



Castrol India Limited

45TH ANNUAL REPORT

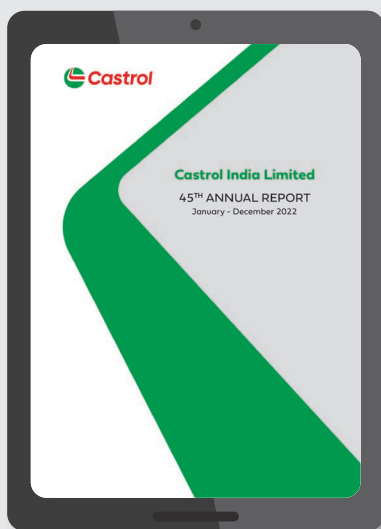
January - December 2022

ON THE ANNUAL REPORT COVER:

This year's Annual Report features Castrol's new, refreshed brand identity that was unveiled globally on 28 February 2023. The brand refresh is aimed at better reflecting Castrol's unique positioning in the market and the opportunities we see in meeting the changing needs of our customers.

The refreshed brand identity is the result of a comprehensive brand strategy process, which included extensive research, analysis, and input from stakeholders, customers, and industry experts. The updated logo features a more modern, dynamic, and vibrant design, with a focus on our core strengths and differentiators as Castrol aims to broaden appeal with a more diverse customer base in lubricants, services, and solutions. It maintains Castrol's iconic red, green, and white colors, which are strongly associated with the brand and is set to improve brand memorability digitally.

Castrol's new, refreshed brand identity will be gradually rolled out in India throughout 2023. The new identity will be seen across brand assets, product packaging, point of sale at retail outlets, shopfloor signages, Castrol offices, plants, stationery and merchandise etc.



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Please visit: **ANNUAL REPORTS | CASTROL INDIA**

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 &
Wholtime Director

Mayank Pandey
Wholtime Director

Saugata Basuray
Wholtime Director
(w.e.f. 1 April 2022)

Sashi Mukundan
Nominee Director

Udayan Sen
Nominee Director

Nicola Buck
Nominee Director
(w.e.f. 9 November 2022)

COMPANY SECRETARY & COMPLIANCE OFFICER

Hemangi Ghag

AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

BANKERS

Deutsche Bank
HDFC Bank Ltd.

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

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MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

While the global economy is facing many headwinds in the form of economic slowdowns in developed markets, geo-political crisis and rising commodity prices, the Indian economy has displayed remarkable resilience amidst a challenging external environment. The latest Economic Survey forecasts India's GDP growth at a healthy 6 to 6.8%. The compounding effect of liberalization, robust macroeconomic policies implemented over several decades, growing domestic demand and strong GDP growth has created a favorable growth environment for India.

Similar to how a monument is built over a period, starting with the foundation, the laying of brick after brick, then the pillars, followed by the roof, and then the flag at the top, building something spectacular takes time and effort. Small changes done patiently and persistently compound to significant growth and transformation. In 2022, Castrol India leveraged this power of compounding to achieve resilient growth while being relevant to its customers and supporting their needs.

Your Company implemented transformational initiatives in four key areas to sustain the current growth momentum and accelerate future growth. **First**, improving supply chain efficiencies, to stabilize the effects of rising base oil and additive prices and bringing in better productivity at the Castrol India plants. **Second**, enhancing its distribution & customer reach to explore new markets and geographies. **Third**, bringing in financial efficiency with robust working capital management. And **fourth**, implementing management efficiency, doing more with less and utilizing the compounding of year-on-year incremental growth.

This compounding of incremental growth has helped shape the Castrol brand to what it is today. However, incremental improvement and compounding cannot be the only growth plan. This is where having a future-proof strategy becomes imperative! Your Company is future-proofing its business by actively transitioning from being a trusted product brand, to a products & services brand. In 2022, Castrol acquired a 7% stake in ki Mobility Solutions, part of TVS Group and a leading digital platform company in automotive aftermarket, with an investment of Rs. 487.5 Crores, marking the single largest all-cash deal till date for your Company!



R Gopalakrishnan, Chairman

Castrol is already a renowned global lubricant brand. With the foray into service & maintenance and adjacencies such as aftermarket auto care, Castrol aims to transition into a renowned product and services brand. Another growth area for your Company is the rapidly evolving electric mobility space. In India, less than 1% of total cars sold are electric vehicles (EV) and industry reports predict that the EV transition will happen faster in the two-wheeler and three-wheeler space.

Your Company already supplies EV fluids to four-wheeler EV OEMs such as Tata Motors, MG Motor and BYD. In addition, Castrol India is exploring technology collaborations with two and three-wheeler EV OEMs. On the product side, Castrol India will soon launch its innovative range of Castrol ON EV fluids for the EV aftermarket. The incremental impact of these initiatives will be seen over the next few years.

On the sustainability front, Castrol India continued to make steady progress in 2022 across its three focus areas of saving waste, reducing carbon and improving people's lives. Sustainable, honest, and enlightened companies make it a priority to improve year after year. This incremental improvement is not only imperative for growth and survival, but is crucial to evolve, adapt and add value to society, customers, employees and shareholders. Castrol India is deeply aware of this responsibility and will continue to strive towards growth, transformation and value creation for all its stakeholders.

MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders,

2022 was a challenging year with a volatile and difficult business environment, but the team at Castrol India demonstrated agility and delivered a resilient financial performance. We registered annual Revenue from Operations of Rs. 4,774 Crores, delivering 14% growth from 2021. Profit Before Tax for 2022 stood at Rs. 1,093 Crores, marking a growth of 6% from 2021.

In 2022, we continued to keep safety at the center of our operations. Our plants at Silvassa, Patalganga and Paharpur completed 10 years, 6 years, and 5 years of recordable injury-free operations respectively. Our Industrial Complete Chemical Management Services team also completed 10 years of recordable injury-free operations.

To balance rising input costs and increased forex & inflationary challenges in 2022, we undertook strategic pricing decisions to maintain an optimal price-volume mix. This helped us navigate 2022 successfully. Not only did we protect our margins and achieve healthy volume growth, but we also surpassed our volumes from 2021 and even from 2019 (pre-pandemic)! Further, we made steady progress on several forward-looking initiatives that will support Castrol India to become future-ready. These included our enhanced play in service & maintenance, rural expansion, and strategic collaborations with leading industry players.

Last year, Castrol Auto Service (CAS) expanded to 230 car workshops across 110 cities. Castrol Bike Points crossed 5,215 outlets across India and Castrol Express Oil Change outlets scaled up to 42. One of our biggest milestones from 2022 was our strategic collaboration with TVS-owned ki Mobility Solutions (KMS), with Castrol acquiring a 7% stake in KMS through a planned investment of Rs. 487.5 Crores. Castrol's established brand equity and nation-wide footprint, combined with KMS' digital strength will bring structure to India's fragmented automotive service sector and enable consumers to reap the dual benefits of trusted brands and reliable services.

Advancing our sustainability agenda in 2022, we introduced targeted interventions in our plant operations, product packaging, and distribution, with a focus on saving waste, reducing carbon emissions, and improving people's lives. In 2021, we had introduced new light-weight bottle designs for our medium packs that reduced our plastic use on



Sandeep Sangwan, Managing Director

average by 20% per bottle. In 2022, we launched Castrol POWER1 ULTIMATE in 100% recycled bottles, made from reprocessed plastic waste. As part of our Extended Producer Responsibility, we are also working with key stakeholders to collect, reuse, and recycle all the plastic we place in the market.

We continued to make a positive social impact in our communities. Our CSR initiative, 'Sarathi Mitra', completed five years of supporting truck drivers' health, wellbeing, and livelihoods and increased its reach to 169,000 truck drivers. Castrol Eklavya, our CSR program for mechanics increased its reach to 244,000 mechanics across India. To upskill the mechanic community, Castrol India rolled out a unique EV-readiness training program for car and bike mechanics in 2022. The initiative covered 200 mechanics across Delhi and Chennai, and helped them learn the basics of EVs, diagnostic skills for service & maintenance and gain certification from ASDC.

All these achievements were made possible thanks to the dedication of our employees and the continued trust and support of our shareholders, distributors, customers, and wider stakeholders. With the Indian economy poised for growth, we remain confident of the long-term growth opportunities for Castrol India. We will continue to strengthen our business by exploring avenues for future growth and offering sustained value and returns to our shareholders and the wider society.

BOARD OF DIRECTORS



R Gopalakrishnan
Chairman

R. Gopalakrishnan (Gopal) is an Independent Director & Non-Executive Chairman for Castrol India Limited. He is also an Independent Director for the Press Trust of India (PTI). He brings with him an extensive corporate experience of nearly 55 years of which 31 years were with Hindustan Lever Limited (HLL) / Unilever and 18 years with the Tata Group. He has a rich experience of over 34 years of serving across the boards of several companies.

Notable roles that Mr. Gopalakrishnan has held in his corporate career include that of Chairman of Unilever Arabia, based in Jeddah and Managing Director of Brooke Bond Lipton India, based in Bengaluru. He has also served as the Vice Chairman of HLL and Executive Director of Tata Sons Limited and other Tata companies.

He is passionate about mentoring start-ups and enjoys mentoring corporate managers through his talks and writing. He is actively engaged in motivational speaking and has delivered over 100 keynotes in India and abroad. Mr. Gopalakrishnan is also a prolific management writer and has authored 17 books and penned several newspaper columns and discourses on a variety of corporate topics.

He studied Physics at St. Xavier's College, Kolkata and did his Engineering from the Indian Institute of Technology (IIT), Kharagpur. Later, he completed an Advanced Management Program at the Harvard Business School, USA.



Uday Khanna
Independent Director

Uday Khanna is a Chartered Accountant and an Independent Director on the board of Castrol India Limited. Mr. Khanna has served as the Managing Director & CEO of Lafarge India from July 2005 to July 2011. He had joined the Lafarge Group at its headquarters in Paris in June 2003 as Senior Vice President for Group Strategy.

Prior to that, he worked for almost 30 years with Hindustan Lever Limited (HLL) / Unilever in a variety of financial, commercial, and general management roles both in India and international markets.

His last role at Unilever was as Senior Vice President, Finance, Unilever Asia, based in Singapore. Mr. Khanna has earlier been on the Board of Hindustan Unilever Limited as Director Exports, after having served as Financial Controller and Treasurer of the company. He also worked as Vice Chairman of Lever Brothers in Nigeria and General Auditor for Unilever North America based in the USA and as Non-Executive Chairman of Bata India Limited.

Mr. Khanna has been the President of the Indo-French Chamber of Commerce & Industry from 2008 to 2009, and the President of the Bombay Chamber of Commerce & Industry from 2012 to 2013.

BOARD OF DIRECTORS



Sangeeta Talwar
Independent Director

Sangeeta Talwar is an Independent Director on the board of Castrol India Limited. In a career spanning 30+ years, Ms. Talwar has worked for several large corporations in Europe, America, and Asia. She brings with her multi-disciplinary experience across Marketing, Sales, Human Resources and General Management.

During her early years with Nestlé India, she helped craft, create, launch, and establish Maggi Noodles. She went on to hold several senior roles at Nestlé including Regional Sales Head, Vice President Human Resources and Marketing Director. She also worked at Nestlé's global headquarters in Switzerland as a Strategic Advisor.

After Nestlé, she joined Mattel India as the CEO & Managing Director. Subsequently, she moved to Tata Tea as an Executive Director and was appointed as President South Asia for the consolidated Tata Global Beverages. During her tenure, Tata Tea became the largest tea brand in India and also won international acclaim for its 'Jaago Re' campaign.

Ms. Talwar also worked in the social sector as the Managing Director of NDDDB Dairy Services and spearheaded the design and establishment of an innovative business model for creating sustainable livelihood for dairy farmers in rural India.

She is the recipient of several distinctions including, 'Business Today 30 Most Powerful Women in Indian Business'. She now serves as an Independent Director on the boards of several large companies in sectors such as FMCG, Fashion, Energy, Education and Automobiles. She is a qualified Leadership Coach and is a passionate speaker on Diversity.

She holds a graduate degree in Economics and an MBA from the Indian Institute of Management (IIM), Kolkata. She has also completed an Executive Program from the Wharton School, USA.



Rakesh Makhija
Independent Director

Rakesh Makhija is an Independent Director on the board of Castrol India Limited. He also serves as an Independent Director on the Board of Axis Bank Limited (since 2015) and as the Non-Executive Chairman of Axis Bank since July 2019. Mr. Makhija also serves on the Board of A.TREDS Limited.

During his career spanning over four decades, Mr. Makhija has been an active contributor to the Industrial and Technology sectors, both internationally and in India. Mr. Makhija has held several top management positions within the SKF Group. He was the President for the Industrial market (Strategic industries) and a member of the SKF Group executive committee, based in Gothenburg, Sweden.

Prior to that, Mr. Makhija was President of SKF Asia with overall responsibility for China and India, based out of Shanghai. He served as the Managing Director of SKF India from 2002 to 2009. He was the recipient of the prestigious 'CNBC Business leader award for Talent Management' in 2007.

Before joining SKF, Mr. Makhija was the CEO & Managing Director of Tata Honeywell Limited. He was subsequently appointed as the Country Manager & Managing Director of Honeywell International, with responsibility 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.

Mr. Makhija is a Chemical Engineer from the Indian Institute of Technology (IIT), Delhi.

BOARD OF DIRECTORS



Sandeep Sangwan
Managing Director

Sandeep Sangwan is the Managing Director of Castrol India Limited since January 2020. He joined bp Plc in 2012 as a Customer Lead in Castrol InnoVentures, and since then has held various national and international leadership roles for key markets in Europe, Asia, and Africa. Sandeep brings with him extensive experience in business transformation, sales, and marketing and is passionate about building brands, driving growth, and building high performance teams.

Prior to joining bp, he worked with Gillette and P&G for over 20 years in India, the Middle East, China, and Europe, where he held several leadership roles in sales, marketing, and P&L delivery. He is an alumnus of the Indian Institute of Management (IIM), Lucknow and Regional Engineering College (NIT), Kurukshetra. Sandeep is a keen golfer and loves to travel.



Deepesh Baxi
CFO & Wholetime
Director

Deepesh Baxi is a finance professional with 25+ years of industry experience, of which he has spent 18 years at bp Plc. Deepesh is currently the Chief Financial Officer & Wholetime Director of Castrol India Limited (CIL). He and his team work closely with the Castrol India business to develop and deliver long-term strategy, M&A opportunities and maintain a robust accounting, control & compliance environment. Deepesh is also responsible for strengthening relationships with CIL's investors, analysts, and bankers. Prior to this role, Deepesh worked as Financial Controller for Castrol's global business.

At bp, Deepesh has worked in the UK and Asia Pacific in Global, Regional and Country Leadership roles spanning across Finance, Strategy, Planning, Internal Audit, Risk management, Compliance and Business Transformation. Prior to joining bp, Deepesh worked with international consulting organizations for 7 years, where he was responsible for internal and external audits, M&A, and financial due-diligence projects.

Deepesh is a Chartered Accountant and was awarded 'Leading CFO of the Year' 2022 by the Confederation of Indian Industry (CII) and 'CXO of the Year' 2020 by the Institute of Chartered Accountants of India (ICAI).

He is an alumnus of the Indian Institute of Management (IIM) Ahmedabad and a Certified Internal Auditor (CIA) from the Institute of Internal Auditors, USA.



Mayank Pandey
Wholetime Director

Mayank Pandey has 20+ years of industry experience, of which he has spent the last 15 years at bp, having joined Castrol in September 2007. Mayank heads Supply Chain operations for India and is responsible for developing and implementing a robust Supply Chain strategy to enable business growth for Castrol India and operate a safe, reliable, and efficient supply chain.

Prior to this role, he worked as the Supply Chain Planning Head for Castrol Europe. In his earlier roles, Mayank has led Supply Chain Strategy & Transformation for Castrol China, led Supply Chain Operations for Castrol North Asia (Japan / Korea) and supply chain logistics & planning team lead roles with Castrol India. He is passionate about building high performance teams and customer centricity.

BOARD OF DIRECTORS

Mayank's professional experience spans lubricants, business consulting, paints, and the engineering industry. Prior to joining bp, Mayank has worked with Tata Strategic Management Group (TSMG), Asian Paints and Larsen & Toubro (L&T) in various roles spanning business strategy, procurement, logistics and manufacturing.

Mayank is an MBA from the SP Jain Institute of Management and a Mechanical Engineer from the Harcourt Butler Technological Institute.



Saugata Basuray
Wholetime Director

Saugata Basuray started his career with Castrol India as a Management Trainee in 1999. He has 23+ years of rich experience in sales, marketing, and business development. He has worked in four countries across two continents. Currently, Saugata heads the B2C sales channel at Castrol India and is responsible for executing a comprehensive transformation strategy to enable Castrol to increase its productivity by integrating digital systems & tools within the business and position the business for future growth.

After joining Castrol, Saugata worked across diverse sales and category marketing roles in India. He also served as an Executive Assistant to the Managing Director of Castrol India & Regional Vice President, during which time he was involved in driving growth projects and negotiating complex & large-scale commercial alliances.

After an assignment in the UK with the global marketing team, Saugata returned to India to lead sales for the B2B channel followed by a stint as the interim Head of Marketing for Castrol India and Saudi Arabia. Prior to his current role, Saugata served as the President Director of bp's joint-venture lubricants operation in Indonesia.

Saugata holds an Engineering degree from the University of Pune and an MBA from Symbiosis Institute of Business Management, Pune.



Sashi Mukundan
Nominee Director

Sashi Mukundan is the President, bp India and Senior Vice President, bp group. He leads the gas and low carbon energy business in India, in addition to overseeing the wider operations of all bp group companies in the country. He is a senior member of the bp leadership team and is on the boards of India Gas Solutions Ltd., Reliance BP Mobility Limited, Castrol India Limited and BP Exploration (Alpha) Ltd. He was closely involved in forging the landmark partnership between bp and Reliance Industries Limited across the entire gas value chain.

Sashi is the Chairman of the National Committee on Hydrocarbons of CII (Confederation of Indian Industry). With nearly 40 years of experience in strategic planning, finance, business development, and operations in a variety of assignments in the U.S. and Asia, he is currently responsible for strengthening bp's portfolio in India.

Sashi holds a BS degree in Physics and an MBA in Marketing from Mumbai University. After completing his studies in India, he went to the U.S. and obtained an MBA in Finance.

BOARD OF DIRECTORS



Udayan Sen
Nominee Director

Udayan Sen is a finance professional with 30+ years of industry experience, of which he has spent the last 24 years at bp plc. Prior to joining Castrol India in 1999, Udayan worked with ITC Limited where he joined as a Management Trainee (1992 – 1995) and later with Unilever India (1995 – 1999).

Udayan has worked across four continents in Corporate and Regional roles spanning Finance, Strategy & Planning and New Markets Business Development. His last role was CFO for ASPAC Fuels & Air bp, based in Melbourne, Australia. He took on the role of Global CFO for Castrol in January 2020 and is based out of the UK.

Udayan has an open and inclusive leadership style with a passion for people and relationships. He is recognized for leading the business and finance agenda by working closely with stakeholders across functions and geographies.

He 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 (1992).

Udayan is an ardent fan of cricket and never misses an opportunity to play if an invite comes along the way.



Nicola Buck
Nominee Director

Nicola is the Senior Vice President, Global Marketing for bp's Customers & Products portfolio and the Chief Marketing Officer for Castrol since February 2022. In her role, she leads a large team of marketing and customer management professionals around the world. She also heads the Global Strategic Account Management Team and the Global Brand Forum. Prior to her current role, she was SVP Customer Value Proposition and Experience.

Nicola joined bp in June 2004 and was responsible for fuels marketing and offer development and launching the bp Ultimate brand. She served as VP Marketing for bp Fuels, North America, where she was responsible for managing the Amoco, ampm and ARCO brands, and how they are presented to customers and consumers in the United States.

Graduating from the University of Nottingham, Nicola began her career at Boots, working in various public relations, marketing, and retail roles in the UK and around the world.

LEADERSHIP TEAM



Sandeep Sangwan
Managing Director



Deepesh Baxi
Chief Financial Officer



Jaya Jamrani
Vice President - Marketing



Mayank Pandey
Vice President - Supply Chain



Saugata Basuray
Vice President - B2C Sales



Rajeev Govil
Vice President - B2B Sales



Sagar Vira
Vice President -
Industrial Sales



Bhairavi Popat
Vice President - Customer
Excellence and Operations



Maria P Valles
Vice President -
People and Culture



Siddharth Shetty
Managing Counsel



Rajesh Madathingal
Head - Technology



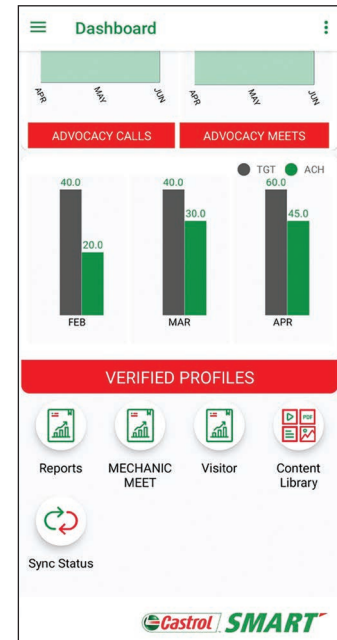
Saswati Panigrahi
Head - Communications

CUSTOMER CENTRICITY: ACCELERATED BY DIGITAL TRANSFORMATION

Extending SMART Solutions across business segments

In addition to the 1,000+ sales force focused on the retail and Independent Workshop channel, the Castrol SMART application was extended further to teams managing Industrial and Castrol Auto Service customers.

