit and Loss/ capitalised (including amount recovered from group) under employee benefit expenses.

| Particulars                                     | Rupees in Crores                     |                                 |                                      |                            |                                      |                                 |                                      |                            |
|---|--------------------------------------|---------------------------------|--------------------------------------|----------------------------|--------------------------------------|---------------------------------|--------------------------------------|----------------------------|
|   | For the year ended December 31, 2023 |                                 |                                      |                            | For the year ended December 31, 2022 |                                 |                                      |                            |
|   | Gratuity<br>(Funded)                 | Pension Benefit<br>(Non-funded) | Compensated absences<br>(Non-funded) | Provident Fund<br>(Funded) | Gratuity<br>(Funded)                 | Pension Benefit<br>(Non-funded) | Compensated absences<br>(Non-funded) | Provident Fund<br>(Funded) |
| Current service cost                            | 4.13                                 | (0.03)                          | 0.21                                 | 9.65                       | 3.73                                 | (0.20)                          | -                                    | 8.86                       |
| Past service cost                               | -                                    | -                               | -                                    | -                          | -                                    | -                               | -                                    | -                          |
| Net interest cost                               | 3.65                                 | -                               | -                                    | 18.60                      | 2.95                                 | -                               | (0.02)                               | 18.89                      |
| Interest income                                 | (2.75)                               | -                               | -                                    | (18.61)                    | (2.25)                               | -                               | -                                    | (19.02)                    |
| (Gains) / losses - other long term benefits     | -                                    | -                               | -                                    | -                          | -                                    | -                               | -                                    | -                          |
| <b>Total cost recognised in Profit and Loss</b> | <b>5.03</b>                          | <b>(0.03)</b>                   | <b>0.21</b>                          | <b>9.64</b>                | <b>4.43</b>                          | <b>(0.20)</b>                   | <b>(0.02)</b>                        | <b>8.73</b>                |

c) Amount for the year ended December 31, 2023 and December 31, 2022 recognized in the statement of other comprehensive income:

| Particulars  | Rupees in Crores                     |                                 |                                      |                            |                                      |                                 |                                      |                            |
|--|--------------------------------------|---------------------------------|--------------------------------------|----------------------------|--------------------------------------|---------------------------------|--------------------------------------|----------------------------|
|  | For the year ended December 31, 2023 |                                 |                                      |                            | For the year ended December 31, 2022 |                                 |                                      |                            |
|  | Gratuity<br>(Funded)                 | Pension Benefit<br>(Non-funded) | Compensated absences<br>(Non-funded) | Provident Fund<br>(Funded) | Gratuity<br>(Funded)                 | Pension Benefit<br>(Non-funded) | Compensated absences<br>(Non-funded) | Provident Fund<br>(Funded) |
| Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO | 0.23                                 | -                               | -                                    | -                          | 1.37                                 | -                               | -                                    | -                          |
| Actuarial (Gain) / Loss due to Financial Assumption changes in DBO   | 0.38                                 | -                               | -                                    | 0.19                       | (3.94)                               | -                               | -                                    | (1.31)                     |
| Actuarial (Gain) / Loss due to changes in Experience                 | 2.48                                 | -                               | -                                    | 3.94                       | 2.21                                 | -                               | -                                    | (10.90)                    |
| Adjustments on DBO   | -                                    | -                               | -                                    | -                          | -                                    | -                               | -                                    | -                          |
| Return on Plan Assets (Greater) / Less than Discount rate            | 0.92                                 | -                               | -                                    | (4.18)                     | 0.04                                 | -                               | -                                    | 13.79                      |
| <b>Total Actuarial (Gain)/ Loss included in OCI</b>                  | <b>4.01</b>                          | <b>-</b>                        | <b>-</b>                             | <b>(0.05)</b>              | <b>(0.32)</b>                        | <b>-</b>                        | <b>-</b>                             | <b>1.58</b>                |

**27. Employee Benefits (Contd.)**

d) Major Categories of Plan assets are as follows

| Particulars                                  | Rupees in Crores        |                         |
|--|-------------------------|-------------------------|
|  | As at December 31, 2023 | As at December 31, 2022 |
| <b>Provident fund</b>                        |                         |                         |
| <b>The composition of plan assets</b>        |                         |                         |
| Special Deposit                              | 17.32                   | 17.32                   |
| Investment in Government and Debt Securities | 201.41                  | 193.75                  |
| Investment in Mutual Funds                   | 11.95                   | 9.74                    |
| Bank Balance                                 | 13.25                   | 2.12                    |
| Other receivables                            | 8.50                    | 6.82                    |
| <b>Total</b>                                 | <b>252.43</b>           | <b>229.75</b>           |

| Particulars                           | Rupees in Crores        |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | As at December 31, 2023 | As at December 31, 2022 |
| <b>Gratuity</b>                       |                         |                         |
| <b>The composition of plan assets</b> |                         |                         |
| Special Deposits                      | 0.76                    | 0.76                    |
| Deposit with insurance schemes        | 35.56                   | 35.33                   |
| Bank Balance                          | 2.94                    | 0.36                    |
| Others - Receivables / (Payables)     | 1.44                    | 0.76                    |
| <b>Total</b>                          | <b>40.70</b>            | <b>37.21</b>            |

Each year, the Board of Trustees reviews the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The fair values of the above investments are determined based on prices in active markets. The Board of Trustees decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of equity instruments and debt instruments. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

e) The significant assumptions used to determine benefit obligations as at December 31, 2023 and December 31, 2022 are set out below:

| Particulars                            | As at December 31, 2023             |                                     |                                     | As at December 31, 2022            |                                    |                                    |
|--|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|  | Gratuity                            | Compensated absences                | Provident Fund                      | Gratuity                           | Compensated absences               | Provident Fund                     |
|  | (Funded)                            | (Non-funded)                        | (Funded)                            | (Funded)                           | (Non-funded)                       | (Funded)                           |
| Discount rate                          | 7.27%                               | 7.27%                               | 7.27%                               | 7.38%                              | 7.38%                              | 7.38%                              |
| Rate of increase in compensation level | Executives - 10.00%<br>Workers - 4% | Executives - 10.00%<br>Workers - 4% | Executives - 10.00%<br>Workers - 4% | Executives - 10.0%<br>Workers - 4% | Executives - 10.0%<br>Workers - 4% | Executives - 10.0%<br>Workers - 4% |
| Interest Rate Guarantee                | -                                   | -                                   | 8.15%                               | -                                  | -                                  | 8.10%                              |

**27. Employee Benefits (Contd.)****f) Sensitivity Analysis**

Rupees in Crores

| Particulars                             | As at December 31, 2023 |                      |                | As at December 31, 2022 |                      |                |
|---|-------------------------|----------------------|----------------|-------------------------|----------------------|----------------|
|   | Gratuity                | Compensated absences | Provident Fund | Gratuity                | Compensated absences | Provident Fund |
|   | (Funded)                | (Non-funded)         | (Funded)       | (Funded)                | (Non-funded)         | (Funded)       |
| <b>Discount per annum</b>               |                         |                      |                |                         |                      |                |
| a) Increase by 100 basis points         | 55.38                   | 1.27                 | 249.03         | 49.60                   | 1.14                 | 228.29         |
| b) Decrease by 100 basis points         | 61.71                   | 1.39                 | 259.58         | 55.88                   | 1.48                 | 234.51         |
| <b>Rate of increase in compensation</b> |                         |                      |                |                         |                      |                |
| a) Increase by 100 basis points         | 61.07                   | 1.39                 | -              | 50.17                   | 1.26                 | -              |
| b) Decrease by 100 basis points         | 55.80                   | 1.27                 | -              | 55.07                   | 1.14                 | -              |
| <b>Interest Rate Guarantee</b>          |                         |                      |                |                         |                      |                |
| a) Increase by 100 basis points         | -                       | -                    | 259.26         | -                       | -                    | 234.33         |
| b) Decrease by 100 basis points         | -                       | -                    | 249.03         | -                       | -                    | 228.29         |

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognized in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

Gratuity plan: Rs. 5.88 Crores (December 31, 2022: Rs 5.03 Crores)

Provident fund: Rs. 10.80 Crores (December 31, 2022: Rs. 9.70 Crores)

**g) Maturity profile of defined benefit obligation is as follows**

Rupees in Crores

| Particulars | As at December 31, 2023 |                | As at December 31, 2022 |                |
|-------------|-------------------------|----------------|-------------------------|----------------|
|             | Gratuity                | Provident Fund | Gratuity                | Provident Fund |
|             | (Funded)                | (Funded)       | (Funded)                | (Funded)       |
| Year 1      | 9.48                    | 34.86          | 6.36                    | 31.96          |
| Year 2      | 8.24                    | 40.79          | 5.68                    | 37.39          |
| Year 3      | 5.13                    | 40.57          | 7.48                    | 37.19          |
| Year 4      | 7.37                    | 39.09          | 4.65                    | 35.83          |
| Year 5      | 5.32                    | 26.13          | 6.47                    | 23.96          |
| Year 6 - 10 | 24.91                   | 70.83          | 21.92                   | 63.32          |

**28. Related party disclosures as required under Ind AS - 24, "Related Party Disclosures" are given below:****A. Name of the related party and nature of relationship where control exist**

|                      |  |
|----------------------|--|
| a) Holding companies | Castrol Limited, U.K. (Holding Company of Castrol India Limited)         |
|                      | Burmah Castrol PLC (Holding Company of Castrol Limited, U.K.)            |
|                      | BP PLC (Holding Company of Burmah Castrol PLC), Ultimate Holding Company |

**B. Name of the related party and nature of relationship where transaction have taken place**

|  |  |   |
|--|--|---|
| a) Fellow subsidiaries (where transaction exists)  | AsPac Lubricants (Malaysia) Sdn. Bhd.        | BP Shipping Ltd                                   |
|  | BP - Castrol (Thailand) Limited              | BP Singapore Pte Limited                          |
|  | BP (China) Industrial Lubricants Limited     | Castrol (Shanghai) Management Co. Ltd             |
|  | BP Australia Pty Limited                     | Castrol (Shenzhen) Company Limited                |
|  | BP Business Solutions India Private Limited  | Castrol Australia pty ltd                         |
|  | BP Castrol KK                                | Castrol Belgium BV                                |
|  | BP Corporation North America Inc.            | Castrol BP Petco Limited Liability Company        |
|  | BP Exploration Alpha Ltd                     | Castrol Germany GmbH (formerly as BP Europa SE)   |
|  | Castrol France Sas                           | Castrol Singapore Pte Limited                     |
|  | BP India Private Limited                     | Lubricants UK Limited                             |
|  | BP International Limited                     | BP Lubricants USA Inc.                            |
|  | BP International Limited -OB&C UK            | BP Marine Ltd                                     |
|  | BP Japan KK                                  | BP France   |
|  | BP Korea Limited                             |   |
| b) Joint venture of BP Global Investment Limited, a subsidiary of Ultimate Holding Company | Reliance BP Mobility Limited (RBML)          | RBML Solutions India Limited (Subsidiary of RBML) |
| c) Post employment benefit funds   | Castrol India Ltd. Employees' Provident Fund |   |
|  | Castrol India Ltd. Staff Pension Fund        |   |
|  | Castrol India Ltd. Employees' Gratuity Fund  |   |
| d) Key management personnel (where transaction exists)                                     | Sandeep Sangwan                              | Managing Director                                 |
|  | Deepesh Baxi                                 | Chief Financial Officer & Whole time Director     |
|  | Saugata Basuray                              | Wholetime Director (w.e.f 01.04.2022)             |
|  | Mayank Pandey                                | Whole time Director                               |
| e) Non-executive Independent Directors *   | Rakesh Makhija                               | R. Gopalakrishnan                                 |
|  | Uday Khanna                                  | Sangeeta Talwar                                   |
| f) Non-executive non-Independent Directors *   | Sashi Mukundan                               | A. S. Ramchander (Till 30.09.2022)                |
|  | Udayan Sen                                   | Nicola Buck (w.e.f 09.11.2022)                    |

\* Non-executive directors are disclosed as Key Management Personnel as per the requirement of Ind AS 24. However, they are not Key Management Personnel as per Companies Act, 2013.

**28. Related party disclosures as required under Ind AS - 24, "Related Party Disclosures" are given below: (Contd.)**

**B. Transactions with related parties**

| Particulars                                     | Nature of Relationship | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|---|------------------------|---|---|
| <b>Purchase of materials / traded goods #</b>   |                        |   |   |
| Castrol Germany GmbH (formerly as BP Europa SE) | Fellow subsidiary      | 34.38   | 29.23   |
| Castrol Belgium BV                              | Fellow subsidiary      | 28.29   | 18.37   |
| BP France                                       | Fellow subsidiary      | 6.08  | 8.21  |
| BP Lubricants USA Inc                           | Fellow subsidiary      | 23.81   | 11.69   |
| Bp China Industrail Lubricants Ltd.             | Fellow subsidiary      | 1.37  | 5.82  |
| BP Japan K.K                                    | Fellow subsidiary      | 0.04  | 0.23  |
| BP Korea Limited                                | Fellow subsidiary      | 0.68  | 1.37  |
| AsPac Lubricants (Malaysia) Sdn. Bhd.           | Fellow subsidiary      | 0.91  | -   |
| Castrol Singapore Pte Limited                   | Fellow subsidiary      | 0.96  | 0.26  |
| BP - Castrol (Thailand) Limited                 | Fellow subsidiary      | 3.34  | 0.42  |
| Castrol BP Petco Limited Liability Company      | Fellow subsidiary      | -   | 0.14  |
| <b>Total</b>                                    |                        | <b>99.86</b>  | <b>75.74</b>  |

# During the year December 31, 2022, the Company has purchased 300 monitors free of Cost from BP Business Solutions Pvt Ltd and Network hardware Equipment at nominal value (GBP 1) from Castrol UK limited, based on approval from Board of Directors of the Company in its meeting held on April 26, 2022 & October 31, 2022 respectively.

**Sale of goods (net of returns)**

|  |   |              |              |
|--|---|--------------|--------------|
| Reliance BP Mobility Limited             | Joint venture of BP Global Investment Limited, a subsidiary of Ultimate Holding Company | 11.54        | 10.28        |
| Castrol (Shanghai) Management Co.        | Fellow subsidiary   | 0.26         | 1.13         |
| BP - Castrol (Thailand) Limited          | Fellow subsidiary   | 0.35         | 1.04         |
| Castrol BP Petco limited                 | Fellow subsidiary   | -            | 9.14         |
| AsPac Lubricants (Malaysia) Sdn. Bhd.    | Fellow subsidiary   | -            | 0.88         |
| Castrol Australia Pty Ltd                | Fellow subsidiary   | 0.12         | -            |
| BP (China) Industrial Lubricants Limited | Fellow subsidiary   | 0.44         | -            |
| <b>Total</b>                             |   | <b>12.71</b> | <b>22.47</b> |

**Receiving of services**

|   |                   |              |              |
|---|-------------------|--------------|--------------|
| BP International Limited*                       | Fellow subsidiary | 8.95         | 9.70         |
| Castrol Germany GmbH (formerly as BP Europa SE) | Fellow subsidiary | 0.45         | 0.79         |
| Lubricants UK Limited                           | Fellow subsidiary | 2.01         | 2.35         |
| BP Business Solutions India Private Limited     | Fellow subsidiary | 15.64        | 15.18        |
| BP Shipping Ltd (TS)                            | Fellow subsidiary | 0.41         | 0.35         |
| BP Corporation North America Inc. - OB&C        | Fellow subsidiary | -            | 0.03         |
| BP Singapore Pte Limited                        | Fellow subsidiary | -            | 0.05         |
| BP India Private Limited                        | Fellow subsidiary | 0.82         | 0.25         |
| <b>Total</b>                                    |                   | <b>28.28</b> | <b>28.70</b> |

\* Includes hardware transfer cost from BP International of Rs. 0.73 Crores (Previous year Rs. Nil)

**Rendering of services (Including reimbursement of expenses)****28. Related party disclosures as required under Ind AS - 24, "Related Party Disclosures" are given below: (Contd.)****B. Transactions with related parties**

| Particulars                                     | Nature of Relationship  | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|---|---|---|---|
| Castrol Limited, U.K                            | Holding Company   | 4.46  | 3.33  |
| BP International Limited                        | Fellow subsidiary   | 0.04  | 0.69  |
| BP India Private Limited                        | Fellow subsidiary   | 8.06  | 6.55  |
| Lubricants UK Limited                           | Fellow subsidiary   | 0.51  | 1.00  |
| BP Exploration (Alpha) Limited                  | Fellow subsidiary   | 1.58  | 1.23  |
| <b>Total</b>                                    |   | <b>14.65</b>  | <b>12.80</b>  |
| <b>Contribution to funds</b>                    |   |   |   |
| Castrol India Ltd. Employees' Provident Fund    | Post employment benefit funds   | 9.65  | 8.86  |
| Castrol India Ltd. Staff Pension Fund           | Post employment benefit funds   | 2.80  | 2.84  |
| Castrol India Ltd. Employees' Gratuity Fund     | Post employment benefit funds   | 4.64  | 4.29  |
| <b>Total</b>                                    |   | <b>17.09</b>  | <b>15.99</b>  |
| <b>Disbursement from funds</b>                  |   |   |   |
| Castrol India Ltd. Employees' Provident Fund    | Post employment benefit funds   | 31.45   | 25.20   |
| Castrol India Ltd. Staff Pension Fund           | Post employment benefit funds   | 3.10  | 4.37  |
| Castrol India Ltd. Employees' Gratuity Fund     | Post employment benefit funds   | 3.84  | 6.19  |
| <b>Total</b>                                    |   | <b>38.39</b>  | <b>35.76</b>  |
| <b>Commission income</b>                        |   |   |   |
| BP Marine Limited                               | Fellow subsidiary   | 4.54  | 4.16  |
| <b>Total</b>                                    |   | <b>4.54</b>   | <b>4.16</b>   |
| <b>Overriding Commission</b>                    |   |   |   |
| Reliance BP Mobility Limited                    | Joint venture of BP Global Investment Limited, a subsidiary of Ultimate Holding Company | 2.38  | 1.94  |
| <b>Total</b>                                    |   | <b>2.38</b>   | <b>1.94</b>   |
| <b>Dividend (On payment Basis)</b>              |   |   |   |
| Castrol Limited, U.K.                           | Holding Company   | 327.89  | 302.67  |
| <b>Total</b>                                    |   | <b>327.89</b>   | <b>302.67</b>   |
| <b>Royalty expense</b>                          |   |   |   |
| Castrol Limited, U.K.                           | Holding Company   | 122.42  | 112.44  |
| <b>Total</b>                                    |   | <b>122.42</b>   | <b>112.44</b>   |
| <b>Share value and share match payments *</b>   |   |   |   |
| BP PLC  | Ultimate Holding Company  | 18.91   | 21.12   |
| <b>Total</b>                                    |   | <b>18.91</b>  | <b>21.12</b>  |
| * Share value expenses to be borne by BP PLC    |   |   |   |
| <b>Remuneration to executive directors * ##</b> |   |   |   |
| Sandeep Sangwan                                 | Key management personnel  | 9.40  | 4.72  |