The application is a sales force automation tool that enables our teams to drive business led conversations with customers and mechanics further improving sales productivity, mechanic engagement and customer satisfaction.



Automating processes for efficient channel management

The Castrol Digicclaim portal continues to bring increased process efficiency and compliance. After automating B2C rebate processes in 2021, we automated B2B rebate claims and implemented workflows to provide end-to-end tracking of our distributor agreements and associations.



CUSTOMER CENTRICITY: ACCELERATED BY DIGITAL TRANSFORMATION

Building tech-enabled mechanic engagement programs

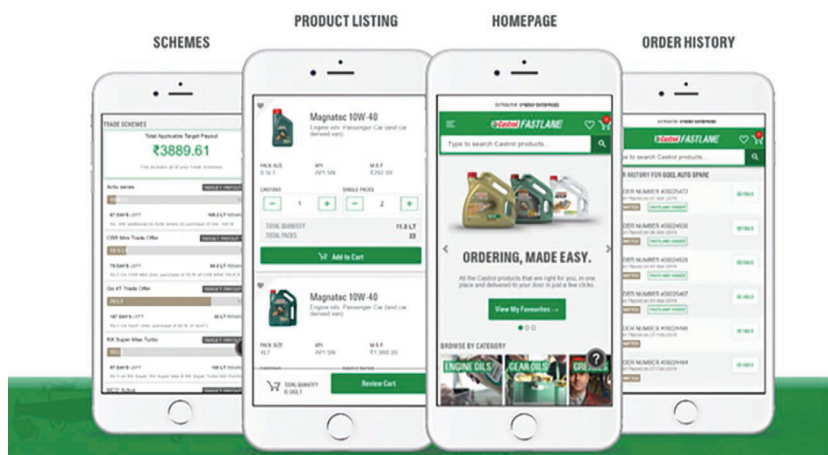
The Castrol FASTSCAN application served as a powerful engagement tool and supported over 500,000 mechanics on the platform.

Over 70,000 mechanics enrolled in the Mechanic Loyalty Program enabling them to redeem their points through various options like gifts, vouchers, and Castrol products.



Raising the bar on customer convenience

The Castrol FASTLANE application enables indirect customers to place orders at any time and from any location. Features like secure password-less entry, new product and trade scheme updates, purchase history and order status have attracted over 71,000 customers.



SUPPLY CHAIN TRANSFORMATION: BUILDING RESILIENT AND SUSTAINABLE OPERATIONS

Driving manufacturing excellence

Program Lakshya, which focuses extensively on the key pillars of Efficiency, Capability, and Continuous Improvement, was launched across all three manufacturing plants. This will allow the organization to systemically invest in new tools, systems and process and build capabilities to stand out as an agile, value conscious and a cost efficient supplier.



Digitalizing logistics operations

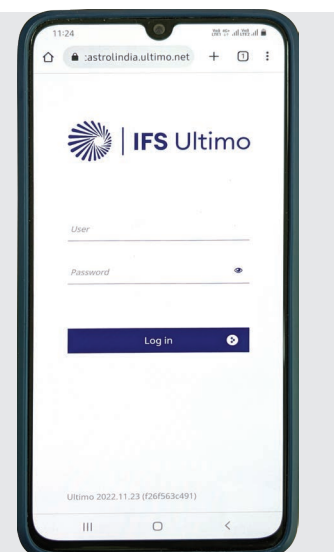
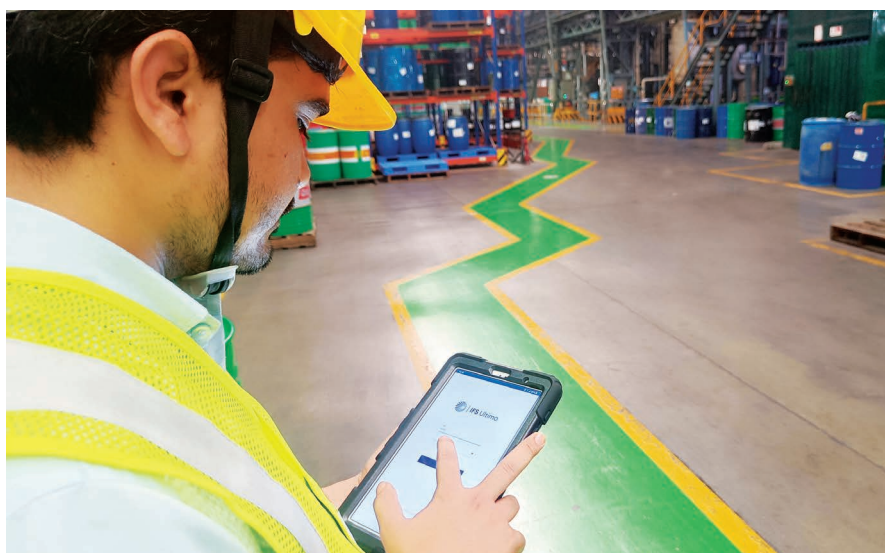
The implementation of Transport Management System (TMS), a Software as a Service (SaaS) based solution, gives Castrol's sales teams and business partners an integrated view of the transport operations and provides complete visibility of the product lifecycle beginning with sourcing of the raw material till the dispatch of the final product. Additionally, it will allow the company to offer customers an enhanced e-commerce experience at par with leading B2C portals, thereby driving strong preference for Castrol products and solutions. More than 40,000 dispatch call-ups have been placed to the transport vendors successfully through the new platform, ensuring a smooth transition to the new digital-led process.



SUPPLY CHAIN TRANSFORMATION: BUILDING RESILIENT AND SUSTAINABLE OPERATIONS

Implementing data-driven maintenance management

All three manufacturing plants implemented the Plant Maintenance Management System (PMMS) to enhance asset integrity management. By monitoring the health of the assets and digitizing maintenance activities, this tool empowered the engineering team to make data-based decisions for predictive maintenance and reduce manual controls required to manage manufacturing assets.



Executing safe and sustainable infrastructure upgrades

For enhanced durability and zero leak assurance, the Silvassa plant undertook a highly complex project of replacing 12,000 sq. meters of roofing and cladding with advanced Silicon Modified Polyester (SMP). The project took around 1.5 years and 100,000 manhours to complete, progressing incident-free despite Covid-19. World-class safety barriers such as edge protection, lifelines, safety nets, and CCTV monitoring helped to achieve incident-free operations and the use of reflectivity tubes and turbo ventilators for natural lighting and ventilation reflected Castrol's underlying commitment to safety and sustainability.



POWERFUL BRANDS: FUELED BY PERFORMANCE AND INNOVATION

Castrol Activ warna #CompromiseMehengaPadega

Castrol Activ, India's leading bike engine oil, launched a new marketing campaign #CompromiseMehengaPadega with an ad-film demonstrating Castrol Activ's superior 3X (three-fold) protection that shields bike engines from breakdown. Using a mix of TV, digital platforms, retail activations and presence on high-impact properties, Castrol Activ reinforced its unmatched protection and performance for bikes.



Castrol POWER1 ULTIMATE in 100% recycled bottles

Castrol introduced a new, more sustainable packaging for POWER1 ULTIMATE, its premium bike engine oil. The 100% Post-Consumer Recycled bottle is made from reprocessed plastic waste instead of virgin plastic decreasing plastic waste, reducing carbon emissions, and supporting a more circular economy. Castrol's new packaging is a part of its global PATH360 sustainability aim to reduce its plastic footprint by half by 2030 and become net zero by 2050 or sooner.



Superior protection for cars with Castrol MAGNATEC

Castrol MAGNATEC, India's leading car engine oil, launched its latest ad campaign illustrating the brand's superior protection by reducing engine wear by 50%.. The campaign used two TV commercials focusing on family audiences and millennials respectively and showcased the new BS-VI ready range of MAGNATEC engine oils.



POWERFUL BRANDS: FUELED BY PERFORMANCE AND INNOVATION



Castrol POWER1 ULTIMATE in a 3-in-1 formula campaign

Castrol POWER1 ULTIMATE, India's premium engine oil brand for bikes, developed a new 3-in-1 formula aimed to deliver three key benefits to bike rider – excellent acceleration, excellent protection, and smooth riding. Our launch campaign with brand ambassador, Bollywood actor, Tiger Shroff included demonstration films in 11 local languages, point-of-sale activations, on-ground consumer and mechanic activations and lucrative offers for dealers.



Strike gold with Castrol CRB TURBOMAX

Castrol CRB TURBOMAX, our premium multigrade engine oil formulated for heavy-duty diesel engines, launched the 'Chance to Win Gold Coin' 2022 campaign for the second consecutive year. Truck drivers stand a chance to win gold coins by scanning the QR code on select CRB TURBOMAX 7.5 liter, 10 liter and 15 liter promotional packs. The initiative reached over 60,000 consumers and influencers and was promoted via TV campaigns, on-ground activities and digital platforms.

EXPANDING OUR PRESENCE IN SERVICE AND MAINTENANCE

An integral element of Castrol's future-ready growth strategy is to expand its presence in aftersales service, maintenance & repair, through organic and inorganic routes and widen its offerings for both internal combustion engine (ICE) and electric vehicles (EV). Besides strong product brands, Castrol India also has reliable service brands such as Castrol Auto Service, Castrol Bike Points and Castrol Express Oil Change to meet the afterservice needs of four-wheeler and two-wheeler customers.

Rapidly growing network for Castrol Auto Service

Castrol Auto Service offers high-quality specialized service offerings for four-wheeler cars. In 2022, Castrol Auto Service (CAS) continued its steady expansion and reached a milestone of 230 workshops across 110 cities in India. Further, in 2022, Castrol India partnered with Jio-bp and MG Motor to develop and expand CAS to start serving four-wheeler electric cars and help set up EV charging infrastructure across its network.



Scaling up Castrol Express Oil Change services across India

Castrol Express Oil Change services offer complimentary health check to two-wheeler owners and paid oil change services in less than twenty minutes. In 2022, Castrol India scaled up its Express Oil Change outlets to 42. These outlets operate out of Jio-bp mobility stations in urban cities across India.



Castrol Bike Points

Castrol Bike Point supports independent workshops by providing them with the strong Castrol brand endorsement and access to advanced lubricant technology and world-class products. Castrol Bike Points also empower mechanics, providing them with superior technical and sales expertise by enhancing their skills & knowledge and providing them with business support and incentive programs. By getting their bikes serviced at Castrol Bike Points, consumers have the confidence that they are getting the best service their bike can get. In 2022, Castrol scaled up its Bike Points to 5,215 across India.



EXPANDING OUR PRESENCE IN SERVICE AND MAINTENANCE

Strategic collaboration with ki Mobility Solutions

On 25 November 2022, Castrol India entered into a strategic collaboration with ki Mobility Solutions (KMS), a leading Indian player in the independent automobile aftermarket business, to leverage each other's strengths and expand India's automotive aftermarket ecosystem via 'myTVS', KMS's digitally integrated multi-brand service platform for two and four-wheelers.

Under the alliance, Castrol India acquired a 7% stake in KMS with a planned investment of Rs. 487.5 Crores. With this investment, Castrol India aims to expand its presence in service and maintenance for both internal combustion engine (ICE) and electric vehicles (EV) and leverage myTVS' digital and operational capabilities. Vehicle owners will benefit from this strategic alliance through easy access to differentiated, digitally-enabled

service and maintenance offered by the myTVS platform whose reach includes 3 million customers across 1,000 garages in India. myTVS' online-to-offline digital platform already offers quality, standardized and cost-effective services and parts to B2B and B2C customers through its owned outlets, franchise network, at home services and roadside assistance.

Castrol's established brand equity and nationwide footprint in India, combined with myTVS' digital strength will bring structure to the currently fragmented automotive service sector and also accelerate business growth for KMS. In addition, Castrol will explore business and technology collaborations with KMS to enable readiness for transition to electric mobility. Indian consumers will reap the dual benefits of trusted brands and reliable services.



From left to right: G. Srinivasa Raghavan, Managing Director, ki Mobility Solutions and Sandeep Sangwan, Managing Director, Castrol India Limited, sealing the strategic collaboration between Castrol and ki Mobility.

SUPPORTING MECHANICS TO GET EV-READY

Mechanics play an integral role in the automotive aftermarket. However, one of the key knowledge gaps for mechanics is the lack of sufficient training around the latest automotive technologies. Castrol has relentlessly supported the mechanic community with relevant business & social initiatives.

To continue supporting mechanic upskilling, and to contribute towards the transition to greener and more sustainable mobility, in 2022, Castrol India introduced a unique EV-readiness training program for mechanics, that was endorsed by the Automotive Skills Development Council (ASDC) of India.

The first leg of the EV-readiness training program was held from 13 to 16 September 2022 in New Delhi, covering over 100 car and bike mechanics.

The second leg of the training was held in Chennai from 7 to 10 November 2022, covering 100 car and bike mechanics.

Castrol's EV-readiness training has helped mechanics learn the basics of EVs, acquire diagnostic skills for EV service & maintenance and receive certification.



Castrol's EV-readiness training program aims to support car & bike mechanics with the latest automotive technologies and products for EVs and enable them to acquire diagnostic skills for servicing EVs.

AWARDS AND EXTERNAL RECOGNITION

Paharpur plant wins health & safety award

Castrol's Paharpur plant in West Bengal won the Platinum award at the Apex India Occupational Health & Safety Awards 2022 under the Oil & Gas Sector in the Large Enterprise category. The award was conferred on 9 September 2022 by the then Health Minister of Punjab, Shri Chetan Singh Jauramajra.



Castrol CSR projects win external recognition

At the 4th CSR Summit & Awards 2022 organized by UBS forums, Castrol won the 'Best Innovative CSR Project' award for the Eklavya & Sarathi Mitra initiatives. With a focus on upskilling mechanics & supporting holistic development of truck drivers, these programs continue to make a positive impact on the communities we operate in.



POWER1 ULTIMATE campaign wins CMO Asia Excellence Award

Castrol POWER1 ULTIMATE was recognized with the Best Use of Machine Learning Award for its rephrase.ai activation at the 13th edition of CMO Asia's Excellence Award held in Singapore. This initiative helped reach over 130,000 mechanics using personalized videos from our brand ambassador, Bollywood actor, Tiger Shroff, making it the first such campaign in the category to deploy personalized content at such a large scale.



AWARDS AND EXTERNAL RECOGNITION

MAGNATEC wins 'Product of the Year 2022'

Based on consumer voting, Castrol MAGNATEC won the 'Product of the Year 2022', in the Engine Oil – Cars category.

The award recognized the brands' innovative DUALOCK technology that enables oil molecules cling to components and lock with each other, offering superior protection and reducing engine wear by 50%.



Castrol Super Mechanic wins several laurels

The fourth edition of the Castrol Super Mechanic Contest, conducted using both physical and digital media to comply with Covid-19 requirements, registered a record participation from more than 140,000 mechanics. India's largest mechanic skilling program won several accolades across the traditional and digital brand forums and bagged 11 honors at the Indian Digital Marketing Awards (IDMA), Emvies, SMARTIES India and exchange4media Mobile Marketing and Digital Influencer Awards.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report covering business performance and outlook (within limits set by Company's competitive position) is provided below:

INDUSTRY STRUCTURE AND DEVELOPMENTS

India is the third largest finished lubricant market globally accounting for approximately 7% of the global demand¹. In an otherwise flat volumetric global lubricants industry, India is seen as a market with immense potential for lubricant growth. India's lubricant market operates in three broad segments: Automotive, Industrial and Marine. All three segments include players from National Oil Companies, international oil majors, and several local companies.

Automotive lubrication spans across categories such as engine oils, transmission fluids, coolants, brake fluids and greases. Industrial lubrication includes fluids for general applications such as gears, compressors, and refrigeration purposes, in addition to metal working and process oils. Castrol India Limited operates across all three segments and holds a leading position in the retail automotive segment, with notable presence in specialized industrial fluids.

Within the automotive lubricant segment, Castrol India is keen to support the transition to electric vehicles (EVs) and is working with its industry partners to bring forth the next generation of technologies, while also diversifying its traditional lubricants business. The sales of electric vehicles (EV) in India currently account for less than 1% of total new car sales (Source: SIAM). Considering that the penetration of cars in India is still low and is poised to grow further, the Company foresees continued demand for internal combustion engines (ICE) vehicles till 2040, alongside EV market growth (Source: Internal reports).

In India, the EV transition might happen sooner in the two-wheeler and three-wheeler space, compared to four-wheelers. The Company is exploring technology collaborations with two-wheeler and three-wheeler OEMs besides its existing collaborations with two of the leading four-wheeler EV OEMs in India.

Demand drivers

The automotive sector contributes approximately 7% to India's GDP and 49% to India's manufacturing GDP². The demand for automotive lubricants stems from the growing demand for vehicles, which in turn is fueled by rapid infrastructure development, rising income levels, widening of the middle-class and their aspirations, and easy access to finance.

Technological advancement in automotive hardware design is leading to a demand for more efficient and premium lubricants. Demand for industrial lubricants arises from various industries such as Automotive, Wind, Power, Process Industries like Steel, Cement and general engineering, manufacturing etc. and is also linked to increased economic activity.

Supply drivers

Lubricants are manufactured by blending base oils with additives. This blending involves highly advanced formulations as per the specific purpose the lubricant serves, as well as, in line with specifications from Original Equipment Manufacturers (OEMs) and industry norms. India is a net base oil deficit market leading to large scale import of base oils and additives. This exposes the lubricants business to fluctuations in foreign exchange rates and supply chain disruptions.

Major industry developments

Overall lubricants market: In 2022, economic activity remained resilient in a volatile operating environment underpinned by geo-political uncertainties and inflationary headwinds. While mobility across retail, recreation and workplaces picked up and commercial mobility also gathered momentum with expansion across

¹ Source: Kline, October 2022

² Source: Kline, October 2022

manufacturing and services sectors, consumer sentiments remained below 2019 pre-covid levels and guarded on future expectations, more so in rural India.

New vehicle sales grew as compared to 2021 but haven't returned to 2019 levels predominantly on account of subdued momentum in two-wheeler sales, rooted in constant price hikes, increasing cost of finance, and running costs. Electric two-wheeler sales continued to rise driven by availability of affordable models in the scooter category.

In the cars category, new launches, gradually improving supply constraints and pent-up demand drove new vehicle sales. The car industry also saw adoption of CAFÉ II norms towards more stringent emission standards, leading to increasing fuel efficiency in newer vehicles. Deferred replacement demand for commercial vehicles picked up leading to buoyancy in new vehicle sales.

In 2022, the overall lubricant offtake grew over 2021 and reached pre-covid levels. Personal mobility off-take growth surpassed pre-covid levels, while commercial mobility remained subdued mainly on account of sluggishness in agricultural lubricant off-take.

Impact of foreign exchange, crude oil, and raw material prices

2022 was no different than the past two years where volatility ruled the commodity market. When the year started, base oil prices were at normal levels but in February, with the Eastern Europe crisis, prices started to move northward and competed with fuel prices until late 2Q. Refiners prioritized fuel over base oil production which led to supply shortages and scarcity in the market for the first half of the year. Between 1Q to 2Q 2022, maintenance shutdowns at several refineries aggravated supply shortages and prices of base oil touched a multi-year high. Headwinds on account of vessel/equipment availability posed additional challenge on imports.

Despite healthy margins, refiners prioritized fuel production over base oil. Comparatively, prices in Asia were lower than western regions because of slowdown in China to control the spread of covid cases. Once again, our strategic supply position with business partners helped us ensure preferential access at competitive prices.

In 2022, forex was adverse due to elevated crude oil and energy prices because of geo-political events in Eastern Europe, and economic slowdown in western countries. The Indian Rupee touched an all-time low of USD 83.20 in October 2022 and depreciated by almost 13% compared to 2021 which posed additional headwinds on input prices across all procurement categories.

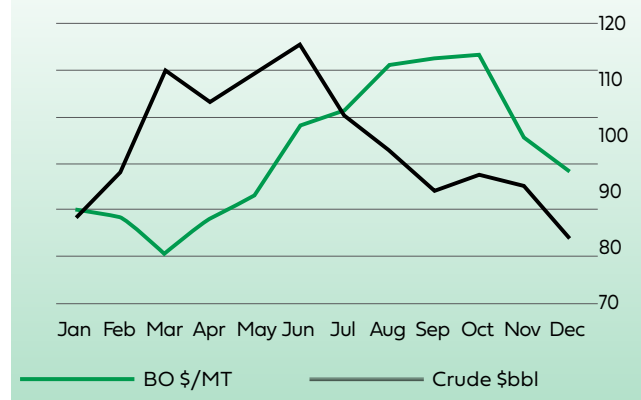
The graph below indicates the trend of crude oil prices and Rupee INR/USD for 2022:

INR/USD



The following graph indicates the trend of base oil and Brent crude price movement for 2022:

Base Oil & Brent Crude Trends-CY2022



Despite a highly uncertain and challenging business environment, the Company continued to generate value for its investors through strategic sourcing, leveraging long-term contracts, value improvement initiatives, extensive focus on service and quality as well as continuous monitoring of costs. The Company worked on a best value purchase model and value-based inventory management, keeping a close watch on cash costs, and working capital.

OPPORTUNITIES AND THREATS

Opportunities

Personal mobility: With new segments such as SUVs continuing to grow, surge in sales of alternate fueled (CNG) cars, proportion of premium vehicles in overall sales increasing and smaller towns driving the sales and usage of passenger vehicles, Castrol India is tapping these through product innovations and brand building campaigns.