**28. Related party disclosures as required under Ind AS - 24, "Related Party Disclosures" are given below: (Contd.)****B. Transactions with related parties**

| Particulars  | Nature of Relationship   | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |  |  |
|--|--------------------------|---|---|--|--|
| Mayank Pandey  | Key management personnel | 2.55  | 2.44  |  |  |
| Deepesh Baxi   | Key management personnel | 3.41  | 2.68  |  |  |
| Saugata Basuray  | Key management personnel | 2.88  | 1.57  |  |  |
| <b>Total</b>   |                          | <b>18.24</b>  | <b>11.41</b>  |  |  |
| <b>Bifurcation of long term and short term benefits</b>                              |                          |   |   |  |  |
| Short-term employee benefits   |                          | 13.02   | 10.26   |  |  |
| Post-employment benefits   |                          | 0.62  | 0.45  |  |  |
| Share-based payment transactions   |                          | 4.60  | 0.70  |  |  |
| <b>Total compensation paid to executive directors</b>                                |                          | <b>18.24</b>  | <b>11.41</b>  |  |  |
| <b>Commission and Director sitting fees to non-executive Independent directors #</b> |                          |   |   |  |  |
| R Gopalakrishnan   | Key management personnel | 0.31  | 0.27  |  |  |
| Uday Khanna  | Key management personnel | 0.24  | 0.23  |  |  |
| Rakesh Makhija   | Key management personnel | 0.26  | 0.25  |  |  |
| Sangeeta Talwar  | Key management personnel | 0.25  | 0.24  |  |  |
| <b>Total</b>   |                          | <b>1.06</b>   | <b>0.99</b>   |  |  |
| <b>Dividend to Directors</b>   |                          |   |   |  |  |
|  |                          | <b>No. of share held at 31-Dec-2023</b>                     | <b>No. of share held at 31-Dec-2022</b>                     | <b>For the year ended December 31, 2023 Rupees in Crores</b> | <b>For the year ended December 31, 2022 Rupees in Crores</b> |
| Uday Khanna  |                          | 1,600   | 1,600   | *  | *  |
| Saugata Basuray  |                          | 400   | 400   | *  | *  |
| Mayank Pandey  |                          | 100   | 100   | *  | *  |
| Udayan Sen   |                          | 1,508   | 1,508   | *  | *  |

\* Amounts are less than the denomination disclosed

\* The remuneration to executive directors includes share value plan and contribution of Company towards share match on taxable basis.

# Commission and sitting fees to non- executive Independent directors

## Exclusive of provision for liability in respect of leave earned and gratuity, since this is based on actuarial valuation done on an overall basis for all employees, Performance bonus / incentive amount considered on payment basis.

**28. Related party disclosures as required under Ind AS - 24, "Related Party Disclosures" are given below: (Contd.)****B. Transactions with related parties**

| Balance as at year ended   | Nature of Relationship  | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|--|---|--|--|
| <b>Amounts payable</b>   |   |  |  |
| BP PLC   | Ultimate Holding Company  | 3.04   | -  |
| Castrol Limited, U.K.  | Holding Company   | 104.06   | 100.17   |
| Castrol Germany GmbH (formerly as BP Europa SE)                      | Fellow subsidiary   | 8.00   | 14.39  |
| BP Business solutions India Private Limited                          | Fellow subsidiary   | -  | 15.18  |
| Castrol India Ltd. Employees' Provident Fund                         | Post employment benefit funds   | 2.00   | 1.79   |
| Castrol India Ltd. Staff Pension Fund                                | Post employment benefit funds   | 0.22   | 0.24   |
| Castrol India Ltd. Employees' Gratuity Fund                          | Post employment benefit funds   | 0.39   | 0.36   |
| Deepesh Baxi   | Key management personnel  | 0.55   | 0.50   |
| Mayank Pandey  | Key management personnel  | 0.54   | 0.49   |
| Sandeep Sangwan  | Key management personnel  | 1.55   | 1.41   |
| Saugata Basuray  | Key management personnel  | 0.54   | 0.49   |
| R Gopalakrishnan #   | Key management personnel  | 0.24   | 0.20   |
| Uday Khanna #  | Key management personnel  | 0.18   | 0.16   |
| Rakesh Makhija #   | Key management personnel  | 0.18   | 0.16   |
| Sangeeta Talwar #  | Key management personnel  | 0.18   | 0.16   |
| BP - Castrol (Thailand) Limited                                      | Fellow subsidiary   | 2.20   | -  |
| BP Australia Pty Limited   | Fellow subsidiary   | -  | 0.03   |
| Castrol Belgium Bv   | Fellow subsidiary   | 2.90   | 2.94   |
| Castrol France Sas   | Fellow subsidiary   | 0.82   | -  |
| BP India Private Limited   | Fellow subsidiary   | 0.01   | 0.22   |
| BP International Limited   | Fellow subsidiary   | 7.97   | 8.07   |
| BP Lubricants USA Inc  | Fellow subsidiary   | 0.78   | 3.43   |
| Lubricants UK Limited  | Fellow subsidiary   | 0.64   | 0.44   |
| BP (china) industrial lubricants limited                             | Fellow subsidiary   | -  | 0.94   |
| <b>Total</b>   |   | <b>136.99</b>                                  | <b>151.78</b>                                  |
| # Commission and sitting fees to non-executive Independent directors |   |  |  |
| <b>Amounts receivable</b>  |   |  |  |
| Castrol Limited, U.K.  | Holding Company   | 4.32   | 3.27   |
| Castrol BP Petco Limited Liability Company                           | Fellow subsidiary   | -  | 1.22   |
| BP India Private Limited   | Fellow subsidiary   | 0.98   | 0.91   |
| Reliance BP Mobility Limited   | Joint venture of BP Global Investment Limited, a subsidiary of Ultimate Holding Company | 1.52   | 1.02   |
| BP Marine Limited  | Fellow subsidiary   | 2.53   | 1.08   |
| Lubricants UK Limited  | Fellow subsidiary   | 0.21   | 0.21   |
| BP - Castrol (Thailand) Limited                                      | Fellow subsidiary   | -  | 0.45   |
| BP Exploration (Alpha) Limited                                       | Fellow subsidiary   | 0.15   | 0.21   |

**28. Related party disclosures as required under Ind AS - 24, "Related Party Disclosures" are given below: (Contd.)****B. Transactions with related parties**

| Balance as at year ended                     | Nature of Relationship   | As at             | As at             |
|--|--------------------------|-------------------|-------------------|
|  |                          | December 31, 2023 | December 31, 2022 |
|  |                          | Rupees in Crores  | Rupees in Crores  |
| Castrol (Shenzhen) Company Limited           | Fellow subsidiary        | -                 | 0.32              |
| AsPac Lubricants (Malaysia) Sdn. Bhd.        | Fellow subsidiary        | -                 | 0.30              |
| Castrol Germany GmbH                         | Fellow subsidiary        | 0.38              | -                 |
| Loan receivable from Saugata Basuray         | Key Management Personnel | 0.02              | 0.02              |
| <b>Total</b>                                 |                          | <b>10.11</b>      | <b>9.01</b>       |
| <b>Share based payments - Other equity *</b> |                          |                   |                   |
| BP PLC                                       | Ultimate Holding Company | 78.95             | 61.53             |
| <b>Total</b>                                 |                          | <b>78.95</b>      | <b>61.53</b>      |

\* Considered as deemed contribution since the cost of the share value plan is borne by the Ultimate Holding Company.

**29. Financial Risk Management**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The primary market risk to the Company is foreign exchange risk. The Company uses forward contracts to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

**A. Liquidity Risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of December 31, 2023 and December 31, 2022, the Company had a working capital of Rs. 1108.38 Crores and Rs. 1114.70 Crores respectively including cash and cash equivalents of Rs. 493.21 Crores and Rs. 554.50 Crores respectively.

The table below provides details regarding the contractual maturities of significant financial liabilities as on reporting date.

| Particulars                    | Rupees in Crores |                  |              |          |
|--------------------------------|------------------|------------------|--------------|----------|
|                                | On demand        | Less than 1 year | 1 to 5 years | Total    |
| <b>As at December 31, 2023</b> |                  |                  |              |          |
| Other financial liabilities    | (16.58)          | (384.11)         | (59.36)      | (460.05) |
| Trade and other payables       | -                | (706.43)         | -            | (706.43) |
| <b>As at December 31, 2022</b> |                  |                  |              |          |
| Other financial liabilities    | (16.07)          | (302.99)         | (41.35)      | (360.41) |
| Trade and other payables       | -                | (678.86)         | -            | (678.86) |

**B. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: foreign currency risk and other price risk, such as commodity risk. Financial instruments that are affected by market risk include deposits and foreign exchange forward contracts. The sensitivity analysis in the following sections relate to the position as at December 31, 2023 and December 31, 2022. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. This is based on the financial assets and financial liabilities held at December 31, 2023 and December 31, 2022.

**29. Financial Risk Management (Contd.)****B1. Foreign Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (primarily material costs are denominated in a foreign currency). The Company manages its foreign currency risk by hedging certain material costs that are expected to occur within a range of 1 to 3 month period for hedges of purchases of base oil and additives. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of highly probable transactions the derivatives cover the period of exposure from the point of the commitment up to the point of settlement of the resulting payable that is denominated in the foreign currency. At December 31, 2023 and December 31, 2022 the Company hedged more than 80% of its expected foreign currency purchases for 1 to 3 months. Those hedged purchases were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts. Details are as given below:

**Hedged Foreign Currency exposure as at Balance Sheet Date**

| Particulars   | As at             | As at             |
|---|-------------------|-------------------|
|   | December 31, 2023 | December 31, 2022 |
| No. of buy contracts relating to firm commitments for imports | 1                 | 3                 |
| Foreign currency - USD  | 3,642,673         | 18,253,635        |
| Rs. Crores  | 30.31             | 150.48            |

**Unhedged Foreign Currency exposure as at Balance Sheet Date**

The following table analyses the foreign currency risk from financial instruments

| Particulars                     | As at December 31, 2023 |                  | As at December 31, 2022 |                  |
|---------------------------------|-------------------------|------------------|-------------------------|------------------|
|                                 | Foreign currency        | Rupees in Crores | Foreign currency        | Rupees in Crores |
| <b>Trade payables</b>           |                         |                  |                         |                  |
| USD                             | 28,231,920              | 234.65           | 30,752,476              | 254.59           |
| EURO                            | 1,761,405               | 16.23            | 1,661,886               | 14.44            |
| GBP                             | -                       | -                | -                       | -                |
| SGD                             | 17,605                  | 0.11             | -                       | -                |
| AUD                             | -                       | -                | 4892                    | 0.03             |
| <b>Trade receivables</b>        |                         |                  |                         |                  |
| USD                             | 4,492,897               | 37.32            | 1,694,968               | 14.04            |
| <b>Loans and advances given</b> |                         |                  |                         |                  |
| USD                             | 810,028                 | 6.73             | 1,888,244               | 15.63            |
| EURO                            | 507,435                 | 4.67             | 204,438                 | 1.80             |
| GBP                             | 23,236                  | 0.25             | 220,959                 | 2.21             |

**Sensitivity Analysis**

The Company is mainly exposed to changes in USD and Euro. The sensitivity analyses demonstrate a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD and Euro with respect to functional currency of the Company will have impact of following (decrease)/increase in profit

| Particulars  | Rupees in Crores  |                   |
|--------------|-------------------|-------------------|
|              | As at             | As at             |
|              | December 31, 2023 | December 31, 2022 |
| USD          | 9.53              | 11.25             |
| Euro         | 0.58              | 0.63              |
| <b>Total</b> | <b>10.11</b>      | <b>11.88</b>      |

**29. Financial Risk Management (Contd.)****B2. Commodity Price risk**

The Company exposure to market risk with respect to commodity prices primarily arises from the fact that we are a purchaser of base oil. This is a commodity product whose prices can fluctuate sharply over short periods of time. The prices of base oil generally fluctuate in line with commodity cycles. Material purchases forms the largest portion of our operating expenses. The Company evaluates and manages commodity price risk exposure through operating procedures and sourcing policies. The Company has not entered into any commodity derivative contracts. It may also be noted that there are no direct derivatives available for base oil, but there are derivatives for crude oil.

**C. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and foreign exchange transactions. The Company's customer mainly consists of its distributors and Original Equipment Manufacturers (OEMs). The Company has a credit policy, approved by the Management that is designed to ensure that consistent processes are in place to measure and control credit risk.

The Company has trade relationships only with reputed third parties. The receivable balances are constantly monitored, resulting in an insignificant exposure of the Company to the risk of non-collectible receivables. Credit risk is managed through credit approvals, establishing credit limits, obtaining collaterals from the customers in the form of deposits and/or bank guarantees and periodically monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The maximum credit exposure associated with financial assets is equal to the carrying amount.

The Company historical experience of collecting receivables, supported by the level of default, is that credit risk is low across territories and so trade receivables are considered to be a single class of financial assets. The Company makes an allowance for doubtful debts using expected credit loss model and also on a case to case basis, when required, for major clients. As a practical expedient the Company follows the policy of providing for debtors which are due for more than 90 days.

In case of cash and cash equivalents, since the amount is in form of demand deposits with bank there is no credit risk perceived. Hence no provision for expected credit loss has been made.

**30. (A) Fair Value Measurement**

The Carrying value and fair value of financial instruments by categories as of December 31, 2023, December 31, 2022 were as follows:

| Particulars  | Rupees in Crores        |               |                         |               |
|--|-------------------------|---------------|-------------------------|---------------|
|  | As at December 31, 2023 |               | As at December 31, 2022 |               |
|  | Carrying value          | Fair Value    | Carrying value          | Fair Value    |
| <b>Assets</b>  |                         |               |                         |               |
| Loans  | 0.57                    | 0.57          | 0.73                    | 0.73          |
| Other financial assets                                     | 9.44                    | 9.44          | 6.52                    | 6.52          |
| Foreign exchange forward contracts                         | 0.03                    | 0.03          | 0.91                    | 0.91          |
| Non Current Investment at fair value through OCI (Level 3) | 487.50                  | 487.50        | 325.00                  | 325.00        |
| <b>Total of Assets</b>                                     | <b>497.54</b>           | <b>497.54</b> | <b>333.16</b>           | <b>333.16</b> |
| <b>Liabilities</b>   |                         |               |                         |               |
| Other financial liabilities                                | 59.36                   | 59.36         | 41.35                   | 41.35         |
| Foreign exchange forward contracts                         | -                       | -             | -                       | -             |
| <b>Total of Liabilities</b>                                | <b>59.36</b>            | <b>59.36</b>  | <b>41.35</b>            | <b>41.35</b>  |

The management assessed that cash and cash equivalents, loans, other balances with banks, trade receivables, trade payables and other current liabilities/assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

**30. (B) Fair Value Hierarchy**

The Company does not have any financial instrument other than derivatives which are measured at fair value through Profit & loss. The fair value of such derivatives is categorised as level 2 based on the valuation technique used to arrive at the fair value.

The fair value of Financial instruments (Non Current Investments) that are measured on the basis of entity specific valuation using inputs that are not based on observable market data (unobservable inputs). Fair Value of non current investment is determined basis weighted average of price of recent investment and revenue multiples.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

**31. Equity Settled Share-based payments****a) Share Match Plan**

During the year ended December 31, 2023 : 53,045 shares (December 31, 2022 : 67,279 shares) were purchased by employees at weighted average fair value of GBP 5.19 per share (December 31, 2022 : GBP 4.26 per share). The Company contribution during the year on such purchase of shares amounting to Rs. 1.49 crores (December 31, 2022 : Rs 1.34 crores) has been charged under employee benefit expense under Note 18.

**b) Share Value Plan**

The expense recognised for employee services received during the year is shown in the following table:

| Particulars   | For the year ended<br>December 31, 2023<br>Rupees in Crores | For the year ended<br>December 31, 2022<br>Rupees in Crores |
|---|---|---|
| Total expense recognised for equity settled share-based payment transaction | 17.42   | 19.78   |

All share-based payments transactions relate to employee compensation.