Commercial mobility: CNG is emerging as an alternate fuel mainly in the bus segment and for MLCVs which mostly serve towards last-mile connectivity. Technological improvement is leading to the growth of advanced specification engine oils such as CI4+ and CK4. The Company is focused on addressing these through the introduction of CNG compatible and CK4 compliant variants in its flagship CRB TURBOMAX and CRB MINI-TRUCK offerings along with sustained brand building efforts.



Advanced formulations like Castrol CRB CNG and CI4+ provide extended protection from breakdowns to commercial and farming vehicles.

New channels: Digitally-enabled service ecosystems are gaining prominence. Along with expansion of the service maintenance & repair network, the Company has forged strategic partnerships to strengthen its position in this segment.

Digital initiatives: Building on its digitalization strategy, the Company continued to focus on its digital initiatives such as FASTSCAN, FASTLANE and Castrol SUPER MECHANIC online academy including training programs to offer a premium experience to customers and consumers. To improve shipment planning and visibility, Transport Management System was implemented which will improve customer experience and internal efficiencies. Digital solution was also implemented for our plant maintenance management which will drive value from improved asset availability & resource utilization.



LIVE CLASSROOM

With close to 40 training courses offered in five regional languages, the Super Mechanic Live Classroom has trained over 36,000 independent mechanics across India.

Agricultural sector: With growing farm mechanization and improving engine technology, Castrol India strengthened its portfolio by introducing newer technologically upgraded variants such as CI4+ and sustaining brand building through consumer and customer activations.

Original Equipment Manufacturer (OEM) alliances: The Company has built enduring associations with leading heavy duty equipment manufacturers and passenger vehicle OEMs. It also continued alliances with two car OEMs for supply of electric vehicle (EV) fluids in India.

Threats

Inflationary pressures: While commodity inflation is expected to moderate, consumer inflation remains at elevated levels. The impact of this on consumption is a potential dimension of concern.

Competition: The competition in the Indian lubricants market is intense and is likely to remain so given the growing opportunity. While on one hand, there is a trend of OEMs introducing lubricants under their own brand name, on the other hand we also see strengthened positions of fragmented competition in an inflationary operating environment.

Electrification: India's mobility landscape is evolving with a growing electric vehicle (EV) market led by personal mobility and last-mile commercial or transit connectivity. While the EV market grows, the long-term demand for internal combustion engines (ICE) is also here to stay. EV's also require transmission fluids, greases, and coolants and Castrol is well positioned to cater to the EV segment and explore new business opportunities, while strengthening its existing business in ICE.



Castrol ON is a new range of EV fluids to cater to the EV aftermarket and will soon be available in India.

To ensure that independent auto mechanics do not get left behind in the EV transition, Castrol India is investing in training car and bike mechanics with a unique EV-readiness training that is endorsed by the Automotive Skills Development Council (ASDC) of India. In 2022, 200 car and bike mechanics were trained in Delhi and Chennai, and in 2023, the training will be expanded to other cities across India.



In 2022, Castrol India launched a 'first-of-its-kind' EV readiness training program for independent bike and car mechanics. The training is certified by the Automotive Skills Development Council (ASDC) of India.

PRODUCT-WISE PERFORMANCE

Automotive lubricants

In personal mobility, Castrol Activ launched a new multimedia campaign leveraging mainline and digital platforms to bring alive the thought of #CompromiseMehngaPadega. The campaign objective was to further drive preference for the brand. In the premium segment, Castrol India Limited launched a 100% Post-Consumer Recycled bottle for its Castrol POWER1 ULTIMATE range aimed to reduce its plastic footprint to half by 2030.

In passenger car oils, Castrol MAGNATEC was awarded 'Product of the Year 2022' for product innovation in the Lubricants category, based entirely on consumer voting. Additionally, Castrol MAGNATEC also launched its new campaign highlighting how using Castrol MAGNATEC reduces the sound and vibration in their vehicles. Castrol also continued its associations with Auto portals to drive brand consideration and other content integrations to drive brand salience.

In commercial vehicle oils, to build large scale awareness for Castrol CRB TURBOMAX, the 'Chance to Win Gold Coin' campaign was launched for the second year in 2022 involving a 360 degree deployment of the 'Dhan Aasana' initiative and a TV campaign, leading to strong on-ground activity reaching 60,000+ consumers and influencers in focus markets across India.

As an endeavor to strengthen its play in the Service & Maintenance space, the Company expanded its network of Castrol Auto Service workshops, top tier Castrol certified car workshops, to 230 with presence across 110 cities in 2022.



The Castrol Auto Service car workshops offer the promise of Castrol's trusted products and reliable service to car owners.

In November 2022, Castrol India Limited entered a strategic collaboration with ki Mobility Solutions Pvt. Ltd. (KMS), a leading Indian player in the independent automobile aftermarket business, to leverage each other's strengths and expand the country's automotive aftermarket ecosystem via 'myTVS', KMS's digitally integrated multi-brand service platform for two and four-wheelers.

Castrol India acquired a 7% stake in KMS with an investment of Rs. 487.5 Crores. With this strategic investment, Castrol will expand its presence in service and maintenance for both internal combustion engine (ICE) and electric vehicles (EV) and leverage myTVS' digital and operational capabilities. This alliance will also offer potential for Castrol and KMS to collaborate and partner in select markets beyond India.

Vehicle owners will benefit from this strategic alliance through easy access to differentiated, digitally-enabled service and maintenance offered by the myTVS platform whose reach includes 3 million customers across 1,000 garages in India. myTVS' online-to-offline digital platform already offers quality, standardized and cost-effective services and parts to B2B and B2C customers through its owned outlets, franchise network, at home services and roadside assistance.

Further, the Company has also commissioned 42 Castrol Express Oil Change services for two-wheelers in urban Jio-bp mobility stations, that offers a quick bike health check and engine oil change for consumers on the go.



Castrol offers two-wheeler consumers convenient, swift, & reliable oil change through its 'Express Oil Change' service available at Jio-bp mobility stations across India.

With electric vehicle (EV) adoption gaining momentum in India, MG Motor India and Castrol India are collaborating with Jio-bp to explore mobility solutions for electric cars. Under the partnership, Jio-bp, MG Motor and Castrol will explore setting up four-wheeler EV charging infrastructure and expand Castrol's existing Auto Service network to cater to EV Customers.



The strategic partnership aims at strengthening the EV charging infrastructure and accelerating EV adoption in India, which will benefit stakeholders across the EV value chain.

Marine & energy lubricants

Shipping markets have been on an upward trajectory throughout 2022 largely on the back of strong containerships and bulker markets. Firm demands and severe congestion has been providing notable support.

Offshore Oil and Gas market has shown a positive outlook driven by security of supply worries, and high oil prices, which have been at its best since 2014. The offshore rig market is showing a high level of utilization (85%), best since 2015. With the strong offshore activities, demand for the offshore supply vessels is also improving considerably.

The Company also expanded its indirect channel partners to grow its business in the domestic marine sector that includes offshore supply vessels, fishing, dredging etc. We successfully supplied specialist water-based control fluids for critical oil well operations.

Industrial lubricants

The Company worked closely with its customers aiding learning through trainings and seminars and entered new segments such as Robotics while also launching bespoke performance lubricants for industry sectors like textiles, which have helped strengthen our position in the sector. Castrol India's Silvassa plant received a GOTS (Global Organic Textile Standards) certification, which enhances our opportunities to work closely with textile machinery manufacturers.



Participating in leading industrial exhibitions, such as Wind Exhibition, increased the visibility of our Industrial Solutions business and helped strengthen relationships with existing customers and acquire new business.

Quality

The Company focused on a 'Zero-defect' mindset to deliver sustainable E2E customer focused quality that drives customer satisfaction and competitive advantage. The quality strategy is embedded across the organization to drive key pillars of Quality Culture, Customer Quality, Supplier Quality & Quality Management Systems.

The Company has initiated communication and engagement programs across the organization to drive accountability and involvement to build a proactive and positive Quality Culture. As an output of the Quality Culture Survey, we have launched Program – Quality Energizer to implement risks reduction measures and best practice sharing across manufacturing sites. The Company has driven customer complaint management process to improve responsiveness and customer satisfaction. Supplier Quality improvement has been driven through robust approval and performance monitoring processes.

In pursuit of Digitalization, we expanded implementation of digital tools and apps to simplify processes and standardize data management. Digital systems are utilized to generate Power BI reports for monitoring and driving quality performance management processes on a real-time basis.

In 2022, the Company completed recertification audits of ISO 9001:2015 and IATF 16949:2016 standards successfully. The Silvassa plant was the proud recipient of the Ford Q1 recertification, a recognition of the plant's focus and quality excellence to the OEM business. The Company successfully ended 2022 without any major quality incidents despite disruptions in operations due to the Covid-19 pandemic and geo-political challenges.

FUTURE OUTLOOK

The outlook for 2023 has been examined closely by the Company through the broad dimensions of demand drivers and distribution channels.

Demand Drivers for Automotive Lubricants

Personal mobility: The two-wheeler and passenger cars lubricant category are witnessing growth, and this is expected to continue. The Company will continue to drive growth in these segments through broadening participation rooted in strengthening the portfolio across segments, enhancing availability of its products and continued focus on brand building initiatives.

Commercial vehicles: While there is sluggishness in offtake of commercial vehicle oils on the back of slow off-take of Agricultural lubricants, this overall demand is expected to pick up aided by growth in infrastructure and off-highway sectors, growing thrust on mechanization of farm sector and replacement demand of new vehicles guided by the vehicle scrappage policy.

Demand Drivers for Industrial Lubricants

Overall Industrial output grew through the year, albeit with a low base effect for 2Q and inflationary headwinds playing a role through the second half. The business confidence index continues to hold a positive outlook and with moderation in inflation, the demand for industrial lubricants is expected to grow with optimistic prospects for the long term.

Marine & energy lubricants

World trade shows signs of bouncing back from a deep, Covid-19 induced slump, but World Trade Organization economists caution that any recovery could be disrupted by the ongoing effects of the pandemic. Trade volume growth was expected to rebound to 7.2% in 2021 but remain well below the pre-pandemic levels.

Channels of Distribution

The Company's products are distributed through 335 distributors who service close to 107,000 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 3,400 customers 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 Castrol'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.

In 2022, the Company continued to drive simplification in systems and processes to bring in more speed and efficiency in its back-end operations. It has also leveraged digitalization to create a superior and premium experience for customers in their interaction and touchpoints with the Company.

RISKS AND CONCERNS

The Risk Committee maintains an active oversight of this risk and the effectiveness of the risk mitigation strategies and plans put in place by the Company.

The general slowdown of the economy due to disruptions caused by the pandemic as well as continued volatility in input costs and foreign exchange remains a risk. The Company has appropriate mitigation plans to protect margins while continuing to grow and transform the business. While the Company's focus on long-term strategic drivers and brand building continues, during 2022, appropriate strategic and pricing interventions as well as cost and efficiency management program were undertaken keeping in mind input costs, competitive positioning, and product brand strategy.

The Company actively managed its cyber security risk including the impact of greater remote working required by promoting the right behaviors and using tools and processes to protect its information, systems, assets, and people against current and emerging cyber security threats. The Company's Risk Management Committee actively monitors and reviews current and emerging risks.

With India being a growth market, opportunities for employability and for commensurate roles are higher. The Company's strong capability offer which nurtures and develops its talent, makes its employees more relevant to the market, thereby increasing the risk of attrition for the Company.

Health, Safety, Security and Environment are critical focus areas for the Company. Road safety is an area of particular focus given that its frontline team and transporters drive across the country on business. Similarly, product quality and integrity continue to be another focus area. Its vision for Quality, 'Right quality first time every time,' and 'Zero Defect' is a key enabler to help provide a premium customer experience. The Company has a robust risk mitigation plan to minimize identified risks through continuous monitoring and mitigating actions as may be required.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains an adequate and effective Internal Control System commensurate with its size and complexity. It believes that these systems provide, among other things, a reasonable assurance that transactions are executed with management authorization. It also ensures that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles, along with the assets of the Company being adequately safeguarded against significant misuse or loss. An independent Internal Audit function is an important element of the Company's Internal Control System. This is supplemented through an extensive internal audit program and periodic review by the management and the Audit Committee.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO 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 2022, the Company registered Revenue from Operations of Rs. 4,774 Crores. It also marks an overall revenue growth of 14% compared to Rs. 4,192 Crores for the full year ended 31 December 2021. The Company's Gross Profit increased by 7% in 2022 over 2021. This was on account of higher volume and strategic price interventions.

Operating and Other expenses increased by Rs. 96 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 6% over previous year to Rs. 1,093 Crores. This generated a healthy cash flow from operations for 2022 of Rs. 916 Crores.

In accordance with 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	2022	2021	% change
Debtors' turnover	Times	14.42	1704	-15%
Inventory turnover	Times	4.87	4.80	1%
Current ratio	Times	2.00	2.17	-8%
Operating profit margin	%	23%	25%	-8%
Net profit margin	%	17%	18%	-5%
EBITDA	%	23%	25%	-8%
Return on net worth*	%	46%	50%	-8%

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

Interest coverage ratio and debt equity ratio are not applicable to the Company since there are no borrowings. However, there is some finance cost in financial statements that wholly relates to the finance lease of corporate office (IND AS 116) which commenced in the financial year 2020.

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.

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.

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 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.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

People are the Company's key assets and in 2022, the focus continued to be safeguarding the health and well-being of employees, along with ensuring employee engagement. In 2022, our employees spent ~1,410 hours on various technical, behavioral safety and leadership trainings.

We continued with our engagement with 'Purposeful Connections' to help teams accelerate from forming to performing while focusing on creating and strengthening the connects within the team, arriving at a common purpose and leading together to reinvent the future of the organization.

To help accelerate employee career growth and development, 'Focus@bp' was launched which drove the agenda of creating better manager – subordinate relations by encouraging regular check-ins and feedback during the

performance cycle. In 2022, internal candidates continued to be successfully hired for vacancies in the company, with 36% of our positions filled internally.

Hiring practices continued to ensure recruitment of diverse candidates with no compromise on meritocracy. In 2022, women held 20% of managerial positions at Castrol India Limited and overall representation of women employees stood at 16%. Further, Castrol India onboarded one differently abled employee in its permanent workforce in 2022. As part of our ongoing efforts to enhance Diversity, Equity & Inclusion, the Company is partnering with a talent firm specialized in scouting differently abled talent and helping them get placed in roles within Castrol India Limited where they can deliver to the best of their abilities.

To help employees upskill themselves, there was a week dedicated to capability building under the banner of 'Growth Week' split into two sessions: Growth Week 1 which was held from 9 to 13 May 2022 and Growth Week 2 held from 31 October to 4 November 2022. This was a mix of global and locally curated learning events and face to face interactions focusing on team building activities around the future skills and our new cultural framework 'Who We Are'.



The bi-annual Growth Week program, comprising an extensive line-up of international experts and a series of engagements, offered employees learning and development sessions to raise awareness on future skills.

'Who We Are' is our new cultural framework that defines how we expect people to show up when working for the company. The main beliefs are 'Live our purpose', 'Play to win' and 'Care for others'. The new framework was launched in 3Q 2022 and there have been various engagements including the Growth Week to share and embed the same across the organization.



The 'Who We Are' cultural framework builds on our best qualities and guides how we expect people to work and make decisions when working for bp.

'Project Lakshya' focusing on manufacturing excellence was launched at all three of our plants. Efficiency, Capability and Continuous Improvement are the three key pillars of the Lakshya journey. This is a continuous learning offer that has got a very positive response from all the plant teams.

In 2022, as part of a review of internal controls over financial reporting, key controls in human resources and legal compliances were reviewed by the internal audit team to provide assertions to the management on design and operating effectiveness of these key controls.

The Company enjoyed cordial relations at plants with internal and external stakeholders. There was focused engagement with workmen and contractors at plants by senior leadership through employee townhalls, team meetings, plant performance reviews and recognition of exemplary safety and quality performance. The Company also focuses on mental health initiatives along with physical well-being to focus on holistic employee wellness.

As of 31 December 2022, Castrol India Limited had 626 employees, including factory workmen.



Our Industrial Complete Chemical Management Services (CMS) accomplished 10 years of Recordable Injury Free operations in India delivering 3,652 days of safe operations across 23 customer sites.

Health, Safety, Security and Environment (HSSE)

In 2022, the Company accorded highest priority to the health and safety of the workforce and complied with all applicable laws and regulations. Health and Safety are central to the Company's vision, and we consider it our License to Operate.

Commitment and stringent adherence to the HSSE policy is applicable to every member working with the company. In line with this, the Castrol India leadership reviews Health & Safety Performance on a monthly basis.

The Company has a well-defined Health & Safety framework as an important internal standard in the form of Operation Management System (OMS) as a guidance for procedures and compliance to support and integrate working in a safe manner and controlling all key risks. The Leadership Team frequently reviews compliance to OMS demonstrating visible Safety Leadership through field inspection programs.

All three of CIL's manufacturing plants are certified to 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 our plants certified with Automotive Quality Management System IATF 16949:2016.

In 2022, our manufacturing plants continued to demonstrate strong HSSE performance and consistently met customer demands while ensuring the highest standards of health & safety. Our Paharpur plant in West Bengal won the prestigious Apex Safety Award for Occupational Safety and Health Excellence by the Apex India Foundation.

In 2022, we achieved a strong Health & Safety performance even for our Chemical Management Services that are provided by the Company to its customers at their manufacturing sites.

In addition, Castrol India Limited has a comprehensive Driving Safety and Transportation Policy which is applicable to all businesses in India, with the primary objective that everyone goes home safely, every single day. The Company has implemented SMART (Safe from the moment you start) program for employees driving on company business purposes. This has resulted in year-on-year improvement in our driving safety records.

As a part of resource optimization, in 2022, Castrol India focused on reducing energy, water and waste contributing towards minimizing its environmental footprint. The Company is also undertaking several programs in line with its global PATH360 sustainability framework. In 2022, Castrol introduced a new, more sustainable packaging for its premium engine oil brand, POWER1 ULTIMATE. The brand will now be available in a 100% Post-Consumer Recycled (PCR) bottle³, made from reprocessed plastic waste substituting virgin plastic.

Further, we continued to ensure our compliance to Plastic Waste Management Rules and successfully registered ourselves as Brand Owner and Importer with the Central Pollution Control Board (CPCB) and have a well-planned Extended Producer Responsibility (EPR) in place to ensure compliance with recycling of an equivalent quantity of plastic used for our packaging getting generated as waste post-consumer use.

On behalf of the Board of Directors

Sandeep Sangwan

Managing Director

DIN: 08617717

Deepesh Baxi

Chief Financial Officer & Wholetime Director

DIN: 02509800

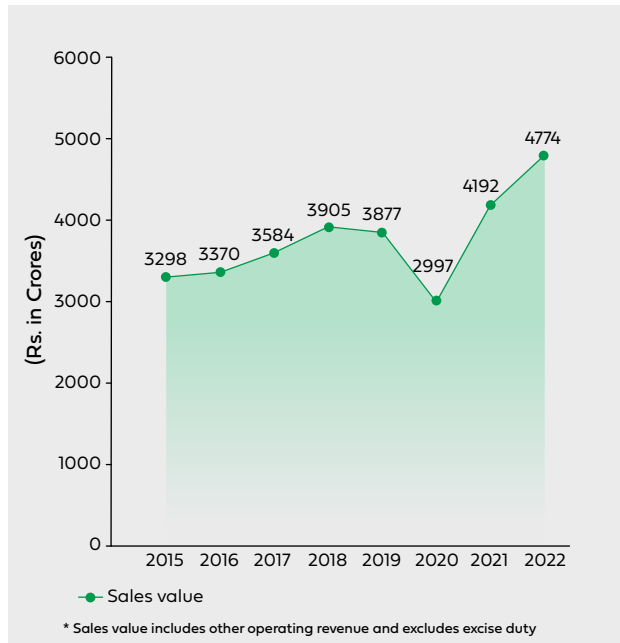
Place: Mumbai

Date: 13 February 2023

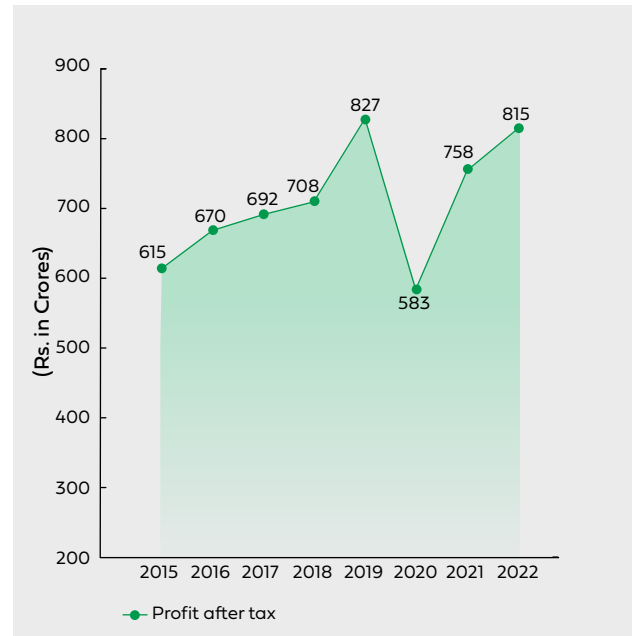
³The new packaging includes a 100% PCR plastic bottle and a non-PCR plastic cap. The label on the pack is made from paper.