Fair values and associated details for restricted share units granted are as follows :

| Particulars                  | December 31, 2023 | December 31, 2022 |
|------------------------------|-------------------|-------------------|
| <b>Share Value Plan</b>      |                   |                   |
| Number of units granted      | 88,730            | 1,96,105          |
| Weighted average fair value  | \$5.89            | \$4.64            |
| <b>Restricted Share unit</b> |                   |                   |
| Number of units granted      | 170,958           | 22,000            |
| Weighted average fair value  | \$6.03            | \$4.52            |
| <b>Options</b>               |                   |                   |
| Number of units granted      | -                 | -                 |
| Weighted average fair value  | \$0.00            | \$0.00            |

The BP group operates a number of equity-settled employee share plans under which share units are granted to the group's senior leaders and certain other employees. These plans typically have a three-year performance or restricted period during which the units accrue net notional dividends which are treated as having been reinvested. Leaving employment will normally preclude the conversion of units into shares, but special arrangements apply for participants that leave for qualifying reasons. The number of shares that are expected to vest each year under employee share plans are shown in the table below.

| Share Plan Vesting (Number of Shares) | December 31, 2023 | December 31, 2022 |
|---------------------------------------|-------------------|-------------------|
| Within one year                       | 222,072           | 210,446           |
| 1 to 2 years                          | 2,430,128         | 193,070           |
| 2 to 3 years                          | 50,998            | 2,467,058         |
| 3 to 4 years                          | -                 | -                 |
| <b>Total</b>                          | <b>2,703,198</b>  | <b>2,870,574</b>  |

### 32. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio and is measured by net debt divided by total capital plus net debt. The Company includes within net debt trade and other payables, less cash and cash equivalents. The Company did not have any borrowings at any time during the year.

| Particulars                     | As at<br>December 31, 2023<br>Rupees in Crores | As at<br>December 31, 2022<br>Rupees in Crores |
|---------------------------------|--|--|
| Trade payables                  | 706.43   | 678.86   |
| Other payables                  | 591.81   | 504.12   |
| Less: cash and cash equivalents | (493.21)                                       | (554.50)                                       |
| <b>Net debt</b>                 | <b>805.03</b>                                  | <b>628.48</b>                                  |
| Total equity                    | 2,121.69                                       | 1,886.03                                       |
| Capital and net debt            | 2,926.72                                       | 2,514.51                                       |
| <b>Gearing ratio</b>            | <b>28%</b>                                     | <b>25%</b>                                     |

### 33. Financial Ratios

| Particulars                        | Numerator/Denominator                                     | For the year<br>ended December<br>31, 2023 | For the year<br>ended December<br>31, 2022 | Variance<br>(%) |
|------------------------------------|---|--|--|-----------------|
| Current Ratio (in times) :         | Current Assets / Current Liabilities                      | 1.91                                       | 2.00                                       | -4%             |
| Return on Equity Ratio(%) :        | Net profit after tax / Average Networth                   | 43%  | 46%  | -7%             |
| Inventory Turnover (no. of days) : | Average Inventory/ Cost of goods sold*365                 | 73.89                                      | 74.91                                      | -1%             |
| Debtors Turnover (no. of days) :   | Average Trade Receivables / Revenue from operations * 365 | 27.81                                      | 25.30                                      | 10%             |
| Payables Turnover (no. of days) :  | Average Trade payables / Cost of goods sold * 365         | 95.89                                      | 94.87                                      | 1%              |
| Net Capital Turnover (in times) :  | Revenue from operations / Working Capital                 | 4.58                                       | 4.28                                       | 7%              |
| Net Profit Margin (%) :            | Net profit for the year after tax/ Net Sales              | 17%  | 17%  | 0%              |
| Return on Capital Employed (%) :   | Earning before Interest and Tax / Capital Employed        | 56%  | 58%  | -4%             |
| Debt Service Coverage Ratio* :     | Earnings available to service debt / Debt Service         | 49.57                                      | 70.35                                      | -30%            |
| Return on Investment (%) :         | Interest Income / Average investment + Fixed Deposits     | 4%   | 4%   | 5%              |

Debt Equity is not applicable

\*Finance cost on Lease Liabilities is considered as Debt service cost for calculation of this ratio. Interest coverage ratio and debt equity ratio are not applicable to the Company since there are no borrowings. The finance cost in the financial statements relates to leases (IND AS 116). The decrease in debt service coverage ratio is due to higher lease payments (including interest) which commenced in the financial year 2023.

34. As per the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts)

Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of accounts on servers physically located in India on a daily basis.

The books of account along with other relevant records and papers of the Company are maintained in electronic mode. These are readily accessible in India at all times. With effect from December 11, 2023, the Company has complied with the requirement of maintaining server physically located in India for back-up of books of account and other relevant books and papers, on a daily basis, pursuant to the amendment.

### 35. Other Statutory Information

#### a) Disclosure of transactions with Struck off companies

| Name of the struck off Company       | Nature of transactions with struck off Company | Balance Outstanding as at December 31, 2023<br>Rupees in Crores | Balance Outstanding as at December 31, 2022<br>Rupees in Crores | Relationship with the Struck off Company, if any |
|--------------------------------------|--|---|---|--|
| Josh Mining & Infracon Pvt Ltd       | Receivables                                    | 0.05  | 0.05  | Customer   |
| Premier Inspection & Certification # | Payables                                       | *   | *   | Vendors  |
| Jet Petro India Pvt. Ltd #           | Payables                                       | *   | *   | Vendors  |
| Shibaco Engineers (P) Ltd #          | Payables                                       | 0.06  | 0.06  | Vendors  |

\* Amounts are less than the denomination disclosed

| Name of the struck off Company                          | Nature of transactions with struck off Company | Number of shares held as at December 31, 2023 | Balance Outstanding as at December 31, 2023 in INR | Relationship with the Struck off Company, if any |
|---|--|---|--|--|
| Kothari Intergroup Limited                              | Share held by struck off Company               | 8   | 40   | Shareholders                                     |
| Tradeshare Financial Services Private Limited           |  | 20  | 100  |  |
| Shasan Projects India Ltd                               |  | 64  | 320  |  |
| V. Dinesh Traders Ltd                                   |  | 72  | 360  |  |
| Dbn Securities Private Limited                          |  | 100   | 500  |  |
| Signet Investments Pvt Ltd                              |  | 164   | 820  |  |
| Fair Growth Financial Services Limited                  |  | 188   | 940  |  |
| Pegasus Mercantile Private Limited                      |  | 500   | 2,500  |  |
| Clive Street Nominess Pvt Ltd                           |  | 540   | 2,700  |  |
| Balaji Yarn Ltd   |  | 904   | 4,520  |  |
| Prananjali Investments And Trading Co Pvt Ltd           |  | 1,600   | 8,000  |  |
| Hillworth Capital And Marketing P Ltd.                  |  | 1,920   | 9,600  |  |
| Badri Sarraf Finance And Mutual Benefit Company Limited |  | 3,520   | 17,600   |  |
| Krishna Transport Company#                              |  | 4,840   | 24,200   |  |
| Popular Stock And Share Services Private Limited        |  | 5,600   | 28,000   |  |

#### 35. Other Statutory Information (Contd.)

**a) Disclosure of transactions with Struck off companies (Contd.)**

| Name of the struck off Company                          | Nature of transactions with struck off Company | Number of shares held as at December 31, 2022 | Balance Outstanding as at December 31, 2022 in INR | Relationship with the Struck off Company, if any |
|---|--|---|--|--|
| Kothari Intergroup Limited                              |  | 8   | 40   |  |
| Tradeshare Financial Services Private Limited           |  | 20  | 100  |  |
| Shasan Projects India Ltd                               |  | 64  | 320  |  |
| V. Dinesh Traders Ltd                                   |  | 72  | 360  |  |
| Dbn Securities Private Limited                          |  | 100   | 500  |  |
| Signet Investments Pvt Ltd                              |  | 164   | 820  |  |
| Fair Growth Financial Services Limited                  |  | 188   | 940  |  |
| Pegasus Mercantile Private Limited                      | Share held by struck off Company               | 500   | 2,500  | Shareholders                                     |
| Clive Street Nominess Pvt Ltd                           |  | 540   | 2,700  |  |
| Balaji Yarn Ltd   |  | 904   | 4,520  |  |
| Prananjali Investments And Trading Co Pvt Ltd           |  | 1,600   | 8,000  |  |
| Hillworth Capital And Marketing P Ltd.                  |  | 1,920   | 9,600  |  |
| Badri Sarraf Finance And Mutual Benefit Company Limited |  | 3,520   | 17,600   |  |
| Krishna Transport Company#                              |  | 4,840   | 24,200   |  |
| Popular Stock And Share Services Private Limited        |  | 5,600   | 28,000   |  |

# The above mentioned companies are identified as Struck-off in current year and previous year balances are given for the purpose of comparison.

None of the above mentioned struck off companies is a related party of the Company

**b) Title deeds of Immovable Property not held in name of the Company**

| Relevant line in the Balance Sheet | Description of the property | Gross Carrying value Rupees in Crores | Title Deed name held in the name of | Whether the deed holder is a Promoter, Director or relative of promoters*/ Director or employee of Promoter/ Director | Property held since which date | Reasons for not being held in the name of the Company   |
|------------------------------------|-----------------------------|---------------------------------------|-------------------------------------|---|--------------------------------|---|
| <b>As at December 31, 2023</b>     |                             |                                       |                                     |   |                                |   |
| PPE                                | Land                        | 0.01                                  | Indrol Lubricants Specialities Ltd. | NA  | Since 1988                     | The deed of conveyance is in the erstwhile name of the Company and it has filed an application for mutation of the name |
| <b>As at December 31, 2022</b>     |                             |                                       |                                     |   |                                |   |
| PPE                                | Land                        | 0.01                                  | Indrol Lubricants Specialities Ltd. | NA  | Since 1988                     | The deed of conveyance is in the erstwhile name of the Company and it has filed an application for mutation of the name |

**35. Other Statutory Information (Contd.)**

- c) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- d) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- e) The Company is not declared wilful defaulter by any bank or financials institution or lender during the year.
- f) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- g) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, except as disclosed in Note no. 4.1 of financial statements.
- h) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- i) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- j) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- k) Clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 does not apply to the Company.
- 36.** The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

The accompanying notes 1 - 36 are an integral part of the financial statements.

|   |                   |  |
|---|-------------------|--|
|   |                   | For and on behalf of Board of Directors<br>Executive Directors                         |
| <b>R Gopalakrishnan</b><br>DIN : 00027858 | Chairman          | <b>Sandeep Sangwan</b><br>DIN : 08617717<br>Managing Director                          |
| <b>Hemangi Ghag</b><br>FCS No : 9329      | Company Secretary | <b>Deepesh Baxi</b><br>DIN : 02509800<br>Chief Financial Officer & Whole time Director |

Place : Mumbai  
Date : February 1, 2024



# NOTICE

## CASTROL INDIA LIMITED

**CIN:** L23200MH1979PLC021359

**Registered Office:** Technopolis Knowledge Park, Mahakali Caves Road, Andheri (E), Mumbai – 400 093

**Website:** [https://www.castrol.com/en\\_in/india/home.html](https://www.castrol.com/en_in/india/home.html)

**Email ID:** [investorrelations.india@castrol.com](mailto:investorrelations.india@castrol.com)

**Tel:** +91 22 66984100 **Fax:** +91 22 66984101

**NOTICE** is hereby given that the Forty Sixth (46<sup>th</sup>) Annual General Meeting of the Shareholders of Castrol India Limited will be held on **Thursday, 28 March 2024 at 2:30 PM**. Indian Standard Time (“IST”) through Video Conferencing facility/ Other Audio Visual Means (“VC/OAVM”) to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31 December 2023 and the reports of the Board of Directors and the Statutory Auditors thereon.
- To declare final dividend of INR 4.50 per equity share for the financial year ended 31 December 2023.
- To appoint a Director in place of Mr. Udayan Sen (DIN: 02083527), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Saugata Basuray (DIN: 09522239), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

- To ratify the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No.: 00294), for the financial year ending 31 December 2024 and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Members of the Company do hereby ratify the remuneration of INR 4,10,000 (Rupees Four Lacs Ten Thousand only) in addition to applicable taxes and reimbursement of related business expenses, at actuals, to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No.: 00294), who were appointed by the Board of Directors of the Company, as Cost Auditors, to conduct audit of the cost records maintained by the Company, for the financial year ending 31 December 2024.”

- To consider and re-appoint Mr. Rakesh Makhija (DIN: 00117692) as an Independent Director of the Company and if thought fit, to pass, the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Rules framed thereunder read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Rakesh Makhija (DIN: 00117692), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as prescribed under the Act and the SEBI Listing Regulations, and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of 5 (five) consecutive years with effect from 1 October 2024 to 30 September 2029 (both days inclusive), not liable to retire by rotation and that approval of the shareholders is given for continuation of directorship by Mr. Rakesh Makhija as an Independent Director of the Company beyond 75 (seventy-five) years of age during the aforesaid tenure.

**RESOLVED FURTHER THAT** the Directors and/or the Company Secretary, be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

### On behalf of the Board of Directors

#### Hemangi Ghag

Company Secretary & Compliance Officer  
Membership no.: FCS 9329

**Place:** Mumbai

**Date:** 1 February 2024

#### Registered Office:

Technopolis Knowledge Park,  
Mahakali Caves Road,  
Andheri (E), Mumbai – 400 093

### NOTES:

- The Ministry of Corporate Affairs, Government of India (“MCA”) has vide its circular No. 9/2023 dated 25 September 2023, read with circulars dated 5 May 2020, 13 April 2020, 8 April 2020, 13 January 2021, 8 December 2021 and 28 December 2022 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM” or “Meeting”) through Video Conferencing facility/ Other Audio Visual Means (“VC/OAVM”), on or before 30 September 2024, without the physical presence of the shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 46<sup>th</sup> AGM of the Company is being held through VC/OAVM.
- The Company has availed the services of Central Depository Services (India) Limited (“CDSL”) for conducting the AGM through VC/OAVM and enabling participation of shareholders at the meeting thereto and for providing services of remote e-voting and e-voting during the AGM.
- An Explanatory Statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM and the details of the Directors proposed to be appointed / re-appointed as required in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings (“Secretarial Standards – 2”) issued by The Institute of Company Secretaries of India, is annexed hereto.
- Pursuant to the provisions of the Act, a shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a shareholder of the Company. As this AGM is being held pursuant to the MCA Circulars on AGM through VC/OAVM, physical attendance of shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the shareholders will not be available for the AGM and hence the proxy form, attendance slip and route map are not annexed to this Notice.
- The meeting shall be deemed to be held at the registered office of the Company at Technopolis Knowledge Park, Mahakali Caves Road, Andheri (E), Mumbai – 400 093.
- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and any other documents referred to in the accompanying Notice and Explanatory Statements, shall be made available for inspection in accordance with the applicable statutory requirements based on the requests received by the Company at [investorrelations.india@castrol.com](mailto:investorrelations.india@castrol.com).
- Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 36 of the SEBI Listing Regulations read with SEBI circular No. SEBI/HO/CFD/CFD/-PoD-2/P/CIR/2023/167

dated 7 October 2023, companies can send Annual Reports and other communications through electronic mode to those shareholders who have registered their e-mail addresses either with the Company or with the Depository Participant(s). Accordingly, the Annual Report containing financial statements (including Report of Board of Directors, Auditor’s report or other documents required to be attached therewith), and such statements including the Notice of 46<sup>th</sup> AGM are being sent through electronic mode to those shareholders whose email address is registered with the Company or the Depositories. Physical copy of the Annual Report shall be sent to those shareholders who request for the same.

- The Notice and Annual Report will also be available on the website of the Company [https://www.castrol.com/en\\_in/india/home/investors/annual-reports.html](https://www.castrol.com/en_in/india/home/investors/annual-reports.html), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com).
- The recorded transcript of the AGM will be hosted on the website of the Company.
- Shareholders, whose email address is not registered with the Company /RTA or with their respective Depository Participant(s) are requested to register their e-mail address in the following manner:
  - Shareholders holding shares in physical form can register their e-mail id with the RTA by sending an e-mail to RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - Shareholders holding shares in demat mode may update the e-mail address through their respective Depository Participant(s).

Please note that registration of e-mail address and mobile number is now mandatory while voting electronically and joining virtual meetings.

- In terms of the SEBI Listing Regulations, securities of listed companies can now only be transferred in dematerialized form, so the shareholders are advised to dematerialize shares held by them in physical form.
- To prevent fraudulent transactions, shareholders are advised to exercise due diligence and notify the Company of any change in address or demise of any shareholder as soon as possible. The shareholders are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
- The Securities and Exchange Board of India (“SEBI”) has mandated furnishing of PAN, KYC details (i.e., postal address with pin code, e-mail address, mobile number, bank account details) and nomination details by holders of securities. Shareholders are requested to update the said details against folio/ demat account. The forms prescribed by SEBI in this regard are available on the website of the Company at [https://www.castrol.com/en\\_in/india/home/investors/information-for-shareholders.html](https://www.castrol.com/en_in/india/home/investors/information-for-shareholders.html).

14. SEBI vide Circular no. SEBI/HO/OIAE/ OIAE\_IAD-1/P/ CIR/2023/131 dated 31 July 2023 (updated as on 4 August 2023) has specified that a shareholder shall first take up his/her/their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied with the outcome, he/she/they can initiate dispute resolution through the Online Dispute Resolution ("ODR") Portal. Shareholders are requested to take note of the same. The aforesaid SEBI Circular can be viewed on the following link: [https://www.castrol.com/en\\_in/india/home/investors/information-for-shareholders.html](https://www.castrol.com/en_in/india/home/investors/information-for-shareholders.html).
15. The Registrar and Share Transfer Agent ("RTA") of the Company has launched a unified platform "KPRISM" for the benefit of shareholders. KPRISM is a self-service portal that enables the shareholders to access their portfolios serviced by KFIN, and check details like dividend status and make request for annual reports, change of address, update bank mandate, download standard forms, etc. The portal can be accessed at <https://kprism.kfintech.com>. For more assistance on KPRISM, shareholders may contact on 040-67162222.
16. Final dividend on equity shares, if declared at the meeting, will be credited / dispatched on or before 26 April 2024 to those shareholders whose names shall appear on the register of members of the Company as on record date i.e. Thursday, 21 March 2024. Shareholders holding shares in electronic form are requested to intimate immediately, any change in their address or bank mandates to their Depository Participant(s) with whom they are maintaining their demat accounts. Shareholders holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its RTA, KFin Technologies Limited.
17. SEBI, vide its circular dated 3 November 2021 (subsequently amended by circulars dated 14 December 2021, 16 March 2023 and 17 November 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any dividend payment in respect of such folios, only through electronic mode with effect from 1 April 2024, only upon furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.
- Further, relevant FAQs published by SEBI on its website can be viewed at the following link : [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf)
18. In terms of Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend

account is required to be transferred to the Investor Education and Protection Fund ("IEPF"). The due dates for transfer of unclaimed dividend and unclaimed shares to IEPF are provided in the report on Corporate Governance. Shareholders are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund.

19. The Company has uploaded information of unclaimed dividends on the websites of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and of the Company [https://www.castrol.com/en\\_in/india/home/investors/statement-of-unclaimed-dividend-and-shares.html](https://www.castrol.com/en_in/india/home/investors/statement-of-unclaimed-dividend-and-shares.html). Further, the Company has also uploaded on its website, details of unclaimed interim dividend for the financial year ended 31 December 2023.
20. The shareholders, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5. The said form is available on MCA's website [www.mca.gov.in](http://www.mca.gov.in).