FINANCIAL HIGHLIGHTS

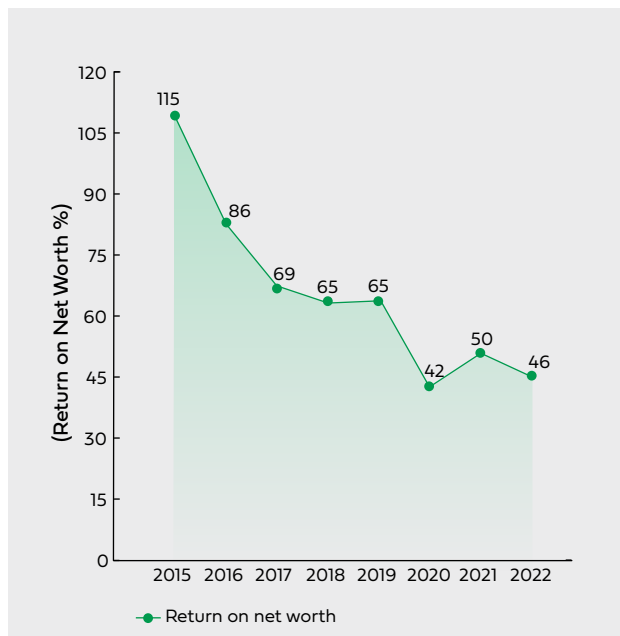
Sales



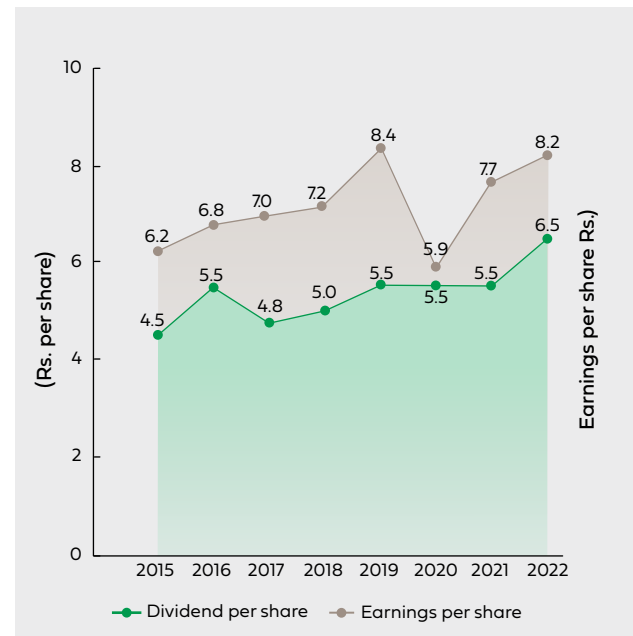
Profit after Tax



Return On Net Worth



Dividend and Earnings Per Share*



*After considering adjustment for issue of bonus shares in 2017

FINANCIAL HIGHLIGHTS

(Rs. in Crores)

Particulars	Ind AS						IGAAP
	2022	2021	2020	2019	2018	2017	2016
Revenue from Operations	4,774.49	4,192.06	2,996.92	3,876.82	3,904.55	3,851.56	3,875.96
Less: Excise Duty	-	-	-	-	-	^267.24	^505.63
Revenue from Operations (Net)	4,774.49	4,192.06	2,996.92	3,876.82	3,904.55	3,584.32	3,370.33
Other Income	67.05	48.43	62.03	64.77	84.31	83.65	87.39
Cost of Materials consumed	2,499.92	2,058.82	1,266.34	1,747.65	1,906.56	1,665.90	1,531.59
Employee Benefits and Other Expenses	1,163.47	1,067.28	916.47	976.10	927.22	885.30	839.39
Depreciation and Amortization Expense	81.39	82.7	86.62	69.74	55.57	45.50	44.96
Finance Costs	4.01	2.41	4.16	1.19	1.09	1.20	1.48
Profit before exceptional items and Tax	1,092.75	1,029.28	785.36	1,146.91	1,098.42	1,070.07	1,040.30
Exceptional Item	-	-	-	-	-	-	-
Profit before Tax	1,092.75	1,029.28	785.36	1,146.91	1,098.42	1,070.07	1,040.30
Current Taxation (Net of reversal of earlier years)	274.49	280.03	207.4	323.33	387.58	365.14	388.04
Deferred Taxation	3.11	(8.84)	(4.98)	(3.79)	2.48	13.12	(18.12)
Profit After Taxation	815.15	758.09	582.94	827.37	708.36	691.81	670.38
Total other comprehensive income / (expense) for the year	-0.94	(0.79)	3.67	(4.29)	(1.13)	(2.10)	1.35
Total comprehensive income for the year	814.21	757.30	586.61	823.08	707.23	689.71	671.73
Net Fixed Assets	321.55	251.22	252.75	227.03	221.08	196.24	184.23
Share Capital	494.56	494.56	494.56	494.56	494.56	494.56	247.28
Reserves & Surplus	1,391.47	1,150.95	919.67	872.39	671.10	525.59	734.26
Net Worth	1,886.03	1,645.41	1,414.23	1,366.95	1,165.66	1,020.15	981.54
Rupees							
Earnings per Share*	8.24	7.66	5.89	8.36	7.16	6.99	6.78
Dividend per Share*	6.50	5.50	5.50	5.50	5.00	4.75	5.50†
Book Value per Share*	19.07	16.64	14.30	13.82	11.78	10.31	9.92

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

* After considering adjustments for issue of bonus shares in 2012 and 2017

† Includes Special Dividend of equivalent Rs. 1 per share (Pre bonus Rs. 2.00 per share)

BOARD'S REPORT

To the Members,

The Board of Directors of your Company ("Board") is pleased to present the Forty Fifth Annual Report of Castrol India Limited ("Castrol" or "Company") for the financial year ended 31 December 2022 ("year under review" or "year" or "FY22").

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 2022 and upto the date of the Board meeting held on 13 February 2023 to approve this report, in respect of the Company.

1. FINANCIAL RESULTS

The Company's financial performance for the financial year ended 31 December 2022 is summarized below:

Particulars	For the year ended 31 December 2022 (Rs. in Crores)	For the year ended 31 December 2021 (Rs. in Crores)
Sales (a)	4774.49	4192.06
Other income (b)	67.05	48.43
Total Revenue (a+b)	4841.54	4240.49
Profit before tax and depreciation	1174.14	1111.98
Depreciation and amortization	81.39	82.70
Profit before tax	1092.75	1029.28
Tax expense (including deferred tax)	277.60	271.19
Profit after tax	815.15	758.09
Other Comprehensive income (net of tax)	(0.94)	(0.79)
Total Comprehensive income	814.21	757.30
Balance brought forward	1095.58	882.30
Profit available for appropriation	814.21	757.30
Dividend (incl. tax)	593.47	544.02
Balance carried forward	1316.32	1095.58

2. PERFORMANCE

Revenue from operations of your Company has increased by 14% mainly on account of strategic price interventions. Costs of materials were higher by about 21% over the previous year mainly due to unprecedented rise in input costs combined with supply chain disruptions due to Russia-Ukraine crisis and adverse Forex. Operating and Other expenses increased by Rs. 96 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 6% over previous year to Rs. 1093 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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

The Board has recommended a final dividend of Rs. 3.50/- per equity share for the financial year ended 31 December 2022 (2021: Final dividend was Rs. 3/- per equity share) subject to the approval of Members at the ensuing Annual General Meeting of the Company. The Board also declared interim dividend of Rs. 3/- per equity share for the financial year ended 31 December 2022 on 1 August 2022. (2021: interim dividend was Rs. 2.50/- 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 Members 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 Members 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 2015.

Members/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 a 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 <http://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 final dividend and corresponding shares for the financial year ended 31 December 2015 and the interim and special dividend and corresponding shares for the financial year ended 31 December 2016 within statutory timelines. Members 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. The shareholders are encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

5. SUPPLY CHAIN

The impact of supply chain disruptions for import materials continued to be visible in parts of the portfolio in 2022. Additionally, Russia-Ukraine war worsened the external environment and with western world imposing sanctions on Russia, crude witnessed sharp & sudden increase in price – resulting in higher inflation, raw material shortages and uncertainties across the globe including India. Due to this, Base Oil prices which were originally forecasted to go down in 2022 versus 2021, started increasingly rapidly and significantly. In this volatile environment, your supply chain has supported timely pricing decisions through frequent forecasting & scenario planning. Your sourcing teams also undertook strategic sourcing of raw materials both for supply security and cost avoidance. Your supply chain team continued its focus on servicing the customers & ensuring supply continuity in an uncertain supplier market scenario. Your Company continued to transform while performing, with projects both to digitize our processes as well as initiatives to reduce carbon emissions.

Health, Safety, Security and Environment continued to be at the core of the operations. The COVID surge tapered after the first quarter and the plants did not see any disruption subsequently. The plants continued to operate through the year taking care of your employees and ensuring highest safety protocols. A key project on roof sheet replacement, spanning over 18 months, was completed in your Silvassa plant, with 1Lac+ man hours of activity, safely delivering the desired outcome. A high-risk tank lifting activity, first of its kind in many years, was completed safely. New Weigh bridge was installed leading to all unidirectional movements and risk reduction due to movements in one of your manufacturing plants.

Your plants continued to receive external recognition, from other organizations as well as the large bp group in continuing the safety journey. Paharpur plant won the Platinum Award under Apex India Occupational Health & Safety Awards 2022. Your plants were also recognized with wider bp group in form of Safety leadership awards for safety leadership & behaviors.

Multiple community activities in the areas around manufacturing plants were undertaken under the Castrol Ujjwal Kal program to support communities near plants, including collaboration with Child Welfare, Women & Community development department of the local government, children's day engagements & equipment donation to local Industrial Training Institute.

Program Lakshya has been launched across your Manufacturing Plants – focusing on three key pillars of Efficiency, Capability, Continuous Improvement. This Lakshya journey will continue to take your organization forward and stand out as a supplier who is reliable, agile and also cost competitive giving best value for you customers. This journey will involve everyone at all levels and will offer your people an opportunity where they push boundaries, learn from the best, solve challenging problems and grow their capabilities. This journey will also allow your teams to systemically reduce losses and invest these into new tools, systems and process that continue its focus on performance improvements.

Your company is now AEO T2 (Authorized Economic Operator- Tier 2) Certified organization. This has been awarded by India Customs in recognition of the high standards that your company has demonstrated in Safety, Security, Compliance and Integrity. This is an international recognition. Sustainability continued to be at the core of operations & practices through continuous focus on flush oil reuse and waste

reduction. The specific power consumption & specific fuel consumption continued to show a downward trend during the year due to the optimum blending temperature initiated in 2021 and other energy optimization initiatives.

During the year which had supply uncertainties, agile planning continued to be at the heart of robust supply to market. This process was managed through formulation transition and activating relevant back up scenario to ensure availability of products on shelves. Close coordination with the suppliers and leveraging relationships helped us successfully anticipate risks and plan mitigation your company. In addition, supply chain teams constantly engaged with business teams to identify critical business requirements to optimize resource allocation for potential challenges.

Logistics teams continue to deliver a safe, reliable, and efficient operation to ensure continuity of supply to our customers at the most optimum cost. There has been a continuous review of the logistics network to make it more fit-for-purpose, modernize the infrastructure, optimize the space while leveraging technology to deliver superior customer experience. These efforts have helped to deliver a 3% YoY (Year on Year) savings on the logistics spend, in an inflationary environment.

The supply chain team continued to lead as business owners and demonstrated great agility in pursuing all avenues to support volume and without compromising service, product quality, integrity, and compliance requirements.

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 2022:

- a) Appointment of Mr. Saugata Basuray (DIN: 09522239) as an Wholetime Director for a period of five(5) years with effect from 1 April 2022.
- b) Cessation of Mr. Ramchander Avanavadi (DIN: 00046647) as Nominee Director of the Company with effect from 30 September 2022.
- c) Appointment of Ms. Nicola Buck (DIN: 09785756) as Nominee Director with effect from 9 November 2022.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sandeep Sangwan (DIN: 08617717), Managing Director and

Mr. Mayank Pandey (DIN 09274832) Wholetime Director of the Company, shall retire by rotation at the ensuing Annual General Meeting, and being eligible have offered themselves for re-appointment. 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 45th Annual General Meeting. Further, details of the Directorships held by Mr. Sandeep Sangwan (DIN: 08617717), and Mr. Mayank Pandey (DIN 09274832) in other companies, are given in the Corporate Governance Report.

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 above.

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. The Independent Directors of the Company have served for more than three years on board of listed entities and hence shall not be required to pass the online proficiency self-assessment test as per the proviso to Rule 6(4) 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 Members. 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

8. BOARD EVALUATION

The Nomination and Remuneration Committee of your Company approved the Policy on Nomination, Independence, Remuneration, Diversity and Evaluation ("Policy"), which has been adopted by the Board of Directors. The Policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman 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 agency that engages with the Chairman 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 appropriate feedback to the Board/ Committees/ Directors for discussions in the meetings.

The evaluation cycle was completed by the Company which 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 judgment.

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

The Independent Directors met on 31 October 2022 to review performance evaluation of Non-Independent Directors and the Board of Directors and also of the Chairman 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 five 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 May 2022 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 programs:

- Programs for holistic development of truck drivers – Castrol Sarathi Mitra.

- Program 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

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 2022, 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 judgments 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 at 31 December 2022 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 programs 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 from time to time 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 policy was amended by the Board of Directors on 31 March 2022 to incorporate the new requirements introduced under the SEBI Listing Regulations.

The Committee approves 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 except the transaction entered into by the Company, particulars of which are given in Form AOC-2 attached as **Annexure IV** to this report. No material related party transactions were entered into during the year by 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

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 2022.

16. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the 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 V**.

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

a. STATUTORY AUDITOR

The Members at the 44th 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 49th 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.

b. 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 2023. A remuneration of Rs. 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 Members at the 45th AGM. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 December 2023 is placed at the 45th 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 2023.

c. 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 2022. The Secretarial Auditor's report to the shareholders does not contain any qualification and is annexed to this report marked as **Annexure VI**.

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 VII**.

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, form part of this report. As per the provisions of Section 136 of the Act, the Report and Financial Statements are

being sent to the Members 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 member interested in obtaining such details may also 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 believes in providing and ensuring 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 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 was one training session conducted for the POSH Committee, Human Resource function and some of the Leaders.

During the year there was no complaint of sexual harassment that was reported.

23. VIGIL MECHANISM

Your Company has a very strong whistle blower policy viz. 'Open Talk'. All employees of your Company also have access to the Chairman 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 adopted revised bp 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 revised Code of Conduct brings in aspects

of sustainability and digital ethics and has increased focus on risk areas like data privacy, discrimination and harassment, and counter-party due diligence.

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

25. GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following matters 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.
5. Hence, neither the Managing Director nor the Wholtime Directors of your Company received any remuneration or commission during the year, from any of its subsidiaries.
6. 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.
7. No fraud has been reported by auditors under sub-section (12) of section 143.
8. 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
9. 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 2022 which include:

1. Castrol India Limited's Paharpur Plant was conferred the Platinum award at the Apex India Occupational Health & Safety Awards 2022 under the Oil & Gas Sector in the Large Enterprise category by the Hon'ble Health Minister of Punjab for utmost commitment to Health and Safety of the workforce.

2. Castrol India's flagship CSR programs - Castrol Eklavya and Castrol Sarathi Mitra for upskilling of mechanics and for the holistic development of truck drivers - won the 'Best Innovative CR Project' at the 4th CSR Summit & Awards 2022 organized by UBS forums.
3. Castrol POWER1 ULTIMATE was recognized with the Best use of Machine Learning award for its rephrase.ai activation at the 13th edition of CMO Asia's Excellence award held in Singapore. This initiative helped reach over 130,000 mechanics using personalized videos making it the first such campaign in the category to deploy personalized content at such a large scale.
4. Castrol Magnatec won the 'Product of the Year 2022', in the Engine Oil - Car's category, recognizing the brands' innovative DUALOCK technology that offers superior protection and reduces engine wear by 50%.
5. Castrol Super Mechanic Contest conducted using both physical and digital media to comply with Covid-19 requirements, registered a record participation from more than 1,40,000 mechanics. India's largest mechanic skilling program won several accolades across the traditional and digital brand forums and bagged 11 honors at the Indian Digital Marketing Awards (IDMA), Emvies, SMARTIES India and exchange4media Mobile Marketing and Digital Influencer Awards.
6. The supply chain team won awards at the Warehouse & Logistics Excellence Awards 2022 in the Best Supply Chain Company - Oil & Gas category and at the Future of Logistics & Supply Chain Summit and Awards 2022 in the Innovator in SCM & Logistic category, respectively.

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 Members, 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 &
Wholtime Director
DIN: 02509800

Place: Mumbai

Date: 13 February 2023

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, inter-personal 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 honor 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 traveling, 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 judgment: There are quantitative and qualitative assessments of performance with the Committee making informed judgment 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-imbursements 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 structuring(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

1. 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:

- a. Diversity: ensuring the Board and the Company reflects the global communities in which it works;
- b. Inclusiveness: creating an environment where all board members, employees and business partners are valued and can give of their best;
- c. 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:

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

In line with this vision, CIL now focuses on two key flagship CSR programs:

- Program for holistic development of truck drivers - Castrol Sarathi Mitra
- Program 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 programs 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 organizations (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:

Sl. 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	Chairman	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/en_in/india/home/about-castrol/corporate-social-responsibility.html
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/investors/general-meeting.html#tab_45TH%20AGM%202023.

The Company had appointed SATTVA Media and Consulting to undertake impact assessment for the two flagship CSR programs – Castrol Sarathi Mitra and Castrol Eklavya for FY 2022. The key findings from the assessment study are as follows:

Castrol Sarathi Mitra – program for holistic development of truck drivers

Modules	Overall score (1-5, 5 being the highest)	Key Impact
Road Safety	4.3	<ul style="list-style-type: none"> • Usage of road safety rules • Decreased accident incidents • Decreased number of challans
Financial Literacy	3.9	<ul style="list-style-type: none"> • Adoption of financial skills • Increased savings and investments
Health and Hygiene	4.3	<ul style="list-style-type: none"> • Energized while driving • Reduced body pain
Overall, Sarathi Mitra Training Program	4.5	<ul style="list-style-type: none"> • Sense of pride in profession

Castrol Eklavya – program for upskilling of mechanics

Modules	Overall score (1-5, 5 being the highest)	Key Impact
Skilling – technical skills	4.5	<ul style="list-style-type: none"> • Improved productivity • Increased income
Skilling - financial Literacy	4.2	<ul style="list-style-type: none"> • Increased savings per month • Increased investments per month • Decrease in cash transaction
Skilling – life skills	4.4	<ul style="list-style-type: none"> • Improved ability to deal with customers • Improved entrepreneurial skills
Overall, Eklavya program	4.5	<ul style="list-style-type: none"> • Sense of pride in profession

5. (a) Average net profit of the Company as per section 135(5)

Average net profit of the Company for last three financial years (2019, 2020 and 2021) calculated in accordance with the provisions of the Section 198 of the Companies Act, 2013 is Rs. 1036.8 Crores

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135 – Rs. 20.74 Crores

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years – NA

(d) Amount required to be set off for the financial year, if any – NA

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] – Rs. 20.74 Crores

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)– Rs. 19.52 Crores

(b) Amount spent in Administrative Overheads – Rs. 1.03 Crores

(c) Amount spent on Impact Assessment, if applicable – Rs. 0.30 Crores

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] – Rs. 20.85 Crores

(e) CSR amount spent or unspent for the financial year:

Total Amount spent for the financial year (In Rs. Crores)	Amount unspent (In Rs. Crores)
20.85	Nil

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

Sl. No.	Particular	Amount (in Rs. Crores)
(1)	(2)	(3)
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	20.74
ii.	Total amount spent for the Financial Year	20.85
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	0.11
iv.	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	-
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.11

- 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 reasons, if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: NA

Sign:

Sign:

Sandeep Sangwan
Managing Director
DIN: 08617717

Rakesh Makhija
Chairman, CSR Committee
DIN: 00117692

Place: Mumbai

Date: 13 February 2023

Annexure IV

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto:

- 1. Details of contracts or arrangements or transactions not at arm's length basis:** The details of contracts or arrangements or transactions not at arm's length basis for the year ended 31 December 2022 are as follows:

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts / arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
BP Business Solutions India Private Limited – Fellow Subsidiary (BPBS)	Receipt of computer monitors	One- time arrangement	The Company purchased 300 computer monitors from BPBS free of cost. The cost of transportation and applicable taxes were managed by the Company.	The computer monitors in use in the Company's offices were fully depreciated beyond the useful life of the computer monitors and required replacement. BPBS had excess inventory of computer monitors which were offered to CIL free of cost.	26 April 2021*	No	Not applicable
BP International Limited (BPIL) –Fellow Subsidiary	Acquiring Internet Infrastructure for Patalganga plant	One- time arrangement	The Company purchased the internet infrastructure from BPIL at a nominal cost of 1 GBP (approx Rs. 94.89).	The Internet Infrastructure provided the Company with latest and secure network architecture resulting in enhanced productivity and at the same time build the required base for the plant's future modernization initiatives	31 October 2022	No	Not applicable

* The transaction was completed in FY 2022

- 2. Details of material contracts or arrangements or transactions at arm's length basis:** There were no material contracts or arrangements or transactions entered into during the year ended 31 December 2022, which were at arm's length basis.

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
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NIL

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: 13 February 2023

Annexure V

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

- a. Rs. 17 lacs towards Energy Monitoring & Measurement System
- b. Rs. 50 lacs for change in fuel source from Furnace Oil to PNG
- c. Rs. 75 lacs towards Pumps replacement, Air line replacement, five star rated equipment and other energy optimization equipments.

II. Steps taken or impact on conservation of energy

Optimizing recirculation pump usage through logic modifications for starting & stopping in blender, post installation of agitators.

- a. Air compressor optimization in the receiving tank through load analysis, thereby reducing energy consumption.
- b. Optimization of blending recipe through changes in agitation time at Silvassa Plant.
- c. Addition of grades for reduced temperature blending across the portfolio.
- d. Continuous monitoring & optimization of air leakage points in our plants.
- e. Variable Frequency Drive installation across recirculation pumps in one of the plants to optimize starting frequency.
- f. Reduction in the specific power & fuel consumption across manufacturing plants by 8% to 13% due to multiple energy efficiency initiatives.

III Sustainability

- a) Development of proprietary water-based coating to performed equivalent function of protection as a polybag.
- b) Creation of 100% Recyclable pack for Power1 portfolio for commercial use.
- c) Conversion of source of fuel from HSD to PNG in Silvassa plant for heating, thereby reducing eq CO2 emissions.

- d) Elimination of a specific solvent disposal in the manufacturing process, thereby eliminating waste generation.
- e) Usage of organic waste composters & water aerators.

B) Technology Absorption

(i) Efforts made towards technology absorption

- The Company continued to derive sustainable benefits from technology with the analytical testing and blending laboratory facilities operating out of Silvassa and the technology deployment activities carried out from Mumbai.
- This was another year where the Company's product development 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 India market.
- The Company launched products throughout financial Year 2022 in motorcycle, passenger 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 also upgraded its mid-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. This helps provide 50% better protection from WARM-UP wear and STOP START wear, Thus giving nonstop protection from every start.
- 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 which will help them in India market.
- Key products were upgraded for their performance across the portfolio of ACTIV, MAGNATEC, GTX, CRB.

- The following products in MAGNATEC portfolio were upgraded to latest API SP specifications and launched in market:
 - o MAGNATEC STOP-START 0W-20
 - o MAGNATEC STOP-START 5W-30
 - o MAGNATEC SUV 5W-40
- The company introduced POWER1 range of synthetic technology motorcycles oils with 3-in-1 formula for bikes. The product is crafted to help 1) Excellent power and acceleration, (2) Excellent protection and (3) Smooth riding
- Field trials were carried out in India conditions to generate performance data for products in local conditions which were used to build claims.
- The company continued with its efforts with localization projects, which were carried out across the 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	(Rs. in Crores)
Capital	1.81
Recurring	4.34
Total	6.15

(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 Vietnam, Maldives, Thailand, Bhutan and Japan.

2. Earnings and Outgo	(Rs. in Crores)
Foreign Exchange Earnings	29.12
Foreign Exchange Outgo	1686.22

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: 13 February 2023

Annexure VI

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED
31st DECEMBER 2022

[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,
 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 **31st December 2022**. 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 **31st December, 2022**, 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 **31st December, 2022** 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 thereunder;
- 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.

- The Company is in the process of collating data required for the purpose of filing Form 1A as required under Rule 4A of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 with Investor Education and Protection Fund w.r.t amounts transferred to IEPF during Financial Years 1999, 2000, 2002, 2005 and 2007 respectively.

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 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 specific events/actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc., as mentioned below:

- The Company has, have vide Special Resolution passed by Postal Ballot by the Shareholders on 4th December 2022, altered the Objects Clause of Memorandum of Association of the Company to enable the Company to explore new business opportunities as a part of its future-ready growth strategy to cater to the evolving trends in the automotive sector.

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.: 606/2019

S. N. Ananthasubramanian

Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN : F004206D003143573

Date: 13 February 2023

Place: Thane

Annexure A

To,

The Members,

Castrol India Limited

CIN L23200MH1979PLC021359

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

Our Secretarial Audit Report for the financial year ended **31st December 2022** of even date is to be read along with this letter.

Management's Responsibility

1. 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

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. 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.
5. 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
6. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

7. 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.
8. 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.: 606/2019

S. N. Ananthasubramanian

Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206D003143573

Date: 13 February 2023

Place: Thane

Annexure VII

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

- (i) Ratio of the remuneration of each Director to the median remuneration of employees of the Company for the Financial Year 2022, 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 2022:

Sr. No.	Name of Director/KMP	Designation	Remuneration of Director/KMP for FY 2022 (Rs in Crores)	Percentage increase in Remuneration in the Financial Year 2022	Ratio of remuneration of each Director/KMP to median remuneration of employees
1	Mr. Sandeep Sangwan	Managing Director	4.7	66.9	16.7
2	Mr. Deepesh Baxi	CFO & Wholetime Director	2.7	54.6	9.5
3	Mr. Mayank Pandey [#]	Wholetime Director	2.4	N.A.	8.6
4	Mr. Saugata Basuray [@]	Wholetime Director	1.6	N.A.	N.A.
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	Mr. Ramchander Subramaniam Avanavadi (upto 30 September 2022)	-	-	-	-
12	Ms. Nicola Buck (w.e.f 9 November 2022)	-	-	-	-
13	Ms. Hemangi Ghag [#]	Company Secretary	1.3	NA	4.4

[#] Percentage increase for Mr. Mayank Pandey & Ms. Hemangi Ghag will not be comparable with the previous year as their appointments were made during 2021 and thus, they were in receipt of remuneration for part of the year 2021.

[@] Mr. Saugata Basuray was appointed as Whole-time Director with effect from 1 April 2022 and thus his remuneration is represented for part of the year and excludes the Bonus of 2021 received during 2022. Accordingly, percentage increase in remuneration compared to the previous year and the ratio of his remuneration to median pay, would similarly not be comparable.

^{*} 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.

(ii) Other details:

Permanent employees on the rolls of the Company as on 31 December 2022	608
Percentage increase in the median remuneration of employees* in the Financial Year	21%

* excluding Managing Director and Wholetime Directors.

- (iii) The average percentage increase made in salaries of employees (other than managerial personnel) was 10.5% while increase in managerial remuneration was 60.8%. 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).

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: 13 February 2023

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 optimize shareholder returns, governance processes and an entrepreneurial, performance focused, 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 and agents 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.

The disclosure requirement in BRSR is based on National Guidelines on Responsible Business Conduct Principles, which is divided into 2 (two) parts i.e. Essential Indicators and Leadership Indicators. The BRSR forms a part of the annual report and is being published on a voluntary basis.

2. Board of Directors

Composition and Category

The Board of Directors of the Company comprises of 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 of the year ended 31 December 2022, the Board consisted of eleven (11) Directors comprising four (4) Executive Directors, three (3) Non-Executive Directors nominated by Castrol Limited, UK, as provided under the Articles of Association of the Company and four (4) Independent Directors. The Chairman 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:

- a. appointment of Mr. Saugata Basuray (DIN: 09522239) as a Wholtime Director on the Board of the Company for a period of five (5) years with effect from 1 April 2022.
- b. cessation of Mr. A. S. Ramchander (DIN: 00046647) as a Nominee Director on the Board of the Company with effect from 30 September 2022.
- c. appointment of Ms. Nicola Buck (DIN: 09785756) a Nominee Director on the Board of the Company with effect from 9 November 2022.

Appointment and Tenure

The Directors of the Company except Nominee Directors are appointed by Members 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 fulfilled 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 2022, numbers 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	Chairman
Mr. R. Gopalakrishnan	Chairman & Independent Director	Non-Executive Director	5	5	Yes	4	3	1
Mr. Uday Khanna	Independent Director	Non-Executive Director	5	4	Yes	6	5	3
Ms. Sangeeta Talwar	Independent Director	Non-Executive Director	5	5	Yes	9	10	2
Mr. Rakesh Makhija	Independent Director	Non-Executive Director	5	5	Yes	3	2	1
Mr. Sashi Mukundan (representing Castrol Limited, UK)	Nominee Director	Non-Executive Director	5	5	Yes	3	0	0
Mr. Udayan Sen (representing Castrol Limited, UK)	Nominee Director	Non-Executive Director	5	5	No	1	1	0
Mr. A. S. Ramchander* (representing Castrol Limited, UK)	Nominee Director	Non-Executive Director	3	3	No	NA	NA	NA
Nicola Buck** (representing Castrol Limited, UK)	Nominee Director	Non-Executive Director	1	1	N.A.	1	1	0
Mr. Sandeep Sangwan	Managing Director	Executive Director	5	5	Yes	1	1	0
Mr. Deepesh Baxi	Chief Financial Officer & Wholtime Director	Executive Director	5	5	Yes	1	1	0
Mr. Mayank Pandey	Wholtime Director	Executive Director	5	5	Yes	1	0	0
Mr. Saugata Basuray***	Wholtime Director	Executive Director	4	4	Yes	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.

* Mr. A. S. Ramchander (DIN: 00046647) ceased to be a Nominee Director with effect from 30 September 2022.

**Ms. Nicola Buck (DIN: 09785756) was appointed as a Nominee Director of the Company with effect from 9 November 2022.

***Mr. Saugata Basuray (DIN: 09522239) was appointed as a Wholtime Director of the Company with effect from 1 April 2022.

Names of the listed entities where a Director of the Company is a Director and the category of Directorship as on 31 December 2022

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
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	Axis Bank Limited	Independent Director & Non Executive (Part time) Chairman
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	-

Mr. Uday Khanna holds 1,600 equity shares of the Company and Mr. Udayan Sen holds 1,508 equity shares of the Company. No other Non-Executive Director holds any shares in the Company. The Company has not issued any convertible securities.

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. A tentative annual calendar of the Board and committee meetings 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 a special and urgent business need, 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.

The notice of Board meeting is given well in advance to all Directors. Usually, meetings of the Board are held in Mumbai. The agenda and pre-reads 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 / Committee Agenda and background notes in electronic form.

The Company Secretary & Compliance Officer is responsible for preparation of the agenda including the 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/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 Chairman and the Independent Directors and with other Directors.

During the financial year, total 5 (five) Board meetings were held i.e. on 7 February 2022, 2 May 2022, 1 August 2022, 31 October 2022 and 24 November 2022. The maximum interval between any two meetings was within the maximum allowed gap pursuant to the Companies Act, 2013 and the SEBI Listing Regulations.

Independent Directors' Meeting

During the year, the Independent Directors of the Company met separately on 31 October 2022 without the presence of other Directors or management representatives, to review the performance of Non-Independent Directors, the Board and the Chairman 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 letters of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The induction process for Non-Executive Directors and Independent Directors include interactive sessions with the management, business and functional heads, visits to markets/plants, etc.

The Independent Directors, from time to time, request the management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

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-for-directors-2022.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 expertise or 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 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					✓	✓	✓	✓	✓	✓	✓

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 major criteria applied for performance evaluation —

1. attendance and contribution at Board and Committee meetings and application of his/her expertise, leadership qualities and knowledge to give overall strategic direction for enhancing the shareholders' value.
2. his/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
3. his/her 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.

Directors seeking appointment / re-appointment

The details of Directors seeking appointment / re-appointment, if any, form part of the Notice of the 45th 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. The Board has currently established the following Committees:

(A) Audit Committee

Members of the Audit Committee have wide exposure and knowledge in areas of finance and accounting. The terms of reference of the Audit Committee have been drawn up in line with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.

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 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 Crores 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.

As on 31 December 2022, the Audit Committee comprises six (6) members viz. Mr. Uday Khanna, Mr. R. Gopalakrishnan, Ms. Sangeeta Talwar, Mr. Rakesh Makhija, Mr. Udayan Sen and Ms. Nicola Buck. Mr. Uday Khanna is the Chairman of the Committee.

During the year under review, Mr. A. S. Ramchander ceased to be a member of the Committee with effect from 30 September 2022 and Ms. Nicola Buck was appointed as the member of the Audit Committee with effect from 9 November 2022.

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. The Company Secretary & Compliance Officer acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee attended the Annual General Meeting for the year ended 31 December 2021.

Five (5) meetings of the Audit Committee were held during the financial year ended 31 December 2022 i.e. on 7 February 2022, 2 May 2022, 1 August 2022, 31 October 2022 and 23 November 2022. The attendance of each member of the Committee is given below:

Name of the Director	Director Category	Designation	Number of meetings	
			Held	Attended
Mr. Uday Khanna	Independent	Chairman	5	5
Mr. R. Gopalakrishnan	Independent	Member	5	4
Ms. Sangeeta Talwar	Independent	Member	5	5
Mr. Rakesh Makhija	Independent	Member	5	5
Mr. Udayan Sen	Non-Executive	Member	5	4
Mr. A. S. Ramchander*	Non-Executive	Member	3	3
Ms. Nicola Buck**	Non-Executive	Member	1	0

* Mr. A. S. Ramchander ceased to be a member of the Audit Committee with effect from 30 September 2022.

** Ms. Nicola Buck was appointed as a member of the Audit Committee with effect from 9 November 2022.

(B) Nomination and Remuneration Committee

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

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

1. identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment / removal;
2. carry out evaluation of every Director's performance;
3. devising a policy on Board diversity;
4. 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;
5. formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
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; and
7. recommend to the Board, all remuneration, in whatever form, payable to senior management.

The NRC comprises five (5) members viz. Ms. Sangeeta Talwar, Mr. R. Gopalakrishnan, Mr. Uday Khanna, Mr. Rakesh Makhija and Mr. Sashi Mukundan. The NRC is chaired by Ms. Sangeeta Talwar. During the year under review there were no changes in the NRC.

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 2022 i.e. on 4 February 2022, 2 May 2022 and 31 October 2022. The Chairperson of the Committee attended the 44th Annual General Meeting of the Company for the year ended 31 December 2021, held on 8 June 2022. The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

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

Name of the Director	Director Category	Designation	Number 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.

The details of remuneration paid to Executive Directors for the financial year ended 31 December 2022 is as under:

(Amount in Rs.)

Name of the Director	Salary	Perquisites	Retiral Benefits*	Performance Based Incentives**	Total
Mr. Sandeep Sangwan	24,334,356	4,784,262	1,297,080	16,817,625	47,233,323
Mr. Deepesh Baxi	18,141,450	1,750,469	987,495	5,881,752	26,761,166
Mr. Mayank Pandey	18,239,725	1,698,646	816,480	3,640,191	24,395,042
Mr. Saugata Basuray (w.e.f. 1 April 2022)	13,386,399	864,214	1,426,715	-	15,677,328

*Retiral benefits consist of Provident Fund and Pension Fund.

**Performance based incentive for FY 2021 paid in FY 2022.

- 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 Directors and the Managing Director is made for a period of 5 year(s). Further, either party to the agreement is entitled to terminate the agreement 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 are entitled to the shares of BP PLC (Ultimate Holding Company) under the 'BP Share-Match' and 'BP Share Value Plan' Schemes, as in force.

The details of remuneration of Non-Executive, Independent Directors for the financial year ended 31 December 2022 is as under:

(Amount in Rs.)

Name of the Director	Commission*	Sitting Fees	Total
Mr. R. Gopalakrishnan	20,00,000	7,00,000	27,00,000
Mr. Uday Khanna	16,00,000	6,50,000	22,50,000
Ms. Sangeeta Talwar	16,00,000	8,00,000	24,00,000
Mr. Rakesh Makhija	16,00,000	9,00,000	25,00,000

*Commission for FY 2021 paid in FY 2022.

(C) Stakeholders' Relationship Committee

Stakeholders' Relationship Committee ("SRC") has been constituted to monitor and review investors' grievances. As on 31 December 2022, it comprises Mr. R. Gopalakrishnan, Mr. Sandeep Sangwan and Mr. Deepesh Baxi. Mr. R. Gopalakrishnan is the Chairman of the Committee. 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 shareholders'/investors' complaints. During the year under review there were no changes in the SRC.

One (1) meeting of the Committee was held during the year ended 31 December 2022 on 4 February 2022 and all members attended the said meeting. The Chairman of the Committee attended the Annual General Meeting for the year ended 31 December 2021.

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

Name of the Director	Director Category	Designation	Number of meetings	
			Held	Attended
Mr. R. Gopalakrishnan	Independent	Chairman	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 2022, 40 complaints were received from the shareholders. Out of the total complaints received during the year, 1 was pending as on 31 December 2022. The complaints relate to non-receipt of annual report, dividend, share transfers, etc.

Opening as on 1 January 2022	0
Received during the year	40
Disposed off during the year	39
Closing as on 31 December 2022	1

(D) Corporate Social Responsibility Committee

As on 31 December 2022, the Corporate Social Responsibility ("CSR") Committee comprises Mr. Rakesh Makhija, Ms. Sangeeta Talwar, Mr. Sashi Mukundan, Mr. Sandeep Sangwan and Mr. Deepesh Baxi. Mr. Rakesh Makhija is the Chairman of the Committee. During the year under review there were no changes in the 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 2022 viz. on 4 February 2022 and 31 October 2022.

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

Name of the Director	Director Category	Designation	Number of meetings	
			Held	Attended
Mr. Rakesh Makhija	Independent	Chairman	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 2022.

(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:

- To formulate a detailed risk management policy which shall include:
 - 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.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- To consider appointing, removing and deciding the terms of remuneration of the Chief Risk Officer;
- 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.
- Review and evaluate development and execution of risk mitigation strategies and opportunities proposed by management and selected by the Committee for further review;
- Review of the Company's disclosure of risks; and
- Together with the Audit Committee, review, assess and discuss any significant risks or Exposures.

As on 31 December 2022, the Risk Management Committee ("RMC") comprises Mr. Sandeep Sangwan as the Chairman of the Committee and other members viz. Mr. Deepesh Baxi, Mr. Rakesh Makhija and Mr. Siddharth Shetty. The Company Secretary & Compliance Officer acts as the Secretary to the Committee. During the year under review there were no changes in the RMC.

Two (2) meetings of the RMC were held during the year ended 31 December 2022 viz. on 8 April 2022 and 28 September 2022.

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

Name of the Director	Director Category	Designation	Number of meetings	
			Held	Attended
Mr. Sandeep Sangwan	Executive	Chairman	2	2
Mr. Deepesh Baxi	Executive	Member	2	2
Mr. Rakesh Makhija	Independent	Member	2	2
Mr. Siddharth Shetty	KMP	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 accounts for the year ended 31 December 2022, 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 appointed M/s. KPMG, Chartered Accountants as the Internal Auditor of the Company.

4. 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 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/bp_code_of_conduct_effective_jan_2023.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.

5. General Body Meetings

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

Location	Date	Time	Special Resolution
Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	8 June 2022	10:00 A.M. IST	Nil
Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	30 April 2021	3:00 P.M. IST	Nil
Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	15 July 2020	3:00 P.M. IST	1. Re-appointment of Mr. R. Gopalakrishnan (DIN: 00027858) as an Independent Director of the Company for a term of 5 (five) years effective 1 October 2019 2. Re-appointment of Mr. Uday Khanna (DIN: 00079129) as an Independent Director of the Company for a term of 5 (five) years effective 1 October 2019.

Postal Ballot

During the year, following Special Resolutions were passed / proposed by the Company through Postal Ballot:

Sr. No.	Particulars of Resolutions
1	Alteration of the Objects clause of Memorandum of Association of the Company.
2	Alteration of the Articles of Association of the Company.

Voting Pattern:

Resolution no.	Particulars of Resolutions	% of Votes in favour on votes polled	% of Votes against on votes polled	Status of Resolution
1	Alteration of the Objects clause of Memorandum of Association of the Company.	100.00	0.00	Passed
2	Alteration of the Articles of Association of the Company.	74.58	25.42	Not passed

Procedure for Postal Ballot:

Pursuant to the provisions of Section 110 of the Act read with Rule 22 of Companies (Management and Administration) Rules, 2014 (Management Rules), as amended, the Company had issued Postal Ballot Notice dated 31 October 2022 to the Members, seeking their consent with respect to alteration of object clause of the Memorandum of Association and alteration of Articles of Association 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, the Company had provided remote e-voting facility to all the Members of the Company. The Company engaged the services of Central Depository Services (India) Limited ("CDSL") for facilitating e-voting to enable the Members 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 Saturday, 5 November 2022 at 9.00 a.m. IST and ended on Sunday, 4 December 2022 at 5.00 p.m. IST. The cut-off date, for the purpose of determining the number of Members was Tuesday, 1 November 2022. 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.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Business Standard 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. 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 every quarter are displayed on the Company's website https://www.castrol.com/en_in/india/home/investors/intimation-to-share-holders.html.

7. General Shareholder Information

Forty-Fifth (45th) Annual General Meeting

Date : Thursday, 11 May 2023

Time : 10:00 A.M. IST

Meeting Format: Annual General Meeting through Video Conferencing/Other Audio-Visual Means (VC/OAVM facility)

Meeting Venue: Registered Office: Technopolis Knowledge Park, Mahakali Caves Road, Andheri (East), Mumbai – 400 093

Last date for receipt of proxy forms: Not Applicable

Record Date: Thursday, 4 May 2023

Dividend Payment Date: on or before 9 June 2022

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
2015	Final	05-05-2016	10-06-2023
2016	Interim	27-07-2016	01-09-2023
2016	Special	21-02-2017	29-03-2024
2016	Final	31-05-2017	06-07-2024
2017	Interim	23-08-2017	28-09-2024
2017	Final	03-05-2018	08-06-2025
2018	Interim	31-07-2018	05-09-2025
2018	Final	15-05-2019	20-06-2026
2019	Interim	29-07-2019	03-09-2026
2019	2 nd Interim	17-06-2020	23-07-2027
2020	Interim	27-10-2020	02-12-2027
2020	Final	30-04-2021	05-06-2028
2021	Interim	02-08-2021	07-09-2028
2021	Final	08-06-2022	21-07-2029
2022	Interim	01-08-2022	06-09-2029

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 2021-22 have been paid by the Company to BSE and NSE.