#### Instructions for remote e-voting:

21. Any person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the **Thursday, 21 March 2024** only shall be entitled to avail the facility of remote e-voting. The remote e-voting period commences on **Sunday, 24 March 2024 at 9:00 a.m. IST** and ends on **Wednesday, 27 March 2024 at 5:00 p.m. IST**. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, he/she/it shall not be allowed to change it subsequently.
22. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
23. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a shareholder using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
24. In order to increase the efficiency of the voting process, and pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020, the demat account holders, are provided a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders will now be able to cast their vote without having to register again with the E-voting Service Providers ("ESPs"), thereby facilitating seamless authentication and convenience of participating in e-voting process.

25. The procedure for remote e-voting is as under:

#### A. The detailed process and manner for remote e-voting for individual shareholders holding securities in Demat mode are explained herein below:

|  |    |  |
|--|----|--|
| Individual Shareholders holding securities in Demat mode with CDSL                                     | 1) | Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">http://www.cdslindia.com</a> and click on login icon & New System Myeasi Tab.   |
|  | 2) | After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting their vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all ESPs, so that the user can visit the ESPs' website directly.  |
|  | 3) | If the user is not registered for Easi/Easiest, option to register is available at <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login & New System Myeasi Tab and then click on registration option.  |
|  | 4) | Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all ESPs.  |
| Individual Shareholders holding securities in demat mode with NSDL                                     | 1) | If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. |
|  | 2) | If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select "Register Online for IDeAS" portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a> .   |
|  | 3) | Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.               |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants |    | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.   |

**Important note:** Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:**

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with NSDL | Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-4886 7000 and 022-2499 7000.         |

**B. Login method for e-voting and joining virtual meeting for shareholders holding shares in physical mode and non-individual shareholders holding shares in demat form:**

- i. Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Click on "Shareholders" module.
- iii. Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Shareholders holding shares in physical form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and click on "Login".
- v. If you are holding shares in dematerialised form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

**For shareholders holding shares in physical mode and non-individual shareholders holding shares in demat form**

|  |   |
|--|---|
| PAN  | Enter your 10 digital alpha-numeric PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth ("DOB") | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field.                          |

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for CASTROL INDIA LIMITED.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to a resolution and option NO implies that you dissent to a Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if they wish to view the entire Resolution details.
- xiii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If they wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi. If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on "Forgot Password" and enter the details as prompted by the system.

**25. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for remote e-voting for the resolutions proposed in this Notice:**

- i. For shareholders holding shares in physical form - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA's email ID at [investorrelations.india@castrol.com](mailto:investorrelations.india@castrol.com) or [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) respectively.
- ii. For shareholders holding shares in dematerialized form- please update your e-mail id and mobile no. with your respective Depository Participant (DP).
- iii. For individual shareholders holding shares in dematerialized form - please update your e-mail id and mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting and joining virtual meetings through Depository.

**Instructions for Members attending the AGM through VC/OAVM:**

26. The procedure for attending meeting and e-voting on the day of the AGM is same as the instructions mentioned in point no. 25 for e-voting.
27. A person who is not a shareholder as on the cut-off date should treat this Notice of the AGM for information purpose only.
28. As per the provisions of the circulars, shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
29. The shareholders can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
30. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis but will not apply to large shareholders (shareholders holding 2% or more shareholding),

Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without any restriction on account of first come first serve basis.

31. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
  32. Further shareholders will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the Meeting.
  33. Please note that use of mobile hotspot on the device used for attending the Meeting may affect the quality of audio/video due to fluctuations in network. It is therefore recommended to use a stable Wi-Fi or LAN connection for a better virtual experience.
  34. Shareholders are requested to send their questions mentioning their name, demat account number/folio number, email ID, mobile number at [investorrelations.india@castrol.com](mailto:investorrelations.india@castrol.com). Such questions by the shareholders shall be taken up during the meeting and replied suitably.
  35. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance mentioning their name, demat account number/folio number, email ID, mobile number at [investorrelations.india@castrol.com](mailto:investorrelations.india@castrol.com).
  36. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
  37. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM, depending on the availability of time.
  38. Shareholders who need assistance before or during the AGM or have any queries or issues regarding e-voting, you can write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) or call on toll free no. 1800 22 55 33.
  39. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, A Wing, 25<sup>th</sup> Floor, Marathon Futurax, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) or call 1800 22 55 33.
- Instructions for Shareholders for e-voting during the meeting**
40. Procedure for e-voting on the day of the AGM is same as the remote e-voting as mentioned above.

41. Shareholders who have voted through remote e-voting facility will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
42. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
43. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their votes on the Resolutions through remote e-voting and are not otherwise barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
44. If any votes are cast by shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the shareholders attending the Meeting.

#### Instructions for Non-Individual Shareholders and Custodians

45. Institutional Shareholders are encouraged to attend and vote at the AGM through VC/OAVM.
46. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
47. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
48. After receiving the login details a "Compliance User" should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
49. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
50. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
51. Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., to the Scrutinizer and to the Company at the email address viz. [castrolagm2023@sarafandassociates.com](mailto:castrolagm2023@sarafandassociates.com) and [investorrelations.india@castrol.com](mailto:investorrelations.india@castrol.com) respectively

if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### Other Instructions

52. Mr. K. G. Saraf, Proprietor of Saraf and Associates, Company Secretaries (CP No. 642) has been appointed as the Scrutinizer to scrutinize the remote e-voting and e-voting during the meeting in a fair and transparent manner.
53. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairperson or a person authorized by him, within 2 (two) working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
54. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [https://www.castrol.com/en\\_in/india/home/investors/general-meeting.html](https://www.castrol.com/en_in/india/home/investors/general-meeting.html) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of results by the Chairperson or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, Mumbai.
55. Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. Thursday, 28 March 2024.

#### On behalf of the Board of Directors

##### Hemangi Ghag

Company Secretary & Compliance Officer  
Membership no.: FCS 9329

##### Registered Office:

Technopolis Knowledge Park,  
Mahakali Caves Road,  
Andheri (E), Mumbai – 400 093

**Place:** Mumbai

**Date:** 1 February 2024

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

##### Item No. 5 – To consider and ratify the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants for the financial year ending 31 December 2024.

The Board of Directors, at its meeting held on 1 February 2024, based on the recommendation of the Audit Committee, approved the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No.: 00294), as the Cost Auditors of the Company to conduct the audit of the cost records of the Company, at a remuneration of INR 4,10,000 (Rupees Four Lacs Ten Thousand only) plus taxes and out-of-pocket expenses at actuals.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company. Accordingly, consent of the shareholders is sought for passing an ordinary resolution as set out at Item No. 5 of the Notice, for ratification of remuneration payable to the Cost Auditors for the financial year ending 31 December 2024.

None of the Directors or the Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors recommends passing of the resolution as set out under Item No. 5 as an Ordinary Resolution for approval by the shareholders.

##### Item No. 6 – To consider and re-appoint Mr. Rakesh Makhija (DIN: 00117692) as an Independent Director of the Company

Mr. Rakesh Makhija was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 1 October 2019 and his appointment was approved by the shareholders at the 42<sup>nd</sup> Annual General Meeting held on 15 July 2020. Accordingly, Mr. Makhija is due for retirement from the first term as an Independent Director on 30 September 2024. The Nomination and Remuneration Committee, after considering the evaluation of his performance and his skills, experience and time commitment, has recommended to the Board of Directors his re-appointment for a second term of 5 (five) consecutive years. The Board of Directors at its meeting held on 1 February 2024, approved his re-appointment as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from 1 October 2024 to 30 September 2029 (both days inclusive), not liable to retire by rotation, subject to approval of the shareholders. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that with the re-appointment of Mr. Rakesh Makhija, the Company and the Board of Directors will continue to draw immense benefit from his business leadership, expertise, governance practices and insights on enterprise risk management.

In accordance with Regulation 17(1C) of the SEBI Listing Regulations, approval of the shareholders for appointment or re-appointment of a person on the Board of Directors is required to be taken at the next general meeting or within a time period of three months from the date of appointment or re-appointment, whichever is earlier. Further, in accordance with Regulation 25(2A) of the SEBI Listing Regulations and

Section 149(10) of the Companies Act, 2013, approval of the shareholders is required by way of Special Resolution for appointment or re-appointment of an Independent Director on the Board of Directors of the Company. Shareholders may also note that as Mr. Makhija presently aged 72 years will cross 75 years in age during the second tenure for which he is proposed to be re-appointed, approval is also sought to continue the directorship by Mr. Makhija, in light of Regulation 17(1A) of the SEBI Listing Regulations which requires a special resolution from the shareholders of the Company considering the justification given in the Explanatory Statement.

The Company has received consent, statutory disclosures/ declarations and confirmations from Mr. Rakesh Makhija with regard to his proposed re-appointment.

The Board of Directors is of the opinion that Mr. Makhija fulfills the conditions specified in Sections 149, 150 and 152 read with Schedule IV of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI Listing Regulations (including any statutory modification(s) and/or reenactment (s) thereof for the time being in force) and is independent of the management of the Company.

Accordingly, the Board of Directors propose the re-appointment of Mr. Rakesh Makhija as an Independent Director of the Company as set out in the Notice for approval of the shareholders.