Stock Code

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

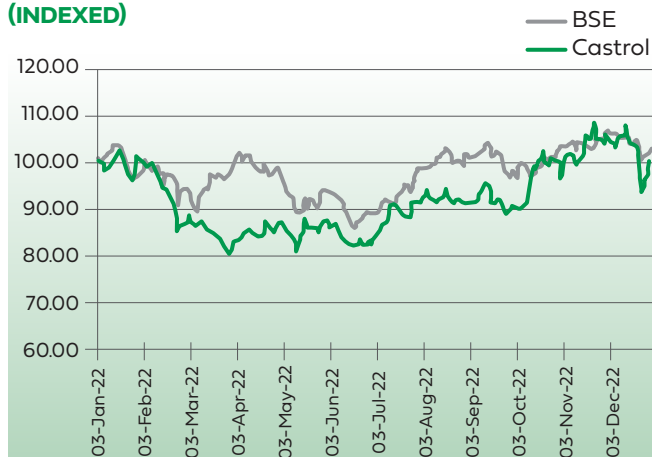
Market Price Data

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 2022:

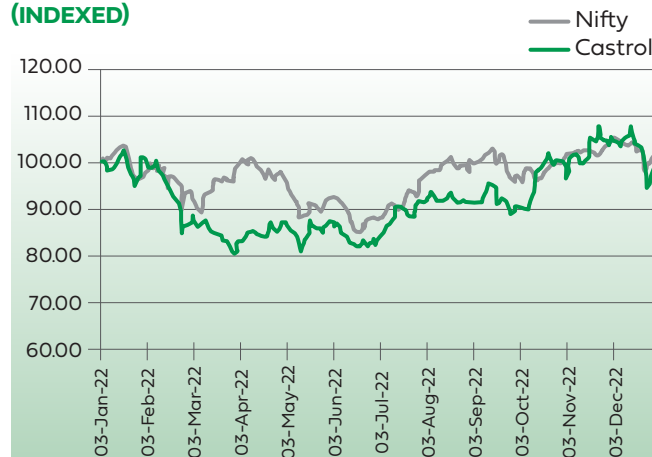
Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
January 2022	129.60	112.95	129.10	112.95
February 2022	126.60	104.50	126.45	104.40
March 2022	111.05	99.20	111.10	99.05
April 2022	109.85	101.90	109.85	102.00
May 2022	112.00	100.00	112.00	100.25
June 2022	110.60	101.00	110.70	101.10
July 2022	115.65	102.80	115.65	102.75
August 2022	119.65	112.00	118.70	111.55
September 2022	122.00	110.30	122.00	110.00
October 2022	127.80	110.10	127.80	109.95
November 2022	135.95	119.55	135.90	119.60
December 2022	136.80	116.05	136.80	115.80

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 2022, 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 as on 31 December 2022.

The Company appointed KFin Technologies Limited having SEBI Registration Number INR000000221 as Registrar and Share Transfer Agent for equity shares in place of Link Intime India Private Limited with effect from 15 March 2023.

Address for Correspondence:

KFin Technologies Limited

(Registrar and Share Transfer Agent)

Address: 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

Share Transfer System

The Board has delegated the authority for approving transfer, 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 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. 1st 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, with effect from 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 size class:

No. of Shares held	No. of shares	No. of shareholders	% of shareholders
Upto 500	25,414,444	242,953	2.57
501 – 1000	14,812,193	18,762	1.50
1001 – 2000	16,790,417	11,144	1.70
2001 – 3000	10,939,080	4,321	1.11
3001 – 4000	9,133,852	2,547	0.92
4001 – 5000	8,253,690	1,789	0.83
5001 – 10000	25,511,714	3,514	2.58
10001 and above	878,266,994	3,405	88.79
Total	989,122,384	288,435	100.00

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	3	504,452,416	51.00
II	Foreign Collaborator	0	0	0.00
III	Foreign Institutional Investors & FPI & Foreign National	235	112,660,325	11.39
IV	Overseas Bodies Corporate	0	0	0.00
V	Non-Resident Indians	4,939	11,665,701	1.18
VI	Public Financial Institutions	1	768	0.00
VII	Indian Mutual Funds & Alternate Investment Fund	34	27,249,564	2.75
VIII	Nationalised Banks	9	529,884	0.05
IX	Non-Nationalized Banks	2	1,524	0.00
X	Other Banks (Foreign Banks)	11	19,276	0.00
XI	Domestic Companies (Other Bodies Corporate)	1,104	13,603,712	1.38
XII	Resident Individuals	276,611	175,089,872	17.70
XIII	Directors and Relatives	4	3,608	0.00
IV	Others (Clearing Member, HUF, Insurance Companies, IEPF, NBFC, Trust)	5,482	143,845,734	14.54
	Total	288,435	989,122,384	100.00

*Based on folios

As on 31 December 2022, about 99.34% 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
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (i.e. 1 January 2022)	-	-
Shares transferred to Suspense account on 19 September 2022	671	527,436
Number of shareholders who approached listed entity for transfer of shares from suspense account during the Financial Year 2022	4	3,536
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2022	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (i.e. 31 December 2022)	671	527,436

*Based on PAN

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 for investors: 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 are 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. 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 Chairman through a dedicated e-mail address 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 2022, the Company has paid a consolidated sum of Rs. 1.72 Crores to the Statutory Auditors.

(e) The Company has no subsidiary and hence there is no need to frame any 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 off 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: None
- (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 of 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 Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 on the website of the Company.

9. Discretionary Requirements

A. The Board

The Chairman of the Board does not maintain a Chairman's office at the Company's expense. However, the Company, from time to time, reimburses the expenses in relation to the Chairman's office in connection with performance of his duties as the Chairman of the Company.

B. Shareholders' Rights – Half yearly results

As the Company's quarterly yearly results are published in an English newspapers having circulation all over India and in a Marathi newspaper having circulation in Mumbai, the same are not sent separately to the shareholders of the Company, 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 Chairman and the CEO/ Managing Director

The positions of the Chairman 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 2022.

Sandeep Sangwan

Managing Director
DIN: 08617717

Place: Mumbai

Date: 13 February 2023

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 2021 and Financial year 2022 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), 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 31st December, 2022, 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. Ramabadran 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
6	Mr. Ramchander Subramaniam Avanavadi	00046647	29-04-2019	30-09-2022
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 31st December, 2022.

For S. N. Ananthasubramanian & Co.

Company Secretaries

ICSI Unique Code P1991MH040400

Peer Review Cert. No. 606/2019

S.N. Ananthasubramanian

Partner

FCS: 4206 | COP No. : 1774

ICSI UDIN: F004206D003143507

Place: Thane

Date: 13 February 2023

TO THE MEMBERS OF CASTROL INDIA LIMITED**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement letter dated August 01, 2022.
2. 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, 2022, 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

3. 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

4. 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.
5. 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.
6. 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.
7. 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

8. 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, 2022.
9. 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

Samir R. Shah

Partner

Membership No. 101708

UDIN: 23101708BGYJAP9306

Place: Mumbai**Date:** 13 February 2023

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

[See Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015]

Section A	General disclosures	
Section B	Management and process disclosures	
Section C	Principle-wise performance disclosure	
Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable	
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe	
Principle 3	Businesses should respect and promote the wellbeing of all employees, including those in their value chains	
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders	
Principle 5	Businesses should respect and promote human rights	
Principle 6	Businesses should respect and make efforts to protect and restore the environment	
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	
Principle 8	Businesses should promote inclusive growth and equitable development	
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner	

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

[See Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL DISCLOSURES

I. Details

1. **Corporate Identity Number (CIN) of the Listed Entity:** L23200MH1979PLC021359
2. **Name of the Listed Entity:** Castrol India Limited
3. **Year of incorporation:** 1979
4. **Registered office address:** Technopolis Knowledge Park, Mahakali Caves Road, Andheri (East), Mumbai – 400 093
5. **Corporate address:** Technopolis Knowledge Park, Mahakali Caves Road, Andheri (East), Mumbai – 400 093
6. **E-mail:** investorrelations.india@castrol.com
7. **Telephone:** +91-22-6698 4100
8. **Website:** www.castrol.co.in
9. **Financial year for which reporting is being done:** January - December 2022 (Calendar Year)
10. **Name of the Stock Exchange(s) where shares are listed:** BSE Limited (BSE) and National Stock Exchange of India (NSE)
11. **Paid-up Capital:** Rs. 494.56 Crores
12. **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
13. **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

II. Products/services

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

Sr. No.	Description of main activity	Description of business activity	% of turnover of the Company
1.	Manufacturing	Coke and Petroleum products	89.38%

15. Products/services sold by the Company (accounting for 90% of the Company's turnover):

Sr. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Petroleum	271000.61 – Lubricating oils	90.00%

III. Operations

16. Number of locations where plants and/or operations/offices of the Company are situated:

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

17. Markets served by the Company**a. Number of locations:**

Locations	Number
National (No. of states/union territories)	37*
International (No. of countries)	None

* Includes 28 states and 9 union territories

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

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

c. A brief on types of customers

The Company's products are distributed through 330 distributors who service close to 118,000 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 Castrol'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**18. Details as at the end of the Calendar Year:****a. Employees and workers (including differently abled)**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES (Executives)						
1.	Permanent	468	392	84%	76	16%
WORKERS (Workmen)						
2.	Permanent	158	154	97%	4	3%

b. Differently abled employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES^						
1.	Permanent	1	1	100%	-	-
2.	Total differently abled employees	1	1	100%	-	-

[^] In 2022, Castrol India onboarded one differently abled employee in its permanent workforce. As part of our ongoing efforts to enhance Diversity, Equity & Inclusion, we are partnering with a talent firm that is specialized in scouting differently abled talent and helping them get placed in roles where they can deliver to the best of their abilities.

19. Participation/inclusion/representation of women:

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	11	2	18.2%
Key Management Personnel	6	1	16.7%

20. Turnover rate for permanent employees and workers

	CY 2022			CY 2021			CY 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees (Executives)	8%	12%	9%	3%	8%	4%	5%	7%	5%
Permanent Workers	13%	-	13%	-	-	-	1%	-	1%

V. Holding, subsidiary and associate companies (including joint ventures)**21. (a) Names of holding/subsidiary/associate companies/joint ventures**

Sr. No.	Name of the holding/subsidiary / associate companies / joint ventures (A)	Indicate whether holding/subsidiary/ associate / joint venture	% of shares held	Does the Company indicated at Column A, participate in the Business Responsibility initiatives of the listed Company? (Yes/No)
1.	Castrol Limited	Holding	51%	Yes

VI. CSR Details

- 22.** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
(ii) Turnover: Rs. 4,774 Crores
(iii) Net worth: Rs. 1,886 Crores

VII. Transparency and Disclosures Compliances**23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	CY 2022			CY 2021		
		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	Yes	None	None	None	None	None	None
Investors (other than shareholders)	Yes	None	None	None	None	None	None
Shareholders	Yes	None	None	None	None	None	None
Employees and workers	Yes	None	None	None	None	None	None
Customers	Yes	664	None	None	1073	None	None
Value Chain Partners	Yes	None	None	None	None	None	None
Others	None	None	None	None	None	None	None

24. Overview of the Company'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, as per the following format:

Sr. No.	Material issue identified	Indicate whether risk or opportunity	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	Safety in operations	Risk/Opportunity	<p>We are committed to safety, protecting the environment and respecting the communities in which we operate.</p> <p>We are committed to avoiding damage to the environment and related impacts on communities.</p> <p>Our health, safety, security and environment (HSSE) goals are: no accidents, no harm to people and no damage to the environment. Safety is good business</p>	<p>We have set the foundation, standards and thought leadership for operational risk management through bp's operating management system (OMS).</p> <p>Through our experts, partners and assurance activities, we work with the business groups to build operations capability to manage risk and enhance safety performance across bp. We seek to leverage digital and data driven innovative solutions to improve OMS and assurance impact.</p>	Positive
2	Reduce our plastic footprint ² by half by 2030 and continue to help our customers save energy, waste and water	Risk/Opportunity	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.	<p>We will use circular economy thinking (Reduce, Replace, Re-use, Recycle and Relationships) to bring our packaging footprint down. In line with this approach, we transitioned to our new global highlander consumer packs with smart lighter optimized pack design which has reduced our overall annual plastic consumption by 6%.</p> <p>Compared to virgin plastic resin, post-consumer resin (PCR) offers a lower carbon footprint, diverts waste from landfills, and decreases the consumption of virgin raw materials.</p> <p>In 2022, we launched a 100% Post-Consumer Recycled bottle for our Castrol POWER1 ULTIMATE range in line with our PATH360 aim to reduce our plastic footprint.</p>	Positive

² To promote the responsible design and management of plastic packaging along its life-cycle, 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 www.castrol.com/PATH360/Definitions for more information.

Sr. No.	Material issue identified	Indicate whether risk or opportunity	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)
3	Halve the net carbon intensity per liter of our products ³ by 2030 We aim to be net zero by 2050 or sooner*	Risk/Opportunity	We have plans in place to reduce the life-cycle carbon emissions of offers by improving our organizational efficiency, encouraging our supply chain to decarbonize, collaborating to source lower carbon raw materials and working with our partners to influence what happens to products after use.	Castrol products contribute to saving energy and driving efficiency in use, but there are carbon emissions associated with their life-cycle and our aim is to bring them down. We are looking at using raw materials which reduces carbon footprint into the formulation. Castrol products are used in BS-VI vehicles which is enabling reduced emissions.	Positive
³ v/s Castrol's net carbon intensity per liter of our products sold in 2019. See www.castrol.com/PATH360/Definitions for more information.					
* As part of bp's ambition to be net zero by 2050 or sooner and to help the world get to net zero					
4	Improving people's lives	Opportunity	From customer-centric decisions to making Castrol a great place to work, we keep the impact on people in mind as we work in order to help improve lives	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. Additionally, we continue to engage with communities around areas of operations and presence through various community development programs focused on education and upskilling programs for youth and women.	Positive
5	Promotion of health and wellbeing of employees	Opportunity	Wellbeing is not just about helping to prevent 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, to build resilience to cope with the everyday stresses of life and to create community and engagement.	We support people to perform at their best by preventing ill health and promoting wellbeing to maximize personal and business value. Various health and wellbeing resources, training, publications, health moments, guidance and other digital tool are provided. Another support provided is 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

Sr. No.	Material issue identified	Indicate whether risk or opportunity	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)
6	Diversity, Equity & Inclusion	Opportunity	Our aim is greater diversity, equity and inclusion for our workforce, and customers. Multiply D&I impact through ecosystem partners and suppliers.	Equal opportunity is a matter of fairness, respect and dignity - We treat everyone with fairness, respect and dignity. We value the unique contribution that each person brings to bp. We accomplish more when people from diverse backgrounds and with different talents and ideas work together in an environment where everyone can contribute and make full use of their talents.	Positive
7	Talent management	Opportunity	We unlock and maximize the potential of our people and fuel their passion to help drive performance and achieve our purpose for people and our planet.	The bp group talent management tools, resources and frameworks enable our People and Culture (P&C) team in identifying, attracting, deploying and developing the best talent for the organization	Positive
8	Data privacy and cyber 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.	Our digital security team works with the business every day to assess security risk, provide training, information to drive safe behaviors of users. Digital security has created a series of cyber moments that can be shared as part of meetings and other gatherings to raise awareness of the cyber threats we all face.	Negative
9	Digital innovation	Opportunity	Leverage digital to provide an enhanced digital customer and consumer experience and achieve operational advantages.	Building on its digitalization strategy, the Company continued digital initiatives such as FASTSCAN, FASTLANE, Castrol SMART and Castrol DIGICLAIM. The Castrol FASTLANE application enables indirect customers to place orders at any time and from any location. Features like secure password-less entry, new product updates, current offers, and purchase history have attracted over 20,000 active customers. The Castrol SMART application enables our sales force of 1,000+ to have meaningful conversations with retail store owners and IWS. The Castrol DIGICLAIM portal has significantly reduced manual intervention in scheme and claim processing, thereby reducing time spent on non-value addition activities and releasing working capital for customers and channel partners.	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity	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	Corporate governance – Board oversight, conflict of interest, ethics, risk and compliance	Risk	Castrol India is part of the BP Group which believes strongly in the highest standards of governance and business ethics.	<p>Key aspects of our organization governance processes are:</p> <p>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 integrity of our assets and financial information of the Company.</p>	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the wellbeing of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Sr. No.	Disclosure Questions	P1 (Please refer Point P1)	P2 (Please refer Point P2)	P3 (Please refer Point P3)	P4 (Please refer Point P4)	P5 (Please refer Point P5)	P6 (Please refer Point P6)	P7 (Please refer Point P7)	P8 (Please refer Point P8)	P9 (Please refer Point P9)
Policy and management processes										
1.	a. Whether your Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web-Link of the Policies, if available	bp Code of Conduct: https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/who-we-are/our-code-our-responsibility.pdf Castrol Code of Conduct: https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/who-we-are/our-code-our-responsibility.pdf HSSE policy: https://www.castrol.com/en_in/india/home/about-castrol/health-safety-security-and-environmental-hsse-policy.html CSR policy: https://www.castrol.com/content/dam/castrol/country-sites-new/en_in/india/home/documents/about-castrol/cil-csr-policy-2021.pdf Customer policy: https://www.castrol.com/en_in/india/home/about-castrol/newsroom/customer-policy.html								
2.	Whether the Company has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Code of Conduct of the Company is applicable to all the value chain partners who do business with the Company.								
4.	Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your Company and mapped to each principle	Majority of the company policies are aligned with bp group policies which incorporate global best practices. The Company is an ISO 9001 Company and the manufacturing locations are 14001 and 18001 certified.								

Sr. No.	Disclosure Questions	P1 (Please refer Point P1)	P2 (Please refer Point P2)	P3 (Please refer Point P3)	P4 (Please refer Point P4)	P5 (Please refer Point P5)	P6 (Please refer Point P6)	P7 (Please refer Point P7)	P8 (Please refer Point P8)	P9 (Please refer Point P9)
5.	Specific commitments, goals and targets set by the Company with defined timelines, if any	<p>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</p> <p>BY 2030, Castrol aims to:</p> <p>Reduce our plastic footprint² by half by 2030 AND continue to help our customers save energy, waste and water</p> <p>Halve the net carbon intensity per liter of our products³ by 2030</p> <p>² To promote the responsible design and management of plastic packaging along its life-cycle, Castrol defines its plastic footprint as the amount of virgin plastic included in our packaging per liter that isn’t recycled.</p> <p>Our aim to halve it is from our 2019 baseline. See www.castrol.com/PATH360/Definitions for more information.</p> <p>³ vs Castrol’s net carbon intensity per liter of our products sold in 2019. See www.castrol.com/PATH360/Definitions for more information.</p>								
6.	Performance of the Company against specific commitments, goals and targets along with reasons in case the same are not met	<p>CIL has recently set its ESG targets. The Company shall endeavor to report on the performance on the set targets in the subsequent reporting years.</p>								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed company has flexibility regarding the placement of this disclosure)	<p>CIL is dedicated to making the Company socially and environmentally responsible. 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. It sets out our aims for 2030 to save waste, reduce carbon and improve lives.</p> <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> <p>In order to properly address the continuously changing scenario, the Company implemented a business continuity plan. To safeguard the Company’s wellbeing 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 programs. Safety comes first for the company, with the main goal being that everyone returns home safely each day.</p>								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	<p>Mr. Sandeep Sangwan, Managing Director</p>								
9.	Does the Company have a specified Committee of the Board/Director responsible for decision-making on Sustainability related issues? (Yes/No). If yes, provide details	<p>No. The Company has risk governance structure which consists of the Risk Management Committee 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.</p>								

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by the Director/Committee of the Board/ Any other Committee					Frequency (Annually/ Half-yearly/ Quarterly/ Any other – please specify)			
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	As a general practice, the Business Responsibility policies are reviewed on a periodic basis by the departmental heads and business heads. The Board of Directors of the Company assesses various initiatives forming part of the BR performance of the Company at least once a year. Necessary changes to the policies as a result of the assessments are implemented								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliance	The Company complies with all statutory requirements to the extent applicable.								

11. Has the Company carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No) If yes, provide the name of the agency.

Policies wherever stated have been approved by the Board / Committee of the Board / Senior Management of the Company. All policies and processes are subject to audits and reviews done internally in the Company from time to time.

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 Company does not consider the Principles material to its business (Yes/No)	Not Applicable								
The Company 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 Company 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 DISCLOSURES

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 programs on any of the principles during the financial year

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors/Key Managerial Personnel (KMP)	The Board or Directors and the KMP's are familiarized <i>inter alia</i> on the following: 1) Business Performance updates 2) Business and Sustainability strategy 3) Risk Management plan 4) Governance, Compliance and Regulatory updates		100%
Employees & Workers other than Board of Directors or KMPs	bp has a dedicated learning platform named 'Grow@bp'. 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 Grow at BP 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 different e-learning platforms. Additionally, Health and Safety related training and awareness sessions are conducted and provided to the workers at regular intervals.		100%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the Company or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: The Company 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 Company's website):

Not Applicable. No fines or other kinds of penalties were levied during the reporting period.

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.

Not Applicable.

4. Does the Company 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 (with Whistle Blower Policy), 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 and culture, and implementing and enforcing effective systems to detect, counter and prevent bribery and other 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:

Not Applicable as no disciplinary action was necessitated against any of the above categories of personnel during the reporting period.

6. Details of complaints with regard to conflict of interest:

	CY 2022		CY 2021	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	N.A.	Nil	N.A.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	N.A.	Nil	N.A.

7. 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

LEADERSHIP INDICATORS:**1. Awareness programs conducted for value chain partners on any of the Principles during the calendar year:**

Total number of awareness programs held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programs
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Company conducts the awareness programs on aspects like code of conduct, with all our distributor partners at least annually, laying down the expectations around ethical and compliance aspects of the code that has been signed off 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. The key topics covered include:

1. Compliance with the laws
2. Health, safety and the environment ("HSSE")
3. Bribery and corruption, money laundering, conflict of interests and anti-competitive conduct
4. International trade law
5. Protecting confidential information
6. Non-discrimination, grievance processes and freedom of association

2. Company's processes in place to avoid / manage conflict of interests involving members of the Board

The Board of Directors are in charge of making sure that policies are in place to prevent conflicts of interest between the Board and Management. The Code of Conduct for Board and senior management team members has been adopted by the Board. The Code stipulates 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.

Please refer to the link below for the policy.

<https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/who-we-are/our-code-our-responsibility.pdf>

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 at their meeting. These disclosures help the Company and the Board of Directors in evaluating the possibility of any present or potential conflict of interest.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS:

- 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 Company, respectively.**

	CY 2022 Current Calendar Year	CY 2021 Previous Calendar Year	Details of improvements in Environmental and Social impacts
R&D	15%	15%	Products with higher specifications, products suited for BS-VI emissions
CAPEX	3.1%	3.2%	Investments in Energy Monitoring & Measurement Systems, Pump replacement, Air line replacement, Five star rated equipment etc.

- Does the entity have procedures in place for sustainable sourcing?**
We are in the process of developing a framework for sustainable sourcing across the portfolio.
 - If yes, what percentage of inputs were sourced sustainably.**
Not Applicable.
- 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.**

Castrol India is committed to waste reduction & minimization at all levels. All manufacturing plants of the Company are certified by internationally recognized and certified bodies for Environment Management Systems (ISO 14001:2004). Sites have developed a program on waste management focusing on 3Rs i.e., Reduce, Reuse and Recycle.

- Plastics (including packaging)** - Company has on-boarded three Waste Management Agencies (WMAs) to collect and recycle/dispose of an equivalent amount of plastic packaging from all the states in which the Company has its sale, in line with the Plastic Waste Management Rules, 2016 (PWM Rule 2016). Pre-consumer plastic waste generated at the plant is channelized through authorized agencies to recyclers who buy it from our plants.
 - E-waste** - E-waste generated at the manufacturing plants is sold to the State Pollution Control Board (SPCB) authorized vendors.
 - Hazardous waste** - Hazardous waste produced by the manufacturing facilities is sent to State Pollution Control Board or Central Pollution Control Board certified entities for disposal.
 - Other waste** - Other waste is sold to an outside organization, including garden debris, cartons, wood scrap, metal scrap, etc. The Silvassa factory features a built-in composter to turn food and kitchen waste into manure which is further used for gardening. Minimization of flush oil generation during the blending & filling process.
- Whether Extended Producer Responsibility (EPR) is applicable to the Company'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 the Company's activities. The Company is required to collect 70% of the plastic packaging waste as per the EPR plan submitted to the Pollution Control Board (PCB), however, the Company has taken a target of 100% collection and disposal. The Company has achieved this target for the year 2022.

LEADERSHIP INDICATORS:

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)??**

Castrol has conducted a Life Cycle Assessment of all products sold globally, including the India portfolio in 2022. It has been done in accordance with the Greenhouse Gas Protocol Product Life Cycle Accounting & Reporting Standard by a third-party environmental consultancy, ERM.

Principle 3: Businesses should respect and promote the wellbeing of all employees, including those in their value chains

ESSENTIAL INDICATORS:

1. a. Details of measures for the wellbeing of employees

Category	% of employees covered by (Only Executives)										
	Total (A)	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)
PERMANENT EMPLOYEES											
Male	392	392	100%	392	100%	-	-	392	100%	-	-
Female	76	76	100%	76	100%	76	100%	-	-	-	-
Total	468	468	100%	468	100%	76	100%	392	100%	-	-

b. Details of measures for the wellbeing of workers

Category	% of workers covered by										
	Total (A)	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)
PERMANENT WORKERS (workmen)											
Male	154	154	100%	154	100%	-	-	154	100%	-	-
Female	4	4	100%	4	100%	4	100%	-	-	-	-
Total	158	158	100%	158	100%	4	100%	154	100%	-	-

2. Details of retirement benefits for the current and previous calendar year

Benefits	CY 2022			CY 2021		
	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
Employee State Insurance (ESI)	NA	100%	Yes	NA	100%	NA
Others	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

Yes, in locations where our differently-abled employees work, the workplaces are equipped with the necessary accessibility provisions.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is in the process of drafting an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. The Code of Conduct also recognizes the importance of treating everyone with fairness, respect and dignity. It expects everyone to act in a way that is consistent with our sense of fairness and equal opportunity.

5. Return to work and retention rates of permanent employees that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the permanent and non-permanent categories of employees? If yes, give details of the mechanism in brief.

Castrol 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 Open Talk 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 Open Talk 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 2022 (Current Calendar Year)			CY 2021 (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 (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)
Total Permanent Employees	468	Nil	0%	469	Nil	Nil
Male	392	Nil	0%	389	Nil	Nil
Female	76	Nil	0%	80	Nil	Nil
Total Permanent Workers	158	158	100%	162	162	100%
Male	154	154	100%	161	161	100%
Female	4	4	100%	1	1	100%

8. Details of training given to employees and workers:

Category	CY 2022					CY 2021				
	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)
					EMPLOYEES					
Male	392	365	93%	69	17%	389	387	99%	50	13%
Female	76	67	88%	10	13%	80	79	99%	12	15%
Total	468	432	92%	79	17%	469	466	99%	62	13%
					WORKERS					

The training provided to our technician/workmen staff is in most cases offline and on the shopfloor wherein the attendance record is not maintained. There are limited trainings assigned online to a few technician/workmen staff who have email access.

In 2022, our employees spent a total of 1,410 hours attending various virtual sessions on technical, behavioral and leadership aspects. Our plant technicians focused on safety-related aspects when the plants reopened. Various teams came together to remodel the safety protocols in the plants under guidelines by bp and the local laws. Employee capability continued to form a critical pillar of the Company's development architecture.

The Company continued to actively drive Ethics & Compliance via mandatory training programs and by organizing focused sessions on Ethics & Compliance, stressing the importance of key themes including Speak Up / Listen Up, always do the right thing, zero-retaliation and zero tolerance to non-compliance. We continued to monitor our cyber security scores and generate cyber awareness across all teams and locations. The Company continued to invest in leadership development through the flagship leadership offer for all team leaders and managers.

9. Details of performance and career development reviews of employees and workers:

Category	CY 2022 Current Calendar Year			CY 2021 Previous Calendar Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	392	392	100%	389	389	100%
Female	76	76	100%	80	80	100%
Total	468	468	100%	469	469	100%

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. Implementation of occupational health and safety management system by the Company along with the coverage.**

HSSE is at the heart of everything that the Company does and is a key enabler of its business strategy. The Company is committed to the goal of 'no accidents, no injury to people and no damage to the environment'. The Company expects every employee/worker to be a safety leader. Road safety continues to be a focus area for the Company and thus all professional drivers (those driving on company business) undergo rigorous defensive driver training and all road safety related incidents, however minor, are reported and investigated in an attempt to adopt lessons learnt. All new employees, permanent and contract undergo HSSE training within five days of joining the Company. The Company has fully implemented a Global Operating Management System (OMS) to continuously improve the delivery of safe, responsible and reliable operations. OMS has helped the Company to manage four key elements of operations – People, Plants, Processes and Performance effectively.

b. Processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the Company.

Health, Safety, Security and Environment are critical focus areas for the Company. Hazard Identification and Risk Assessment (HIRA) is done as per ISO 45001 and ISO 14001 for all routine activities in the manufacturing plants whereas non routine activities are supervised through OMS procedure like Control of Work "CoW". Various risk assurance tools are used to identify and mitigate the risk under the annual risk management process.

c. Processes for workers to report the work-related hazards and to remove themselves from such risks.

There are processes developed and implemented as per OMS for workers to report work related hazards and remove themselves from such risks e.g., Safety Observations, Safety Observation Conversation, Focused Safety Observation Conversations. All such instances are recorded in the Reporting Tool "IRIS". Workers are also guided to follow Safety Leadership Principles. Offices and Plants have a forum of Safety Committee set up as a forum to report work related hazards.

d. Do the employees / workers of the Entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes. Employees have access to Non-Occupational Medical and Health Issues through the following:

- **Connect & Heal (CNH)** online service for medical consultation (audio & video consultation) and emergency assistance available 24X7. This service is available for all employees and eligible dependents.
- **Mediclaime facilities:** We have a Mediclaime tie-up with Iffko Tokio, supported by Third Party Administrator (TPA) i.e., Paramount Health Services & Insurance TPA Pvt. Ltd.
- **Employee Assistance Program (EAP):** This is a personal, confidential and professional counseling service for employees and their family members provided by professional consultants through telephone, email or face-to-face in English and regional languages and available at all times.

11. Details of safety-related incidents, in the following format:

Safety Incident/Number	Category	CY 2022	CY 2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities (safety incident)	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Measures taken by the Company to ensure a safe and healthy workplace.

Castrol 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, job share, homeworking and flexible hours are some options granted under this initiative.

All three manufacturing plants of Castrol India Limited are certified with the Environment Management System (ISO 14001:2015), Occupational Health and Safety Management System (ISO 45001) 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, Castrol India Limited follows this policy irrespective of gender.

13. Number of complaints on the following made by employees and workers:

	CY 2022			CY 2021		
	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	Nil	Nil	N.A.	Nil	Nil	N.A.
Health and safety	Nil	Nil	N.A.	Nil	Nil	N.A.

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%

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 and safety practices and working conditions.

There were no actions as we did not have any Loss Time Injuries (LTI) during the reporting period. For other minor incidents, investigation was conducted and wherever required, corrective and preventive actions were identified, implemented and status tracked through the Reporting System of IRIS.

LEADERSHIP INDICATORS:**1. Details of life insurance or any compensatory package extended by the Company in the event of death of employees and workers:**

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.

2. The measures undertaken by the Company 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, etc.

In case of value chain partners, they are equally responsible to comply as per the requirements.

3. 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:

	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	CY 2022	CY 2021	CY 2022	CY 2021
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. The Company's transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

The Company currently does not provide any transition assistance programs. In the last major re-organization process done in 2020-21, we had offered out-placement services ranging from a period of 3 to 6 months after the exit of the employees. The support included CV creation, career counseling and interview coaching.

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 practices	We have HSSE clauses embedded as part of our supply agreement, however, no assessments were undertaken during the reporting period.
Working conditions	

6. 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. The processes followed for identifying key stakeholder groups of the Company.

Key Stakeholders are identified on the basis of the material influence they have on the Company or on how they are materially influenced by the Company's corporate decisions and the consequences of those decisions. Based on the level of interest and impact, CIL prioritizes the stakeholder groups to determine which ones are most important to the Company. Once the key stakeholder groups have been identified and prioritized, CIL engages with them to understand their needs and concerns, and develop strategies to manage and mitigate any potential risks or negative impacts. CIL continuously monitors and reviews the relationship and engagement with the key stakeholder groups to ensure that the Company's strategies and actions are effectively addressing their needs and concerns.

2. List of stakeholder groups identified as key for the Company 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, others)	Frequency of engagement (Annually / Half-yearly / Quarterly / Others - please specify)	Purpose and scope of engagement including key topics raised during such engagement
Employees	No	<ol style="list-style-type: none"> Employee Townhall Senior leadership engagements Wellness sessions Training programs & onboarding sessions Internal communication Yammer One bp intranet portal Annual Employee Pulse Survey 	<ol style="list-style-type: none"> Quarterly On a need basis Quarterly Regularly Regularly Regularly Regularly Annual 	<ol style="list-style-type: none"> Business and performance updates bp purpose and strategy, new belief system 'Who we are' Physical & mental wellbeing sessions Code of conduct, Ethics & compliance, Cyber security Diversity, equity and inclusion Growth week: new skills, learning & development

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, others)	Frequency of engagement (Annually / Half-yearly / Quarterly / Others - please specify)	Purpose and scope of engagement including key topics raised during such engagement
Shareholders & investors	No	<ul style="list-style-type: none"> Quarterly financial statements disseminated on Stock exchanges, website of the Company and Newspaper publication Investor presentations disseminated on Stock exchanges, website of the Company Annual report disseminated on Stock exchanges, website of the Company Annual General Meeting Shareholder interaction at the meeting, dissemination of the proceedings and outcome of the general meetings on Stock Exchanges, website of the Company Investor/Analyst meet (Schedule of the meeting and recording of the price earning calls disseminated on Stock Exchanges and website of the Company) Press conferences and media releases Announcement through stock exchanges Company website Dedicated email ID for Investor Grievances 	<ul style="list-style-type: none"> Quarterly Need basis Annually Annually Quarterly Need basis Need basis Need basis 	<ul style="list-style-type: none"> Financial performance Operational performance New product launches Business strategy Sustainability CSR programs Corporate Governance Amendment in MOA Material changes / disclosures Collaborations with other players MoU, partnerships
Customers	No	<ul style="list-style-type: none"> Fast Lane - Digital application for Indirect customers Customer Portal - Online customer portal for direct customers and distributors 	<ul style="list-style-type: none"> Need basis Ongoing 	<ul style="list-style-type: none"> Order placement by Indirect customer, visibility of schemes and offers For order placement by customers to Castrol & relevant customer-related information

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, others)	Frequency of engagement (Annually / Half-yearly / Quarterly / Others - please specify)	Purpose and scope of engagement including key topics raised during such engagement
Business Partners	No	<ul style="list-style-type: none"> • Face-to-face engagements • Online sessions • Castrol academy 	Need basis	<ul style="list-style-type: none"> • Agreements • Relationship Management
Government & Regulatory Bodies	No	Following as applicable under the prevailing laws: <ul style="list-style-type: none"> • Submission of reports and returns • Directives and circulars • Written communication • Stock Exchange filings • Industry associations 	Need basis	<ul style="list-style-type: none"> • Regulatory Compliance
Communities and NGOs	Yes	<ul style="list-style-type: none"> • Trainings • Eco-system engagements • Meetings and discussions • Videos • Awareness workshops • Employee volunteering program • Community programs 	Ongoing	<ul style="list-style-type: none"> • Road safety training • Technical upskilling for mechanics • Health and wellbeing sessions • Financial and digital literacy training • Family connect sessions • Stakeholder meetings • Entrepreneurship and LifeSkills training • Behavior change programs in communities around areas of operation

LEADERSHIP INDICATORS:

1. The processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is such feedback from such consultations provided to the Board.

Consultation with stakeholders on E, S and G topics are delegated to the departments who engage with the respective stakeholders on a continuous basis. The risk management approach taken by the Company provides us with an opportunity to share the feedback on material E, S and G risks/opportunities with the Board on a periodic basis.

2. Whether the stakeholder consultation is used to support the identification and management of environmental and social topics. If so, provide details of instances as to how inputs received from stakeholders on these topics were incorporated into policies and activities of the Company.

Yes

3. Instances of engagement with and actions taken to address the concerns of vulnerable / marginalized stakeholder groups.

- The Company's CSR efforts are directed towards stakeholders who we believe keep India moving - mechanics and truck drivers. Our goal is to make a sustainable impact in the areas of road safety, skill development, financial literacy and health. Most of all, our objective is to build a sense of pride among mechanics and truckers for their profession. More than 350,000 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 Castrol CSR programs - Sarathi Mitra and Eklavya.
- Castrol contracts its logistics through Logistics Services companies who operate approximately 750 trucks for Castrol on a daily basis, employing close to 2,000+ truck drivers. With a vision to improve the drivers' safety & 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.
- Castrol Super Mechanic Contest 2022 is another program, where we engaged with 140,000 independent mechanics and trained 24,000 mechanics through the Super Mechanic Contest Masterclass with these trained mechanics receiving ASDC certificates.

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)**

A formal Human Rights Policy was launched in 2014 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.

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 UN Sustainable Development Goals (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 our Commitment, Delivery and Governance which has been put in place.

bp-human-rights-policy.pdf

2. Details of minimum wages paid to employees and workers:

Category	CY 2022					CY 2021				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES (Executive Count)										
Permanent	468	Nil	Nil	468	100%	469	Nil	Nil	469	100%
Male	392	Nil	Nil	392	100%	389	Nil	Nil	389	100%
Female	76	Nil	Nil	76	100%	80	Nil	Nil	80	100%
WORKERS										
Permanent	158	158	100%	Nil	Nil	162	162	100%	Nil	Nil
Male	154	154	100%	Nil	Nil	161	161	100%	Nil	Nil
Female	4	4	100%	Nil	Nil	1	1	100%	Nil	Nil

3. Details of remuneration/salary/wages in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (Rs.)	Number	Median remuneration / salary / wages of respective category (Rs.)
Board of Directors (BOD)*	4	25,578,103	Nil	N.A.
Key Managerial Personnel (KMP)	4	25,578,103	1	12,497,936
Employees other than BOD and KMP#	366	3,400,426	71	3,158,007
Workers##	162	873,280	4	54,833

* 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.

4. Focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business.

The Company has a robust whistle-blower mechanism called "Open Talk". The employees are encouraged to raise any of their concerns using Open Talk by way of whistleblowing. Also, employees have been given access to reach out to the Audit Committee Chairman through a dedicated e-mail address indiaauditcommitteec@bp.com. No employee has been denied access to the Audit Committee concerning the Whistle Blower Policy. The POSH committee members are responsible for addressing sexual discrimination issues caused or contributed by the business.

5. Internal mechanisms in place to redress grievances related to human rights issues.

We have a Grievance Policy and a Disciplinary Policy to address issues on conditions of work or their employment that affect them personally. There is a structured business investigation process with laid down roles and responsibilities, accountabilities, trained investigators, decision makers: monitored by the Ethics & Compliance Liaison department.

6. Number of complaints on the following made by employees and workers:

	CY 2022			CY 2021		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	None	None	N.A.	None	None	N.A.
Discrimination at Workplace	None	None	N.A.	None	None	N.A.
Child Labor	None	None	N.A.	None	None	N.A.
Forced Labor/Involuntary Labor	None	None	N.A.	None	None	N.A.
Wages	None	None	N.A.	None	None	N.A.
Other Human Rights related issues	None	None	N.A.	None	None	N.A.

7. 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.

8. 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. Modern Slavery Act (MSA) and Human Rights (HuRi) clauses are incorporated across contracts coming up for renewals. A formal Human Rights Policy was launched in 2014 and revised in 2020, which applies to every employee at bp / Castrol.

9. Assessments for the year

	% of offices that were assessed (by Company or statutory authorities or third parties)
Child Labor	Nil
Forced/Involuntary Labor	Nil
Sexual Harassment	Nil
Discrimination at Workplace	Nil
Wages	Nil
Others – please specify	Nil

The Company does not engage in or tolerate any form of child labor / forced labor / involuntary labor and does not adopt any discriminatory employment practices. The Company is in compliance with the laws as applicable. External inspection by authorities on Shops Act / Contract Labour Act / Factories Act were conducted and no non-compliances were observed.

10. 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 human rights assessments.

LEADERSHIP INDICATORS:**1. Business process being modified / introduced as a result of addressing human rights grievances / complaints.**

Not applicable as no significant grievances / complaints were received on human rights.

2. Scope and coverage of any human rights due-diligence conducted.

Not applicable

3. Is the premise / office of the Company accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

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	None
Discrimination at Workplace	
Child Labor	
Forced Labor/Involuntary Labor	
Wages	
Others – please specify	

5. 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.**

Parameter	Unit	CY 2022 Current Year	CY 2021 Previous Year
Total electricity consumption (A)	GJ	13,414	13,588
Total fuel consumption (B)	GJ	7,663	13,356
Energy consumption through other sources (C) (Natural Gas)	GJ	5,077	-
Total energy consumption (A+B+C)	GJ	26,154	26,994
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)		0.00000054	0.00000064

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.

An external Energy Audit was conducted across the Manufacturing Plants in 2021. In addition, DNV audit has been completed for Castrol Manufacturing Globally.

2. Does the Company 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.

Not Applicable.

3. Details of the disclosures related to water.

The installation of water meters and other monitoring activities at our Silvassa Castrol plant in India has resulted in a detailed site water balance. Based on this, the plant has implemented improved leak detection, maintenance and conservation measures, including the reuse of treated wastewater for on-site irrigation. Silvassa has achieved a 67% reduction in water use and is investigating the potential of other water stewardship activities, including rainwater harvesting and managed aquifer recharge.

Similar review of water management is now being considered in the other plants and offices.