A copy of the draft letter of appointment of Mr. Rakesh Makhija setting out the terms and conditions thereof has been uploaded on the website of the Company [https://www.castrol.com/en\\_in/india/home/investors/general-meeting.html](https://www.castrol.com/en_in/india/home/investors/general-meeting.html).

Additional information in respect of Mr. Rakesh Makhija, pursuant to Regulation 36 of the SEBI Listing Regulations and the Secretarial Standards on General Meetings ("Secretarial Standards – 2") issued by The Institute of Company Secretaries of India, is provided hereinafter and the same forms an integral part of this Notice.

Other than Mr. Rakesh Makhija and/or his relatives, none of the Directors and the Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out in the Notice.

The Board of Directors recommends passing of the resolution as set out under Item No. 6 as a Special resolution for approval by the shareholders.

#### On behalf of the Board of Directors

##### Hemangi Ghag

Company Secretary & Compliance Officer  
Membership no.: FCS 9329

**Place:** Mumbai

**Date:** 1 February 2024

##### Registered Office:

Technopolis Knowledge Park,  
Mahakali Caves Road,  
Andheri (E), Mumbai – 400 093

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 46TH ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS – 2):**

| Name of Director                            | Udayan Sen   | Saugata Basuray  | Rakesh Makhija   |
|---|--|--|--|
| <b>Brief Profile</b>                        | <p>Mr. Udayan Sen is a finance professional with 30+ years of industry experience and has spent last 25 years at bp plc. He started his professional career with ITC Limited as a Management Trainee in 1992 and worked with Unilever India before joining Castrol India Limited in 1999.</p> <p>Mr. Sen has held corporate and regional roles globally in Finance, Strategy &amp; Planning and New Markets Business Development. He served as the CFO for ASPAC Fuels &amp; Air bp in Melbourne, Australia before becoming the Global CFO for Castrol in January 2020. Known for his open and inclusive leadership style with a passion for people and relationships, he is recognized for driving business and finance agendas across functions and geographies.</p> <p>Mr. Sen holds a Bachelor of Commerce (Honors) degree from St. Xavier's College, Kolkata (1989) and is a member of the Institute of Chartered Accountants of India, since 1992.</p> | <p>Saugata Basuray has 23+ years of experience in sales, marketing, and business development. He joined CIL as a Management Trainee in 1999 after completing his MBA from SIBM Pune. Saugata has worked in India and overseas including at the global headquarters of Castrol in the UK. He currently leads the B2C business segment at CIL.</p> <p>Mr. Basuray started his career with Castrol India as a Management Trainee in 1999. He has worked in four countries across two continents in diverse roles in sales and marketing. He has served as Executive Assistant to the Managing Director of Castrol India Ltd &amp; Regional Vice President, during which time he was involved in driving growth projects and negotiating complex &amp; large-scale commercial alliances in India.</p> <p>Post completing his assignment as a Management Trainee, Mr. Basuray took various assignments in sales and brand management at Castrol India. He then moved to the UK where he was a part of Castrol's global marketing team. He returned to India to head sales for the B2B channel at Castrol in India. He has also served as an interim Head of Marketing for Castrol India and Saudi Arabia. From 2013 to 2017 he served as a Head of Castrol Philippines. Thereafter he headed bp's lubricants joint-venture company in Indonesia before returning to take on his current role in 2021.</p> <p>Mr. Basuray holds an Engineering degree from the University of Pune.</p> | <p>Mr. Rakesh Makhija has had an extensive career spanning over four decades, both internationally and in India. He served as an Independent Director and Non-Executive Chairman of Axis Bank Limited until October 2023. He also serves on Board of A.TREDS Limited.</p> <p>During his career, he has held several top management positions within the SKF Group. He served as President for the Industrial market and as a member of the SKF Group executive committee. Prior to that, Mr. Makhija was President of SKF Asia with overall responsibility for China and India. He was the Managing Director of SKF India from 2002 to 2009. Before joining SKF, Mr. Makhija served as CEO &amp; Managing Director of Tata Honeywell Limited and subsequently as Country Manager &amp; Managing Director of Honeywell International for South Asia. Prior to Honeywell, Mr. Makhija worked with Kinetics Technology International BV (now Technip), a process engineering and contracting company in the Netherlands for over eight years. He is a Chemical Engineer from the Indian Institute of Technology (IIT), Delhi and was the recipient of the prestigious 'CNBC Business leader award for Talent Management' in 2007.</p> |
| <b>Director Identification Number (DIN)</b> | 02083527   | 09522239   | 00117692   |

| Name of Director   | Udayan Sen  | Saugata Basuray  | Rakesh Makhija   |
|--|---|--|--|
| <b>Date of appointment</b>   | 2 April 2020  | 1 April 2022   | 1 October 2019   |
| <b>Date of Birth</b>   | 1 December 1968   | 8 October 1974   | 24 July 1951   |
| <b>Age</b>   | 55 years  | 49 years   | 72 years   |
| <b>Expertise in specific functional areas</b>  | Finance, Strategy & Planning<br>Business Leadership<br>New markets business development<br>Business Expertise     | Sales & Marketing<br>Business Development<br>Lubricants<br>Strategy & Planning               | Business Leadership & Operations,<br>Risk Management & Governance,<br>Business Expertise   |
| <b>Qualifications</b>  | Bachelor of Commerce (Honors), Xavier's College, Kolkata<br>Member of Institute of Chartered Accountants of India | Engineering degree, Pune University<br>MBA, Symbiosis Institute of Business Management, Pune | Chemical Engineer, Indian Institute of Technology (IIT), Delhi.  |
| <b>Directorship as on 31 December 2023</b>   | NIL   | NIL  | 1. A. Treds Limited  |
| <b>Listing entities from which Director has resigned in last 3 years</b>                               | NIL   | NIL  | 1. Axis Bank Limited   |
| <b>Committee Membership in Castrol India Limited as on 31 December 2023</b>                            | 1. Audit Committee  | NIL  | 1. Audit Committee<br>2. Nomination Remuneration Committee<br>3. Corporate Social Responsibility Committee - Chairperson<br>4. Risk Management Committee |
| <b>Committee Membership in other Companies as on 31 December 2023</b>                                  | N.A.  | N.A.   | A. Treds Limited<br>1. Audit Committee - Chairperson<br>2. Nomination and Remuneration Committee<br>3. Risk Management Committee - Chairperson           |
| <b>Shareholding (including shareholding as a beneficial owner) in Castrol India Limited as on date</b> | 1508 shares   | 400 shares   | NIL  |
| <b>Relationship with other Directors, KMPs</b>   | -   | -  | -  |
| <b>Number of meetings attended during the year</b>   | FY 2023 – 4 out of 4  | FY 2023 – 3 out of 4   | FY 2023 – 4 out of 4   |

## Notes

| Name of Director   | Udayan Sen   | Saugata Basuray   | Rakesh Makhija  |
|--|--|---|---|
| <b>Terms and conditions of appointment / re-appointment and remuneration</b>   | Non executive Non Independent Director, liable to retire by rotation   | Wholetime Director, liable to retire by rotation  | Mr. Rakesh Makhija is being re-appointed as an Independent Director of the Company for another term of 5 consecutive years from 1 October 2024 to 30 September 2029 and is not liable to retire by rotation. Other terms and conditions as per the draft letter of appointment as stated in the Notice.   |
| <b>Skills and capabilities required for the role and the manner in which the proposed Independent Director meets such requirements</b> | N.A.   | N.A.  | Mr. Rakesh Makhija has over four decades of experience in Industry and technology sectors, both in India and internationally. The Board of Directors and the Company will continue to draw immense benefit from his business leadership and expertise, governance practices and insights on enterprise.   |
| <b>Details of remuneration last drawn</b>  | Details of remuneration for FY 2023 has been provided in the Corporate Governance Report forming part of this Annual Report. |   | Sitting Fees paid for the meetings of the Board of Directors and Committees, attended during FY 2023: INR 7,50,000<br>Annual Fixed Commission (paid for FY 2022): INR 16,00,000.<br>Annual Fixed Commission (payable for FY 2023): INR 18,00,000  |
| <b>Details of proposed remuneration</b>  | Mr. Sen is not entitled to any remuneration.   | Mr. Basuray will be entitled to such remuneration as approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and in line with the Policy of the Company and approval granted by the shareholders. | Mr. Makhija is entitled to the following remuneration:<br>Sitting Fees: INR 50,000 per meeting of the Board of Directors and Committees thereof.<br>Fixed Commission: INR 18,00,000 per annum<br>The above remuneration is approved by the Board of Directors pursuant to the approval granted by the shareholders of the Company. Further, the said remuneration is subject to further revisions, if any, from time to time. |

**On behalf of the Board of Directors****Hemangi Ghag**

Company Secretary & Compliance Officer  
Membership no.: FCS 9329

**Registered Office:**

Technopolis Knowledge Park,  
Mahakali Caves Road,  
Andheri (E), Mumbai – 400 093

**Place:** Mumbai

**Date:** 1 February 2024



Castrol India Limited  
1<sup>st</sup> Floor, Technopolis Knowledge Park,  
Mahakali Caves Road, Andheri (East),  
Mumbai – 400 093, Maharashtra, India

[castrol.co.in](http://castrol.co.in)