Parameter	CY 2022 Current Calendar Year	CY 2021 Previous Calendar Year
Water Withdrawal by the Source (in Kls)		
(i) Surface Water	15,890	17,396
(ii) Ground Water	19,141	23,824
(iii) Third Party Water	Nil	Nil
(iv) Recycled Water (ETP/STP)	Nil	Nil
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	35,031	41,220
Total volume of water consumption (in kiloliters)	35,031	41,220
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000073	0.00000098
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Manufacturing facilities use various measures to reduce their use of freshwater, including installing a sprinkler system, reuse ETP-treated water for gardening, water-saving taps, water balance charts to monitor usage and determine conservation strategies, and eliminating major sources of water leakage in the plant. Water audits have been undertaken in one plant in 2022. Silvassa is a Zero Liquid Discharge plant. The entire treated effluents are used for in-house gardening purposes. In other two plants, the effluents are sent to third party (at Paharpur) and to CETP (at Patalganga) for processing and disposal.

5. Details of air emissions (other than GHG emissions) by the Company

Parameter	Specify Unit	CY 2022 Current Calendar Year	CY 2021 Previous Calendar Year
NOx	Kg	503	1,007
SOx	Kg	1,128	2,447
Particulate matter (PM)	Kg	941	1,792
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others - please specify	-	-	-
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. - No			

Data from three plants, not including other offices, basis the current measurement process. PNG in Silvassa is not included as the measurement basis is not clearly established.

6. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter	Unit	CY 2022 (Current Year)	CY 2021 (Previous Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Eq CO ₂	844	1005
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Eq CO ₂	2705	2808
Total Scope 1 and Scope 2 emissions per rupee of turnover	Eq CO ₂	0.000000074	0.000000091
Total Scope 1 and Scope 2 emission intensity (optional per million liter of production)		17.81	19.94

Data from three plants, not including other offices.

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. - No

7. Company's project related to reducing Green House Gas emission

Heating fuel has been changed from Diesel to Natural gas in one of the Manufacturing plants. Heating across product portfolio has been optimized to use less energy for blending in certain formulations without impacting the product quality. We will look for more avenues to further reduce the GHG emissions in the coming years.

8. Details related to waste management by the Company

Parameter	CY 2022 Current Year	CY 2021 Previous Year
Total Waste Generated in Metric Tons		
Plastic waste (A)	69.94	95.65
E-waste (B)	1.13	6.3
Bio-medical waste (C)	0.46	0.55
MS Scrap/Scale/Bur/Flash (Solid)	-	-
Used/Spent Oil (Liquid)-HW	-	-
Discarded Containers/Barrels (Solid)-HW	-	-
Waste & Residues Containing Oil (Liquid)-HW	-	-
Construction and Demolition Waste (D)	-	-
Battery waste (E)	2.7	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	408.03	590.22
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	151.75	215.55
Total (A+B + C + D + E + F + G + H)	634.01	908.26
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of Waste		
(i) Recycled	426.81	589.82
(ii) Re-used	-	-
(iii) Other recovery operations	109.92	155.38
Total	536.73	745.2
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	16.59	51.16
(ii) Landfilling	0.48	1.37
(iii) Landfilling after incineration-Spent Bath Sludge/ETP Sludge/Oily Cotton Waste/ Paint Sludge	80.3	110.53
Total	97.37	163.07

Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

9. Waste management practices adopted in the Company along with the strategy adopted by the Company to reduce usage of hazardous and toxic chemicals in the products and processes and the practices adopted to manage such waste.

Sites have created a program for managing waste focusing on the 3Rs: Reduce, Reuse, and Recycle. The business maintains a record of all potential environmental, safety, health, and business threats in a risk register. These risks are evaluated, and barriers are set up to eliminate, reduce, and mitigate risk to a level that is "as low as reasonably possible," which is continuously monitored. Each year, the leadership team reviews and approves the register.

Hazardous waste produced by the manufacturing facilities is sent to State Pollution Control Board or Central Pollution Control Board certified entities for disposal.

10. If the Company 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.

Not applicable

11. Details of environmental impact assessments of projects undertaken by the Company based on applicable laws, in the current year.

Not applicable.

12. Is the Company 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.

The Company is compliant with all applicable environmental law / regulations / guidelines in India.

LEADERSHIP INDICATORS:

1. Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources

Parameter	Unit of Measurement	CY 2022	CY 2021
From renewable sources			
Total electricity consumption (A)	GJ	167	148
Total fuel consumption (B)	-	-	-
Energy consumption through other sources (C)	-	-	-
Total energy consumed from renewable sources (A+B+C)	-	-	-
From non-renewable sources			
Total electricity consumption (D)	GJ	13247	13440
Total fuel consumption (E) (Diesel + Furnace Oil)	GJ	7663	13356
Energy consumption through other sources (F) (Natural Gas)	GJ	5077	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	25987	26796

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.

2. Details related to water discharged:

Parameter	CY 2022 (Current Year)	CY 2021 (Previous Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties		
- No treatment*	550	300
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment^	77	58
Total water discharged (in kiloliters)	627	358

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 - No

* Paharpur plant sends the Domestic Sewage water to third party for treatment as inhouse STP is not available.

^ Silvassa plant uses treated effluent for gardening purpose within the premises (4,749 KL in 2021 & 2,614 KL in 2022) with no discharge outside the factory premises. Patalganga plant uses treated effluent for gardening purposes within the premises (1,877 KL in 2021 & 1,477 KL in 2022).

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters).

The Company does not have any operations in areas of water stress.

4. Details of total Scope 3 emissions & its intensity.

Castrol assessed its Scope 3 emissions for the first time in 2020 based on 2019 calendar year data. This was done in accordance with the Greenhouse Protocol Corporate Value Chain Standard and conducted by a third-party environmental consultancy (ERM). The assessment was conducted globally to account for all Scope 1, 2 and 3 greenhouse gas emissions worldwide. Scope 3 emissions are not tracked annually, but a reassessment is planned in the coming year to develop intensity reduction strategy.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the Company on biodiversity in such areas along with prevention and remediation activities.

Not applicable

6. If the Company 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:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1.	Change of fuel from diesel to natural gas for heating.		Reduced carbon emissions.
2.	Development of blending process at reduced temperature without impacting product quality.		Contributing to reduction in energy consumption per unit of production in part of the portfolio.

7. Does the Company have a business continuity and disaster management plan? Give details in 100 words / web-link.

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 an elaborate 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.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the Company. What mitigation or adaptation measures have been taken by the Company in this regard.

The Company has presently not undertaken any assessment in this regard.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None

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 trade and industry chambers / associations.**

Three

b. List of top 10 trade and industry chambers / associations (determined based on the total members of such body) the Company is a member of / affiliated to:

Sr. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2.	Bombay Chamber of Commerce and Industry (BCCI)	State
3.	Confederation of Indian Industry (CII)	National (up to March 2022)

2. Corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

Not applicable

LEADERSHIP INDICATORS:**1. Details of public policy positions advocated by the Company –**

The Company does not engage in direct public advocacy but it does put forth suggestions specific to its industry through the trade bodies or association that it is part of.

Principle 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS:**1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company based on applicable laws, in the current calendar year.**

Not applicable. No assessments were undertaken or necessitated during the reporting period.

2. Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Company.

Not applicable as there are no ongoing projects as such.

3. Mechanisms to receive and redress grievances of the community.

OpenTalk, bp's global helpline, is a confidential way to raise concerns or get answers to questions about our code. It is administered by an independent company, is available every day of the week at any time, day or night and can help individuals in more than 75 languages. Anyone, including contractors, partners, suppliers and customers can use OpenTalk. One can contact OpenTalk anonymously from most locations. Anything reported will be kept confidential to the fullest extent possible consistent with law and good business practices.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	CY 2022 (Current Calendar Year)	CY 2021 (Previous Calendar Year)
Directly sourced from MSMEs/small producers	15%	15%
Sourced directly from within the district and neighboring districts	27%	27%

LEADERSHIP INDICATORS:**1. 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. CSR projects undertaken by the Company in designated aspirational districts as identified by government bodies.

Sr. No.	State	Aspirational District	Amount Spent (In Rs.)
1	Karnataka	Raichur	17,297,612
2	Karnataka	Yadgir	2,598,063
3	Karnataka	Gadag	3,623,614
4	Karnataka	Kalabhuragai	1,668,228
5	Uttar Pradesh	Bahraich	283,377
6	Uttar Pradesh	Fatehpur	230,544
7	Uttar Pradesh	Chitrakoot	96,060
8	Uttar Pradesh	Chandauli	24,015
9	Uttar Pradesh	Shravasti	9,606
10	Uttar Pradesh	Siddharth Nagar	4,803
11	Haryana	Nuh	797,298
12	Madhya Pradesh	Guna	153,696
13	Madhya Pradesh	Damoh	302,589
14	Madhya Pradesh	Chhatarpur	485,103
15	Madhya Pradesh	Vidisha	24,015
16	Madhya Pradesh	East Nimar	9,606
17	Madhya Pradesh	Rajgarh	302,589
18	Madhya Pradesh	Guna	2,107,809
19	Madhya Pradesh	Chhatarpur	7,097
20	Uttar Pradesh	Siddharth Nagar	2,306,525
21	Uttar Pradesh	Balrampur	106,455
22	Haryana	Nuh	70,970
Total			32,509,674

3. a. Does the Company have a preferential procurement policy where the Company gives preference to purchase from suppliers comprising marginalised /vulnerable groups?

No, CIL does not have a preferential procurement policy. Due to the peculiar nature and availability of required raw materials, they are required to be sourced from vendors from the organized sector.

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. Benefits derived and shared from the intellectual properties owned or acquired by your Company (in the current financial year), based on traditional knowledge.

Not applicable

5. Corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable

6. Beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefited from CSR Projects in 2022	% of beneficiaries from vulnerable and marginalized group
1	Program for holistic development of truck drivers - Castrol Sarathi Mitra	Truckers – 32,800 truck drivers	100%
2	Program for upskilling of mechanics - Castrol Eklavya	Mechanics – 12,800 mechanics	100%
3	Community development initiatives - Castrol Ujjwal Kal	Community near plant - 1,900 beneficiaries	100%
4	Humanitarian Aid	Humanitarian aid flood relief efforts in Assam - 5,700 beneficiaries	100%
5	Program for driving safety - Castrol Two Wheels One Life	Two-wheeler riders in Mumbai - 5,200 beneficiaries	Nil

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS:

1. Mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a dedicated English + 7 regional languages call center numbers (18002098100, 1800222100) and email id (customercare.india@castrol.com) on every consumer pack to address consumer queries / complaints / feedback. There are multiple workflows to address and resolve the queries in a timebound manner.

2. Turnover of products/services as a percentage of turnover from all products/service that carry information about.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	None
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	CY 2022			CY 2021		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	N.A.	Nil	Nil	N.A.
Advertising	Nil	Nil	N.A.	Nil	Nil	N.A.
Cyber security	Nil	Nil	N.A.	Nil	Nil	N.A.
Delivery of essential services	Nil	Nil	N.A.	Nil	Nil	N.A.
Restrictive Trade Practices	Nil	Nil	N.A.	Nil	Nil	N.A.
Unfair Trade Practices	Nil	Nil	N.A.	Nil	Nil	N.A.
Others	Nil	Nil	N.A.	Nil	Nil	N.A.

4. Details of instances of product recalls on account of safety issues:

Nil

5. Company's framework / policy on cyber security and risks related to data privacy along with the web-link of the policy.

We have a range of measures to manage this risk, including the use of cyber security policies and procedures, security protection tools, continuous threat monitoring and event detection capabilities, and incident response plans. We also conduct exercises to test our response to and recovery from cyber-attacks. To encourage vigilance among our employees, our cyber security training and awareness program covers topics such as phishing and the correct classification and handling of our information. We collaborate closely with governments, law enforcement and industry peers to understand and respond to new and emerging threats. The framework/policy is available on the Company's intranet.

6. 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.

We did not have any instances of breach of cyber security or data of our customers during 2022.

LEADERSHIP INDICATORS:

- 1. Channels/platforms where information on products and services of the Company can be accessed (provide web-link, if available).**

Information relating to all products provided by the Company is available on the Company's website 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.**

Castrol has provided Material Safety Data Sheet for all the products on Castrol Website along with mandatory disclosures on the packs.

- 3. Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.**

Not Applicable

- 4. Does the Company display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your Company carry out any survey with regard to consumer satisfaction relating to the major products / services of the Company, significant locations of operation of the Company or the Company as a whole?**

The Company 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.

Basis surveys conducted with our key customers; the Company has implemented measures to strengthen customer experience. The Company also conducts regular tracks for key brands to measure brand strength and mind measures amongst consumers.

- 5. Information relating to data breaches:**

- a. Number of instances of data breaches along with impact – Nil**
- b. Percentage of data breaches involving personally identifiable information of customers – Nil**

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, 2022, 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, 2022, 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.

- 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 Report, Corporate Governance and Information for Shareholders, 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.

Management's Responsibility 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 system 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

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) 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.
 - b) 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 we have been represented by the management that the Company is in process of complying with the requirement of maintaining server(s) physically located in India for back-up of books of account on a daily basis as required pursuant to amendment in Companies (Accounts) Rules, 2014 on August 5, 2022 – refer note 35 to the financial statements.
 - c) 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.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on December 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.

- g) 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.
- h) We refer paragraph 1(b) above relating to our observation on the maintenance of accounts and other matters connected therewith.
- i) 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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. 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 to the financial statements.
 - iv. (a) 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.
 - (b) 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.
 - (c) 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.
 - v. As stated in note 9(b) to the financial statements:
 - (a) 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.
 - (b) 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.
 - (c) 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.
2. 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

Samir R. Shah

Partner

Membership No. 101708

UDIN: 23101708BGYJQAQ6688

Place: Mumbai**Date:** 13 February 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Castrol India Limited ("the Company") as of December 31, 2022 in conjunction with our audit of the 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 based on the internal control over financial reporting 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 the 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 over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2022, based on the criteria for internal financial control over financial reporting 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

Samir R. Shah

Partner

Membership No. 101708

UDIN: 23101708BGYJAQ6688

Place: Mumbai

Date: 13 February 2023

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. (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.
 - b. The Company has a program of verification of Property, Plant and Equipment (other than sign boards at customer's premises), 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.
 - c. With respect to immovable properties (other than immovable properties where the Company is the lessee and 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, 2022		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.

- d. The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- e. No proceedings have been initiated during the year or are pending against the Company as at 31 December 2022 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;
 - a. The inventories (other than Goods in Transit and stocks held with third parties) 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 inventory lying with the third parties, confirmations were obtained by the management for the stocks held by them at year end and in respect of goods in transit, the goods have been received subsequent to the year end. 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.
 - b. 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.

- iii. (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 :-

Rs. in Crores

Particulars	Loans to employees
Aggregate amount granted during the year	0.19
Balance outstanding as at Balance Sheet Date	1.09

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, made investments or provided guarantees or securities to parties covered 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:
- (a) 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, 2022 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on December 31, 2022 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	3.92	0.41	3.51
		Tribunal	1996-2016	78.19	2.75	75.44
		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	2000-2018	43.32	11.35	31.96
		Appellate Authority	1994-2018	5.53	2.89	2.63
		Tribunal	1999-2017	5.18	2.90	2.28
		Maharashtra Sales Tax Tribunal (MSTT)	2016-2017	565.00	-	565.00
		High Court	1999-2000	0.23	-	0.23
		Central Sales Tax Appellate Authority (CSTAA)#	2007-08 to 2015-16 & 2017-18	3,566.21	-	3,566.21
The Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2003-04, 2005-06 & 2017-18	3.29	-	3.29
		Commissioner Income Tax	2016-2017	0.62	-	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 complains 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, 2022.
- 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)

Samir R. Shah

Partner

Membership No. 101708

UDIN: 23101708BGYJQAQ6688

Place: Mumbai

Date: 13 February 2023

BALANCE SHEET

As at December 31, 2022

Particulars	Note No.	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Assets			
Non-current assets			
Property, plant and equipment	3	190.89	171.51
Right-of-use asset	23	66.13	24.26
Capital work-in-progress	3	60.76	50.04
Other intangible assets	3	3.77	5.41
Financial assets			
Investments	4.6	325.00	-
Loans receivable	4.1	0.73	0.91
Other financial assets	4.2	6.52	5.71
Income tax assets (net)	5	56.18	60.00
Deferred tax assets (net)	6	68.55	71.35
Other non-current assets	7	56.67	70.90
Total Non-current assets		835.20	460.09
Current assets			
Inventories	8	534.44	491.65
Financial assets			
Trade receivables	4.3	350.36	311.65
Cash and cash equivalents	4.4	554.50	184.23
Bank balances other than above	4.5	663.21	1,115.98
Loans receivable	4.1	0.36	0.53
Other financial assets	4.2	22.07	32.14
Other current assets	7	108.87	107.75
Total Current assets		2,233.81	2,243.93
Total assets		3,069.01	2,704.02
Equity and liabilities			
Equity			
Equity share capital	9	494.56	494.56
Other equity	10	1,391.47	1,150.95
Total equity		1,886.03	1,645.51
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	23	41.35	-
Other liabilities	14	3.79	5.68
Provisions	12	18.73	18.50
Total Non-current liabilities		63.87	24.18
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	11.1	23.50	23.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	11.1	655.36	596.72
Lease Liabilities	23	8.60	6.72
Other financial liabilities	11.2	310.46	295.91
Other liabilities	14	74.35	62.15
Provisions	12	33.99	33.05
Current tax liabilities (net)	13	12.85	15.85
Total Current liabilities		1,119.11	1,034.33
Total equity and liabilities		3,069.01	2,704.02
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

R Gopalakrishnan Chairman
DIN: 00027858

For and on behalf of Board of Directors
Executive Directors

Sandeep Sangwan Managing Director
DIN: 08617717

Samir R. Shah
Partner

Hemangi Ghag Company Secretary
FCS No: 9329

Deepesh Baxi
DIN: 02509800

Chief Financial Officer & Whole time Director

Place: Mumbai
Date: 13 February 2023

STATEMENT OF PROFIT AND LOSS for the year ended December 31, 2022

Particulars	Note No.	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Income			
Revenue from operations	15	4,774.49	4,192.06
Other income	16	67.05	48.43
Total Income		4,841.54	4,240.49
Expenses			
Cost of raw and packing materials consumed	17.1	2,278.87	1,879.08
Purchase of traded goods	17.2	249.40	191.85
Changes in inventories of finished goods / traded goods	17.3	(28.35)	(12.11)
Employee benefits expense	18	272.58	231.99
Finance costs	19	4.01	2.41
Depreciation and amortization expense	20	81.39	82.70
Other expenses	21	890.89	835.29
Total Expenses		3,748.79	3,211.21
Profit Before Tax		1,092.75	1,029.28
Tax expenses			
Current tax (net of Charge / (reversal) of earlier years - Rs. 10.31 Crores (December 31, 2021 : Rs. 0.69 Crores))		274.49	280.03
Deferred tax	6	3.11	(8.84)
Total tax expenses		277.60	271.19
Profit after tax		815.15	758.09
Other comprehensive income / (expenses) not to be reclassified to profit or loss in subsequent period			
Re-measurement gains / (losses) on defined benefit plans		(1.25)	(1.05)
Less : Income tax effect on above		0.31	0.26
Other comprehensive income / (expense) for the year		(0.94)	(0.79)
Total comprehensive income for the year		814.21	757.30
Earnings per equity share - Basic and Diluted - Face Value Rs. 5.00 each.	22	8.24	7.66
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

Samir R. Shah
Partner

Hemangi Ghag Company Secretary
FCS No: 9329

Deepesh Baxi
DIN: 02509800

Chief Financial Officer & Whole time Director

Place: Mumbai
Date: 13 February 2023

CASH FLOW STATEMENT

for the year ended December 31, 2022

Particulars	Note No.	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Cash flow from operating activities			
Profit before tax		1,092.75	1,029.28
Adjustments for:			
Depreciation and amortization expenses		81.39	82.70
Loss on disposal / write off of property, plant and equipment and intangible assets (net)		0.32	0.94
Capital work in progress write off		6.07	-
Allowance for doubtful debts written back (net)		0.29	(1.31)
Expense recognised in respect of share based payments		19.78	18.00
Loss/ (gain) on fair valuation of forward contract		(2.86)	2.16
Unrealized foreign exchange (gain) / loss		4.08	0.82
Unrealised gain on Overnight Funds		(0.17)	-
Finance costs		4.01	2.41
Interest income		(45.30)	(36.33)
Net gain on termination of lease contracts		-	0.01
Excess accruals written back		(1.17)	(6.05)
Operating profit before working capital changes		1,159.19	1,092.63
Movements in working capital:			
Decrease / (Increase) in inventories		(42.79)	(124.78)
Decrease / (Increase) in trade and other receivables		(13.58)	(150.54)
Increase / (Decrease) in trade and other payables and provisions		87.07	92.66
Cash generated from / (used in) operations		1,189.89	909.97
Income tax refund / (payment) (net) (including interest)		(273.98)	(279.76)
Net cash flow from / (used in) operating activities	(A)	915.91	630.21
Cash flow from investing activities			
Purchase of property, plant and equipment (including capital work-in-progress and intangible assets)		(109.71)	(83.21)
Non Current Investment		(325.00)	-
Placement of bank deposits		(803.44)	(1,596.99)
Encashment of bank deposits		1,255.37	1,558.97
Interest received		44.47	38.15
Net cash flow from / (used in) investing activities	(B)	61.69	(83.08)

CASH FLOW STATEMENT for the year ended December 31, 2022 (Contd.)

Particulars	Note No.	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Cash flow from financing activities			
Dividend paid		(593.47)	(542.47)
Interest paid on other than lease liabilities		(1.16)	(1.19)
Principal payment of lease liabilities		(10.54)	(12.61)
Interest paid on lease liabilities		(2.33)	(1.31)
Net cash flow from / (used in) financing activities	(C)	(607.50)	(557.58)
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	370.10	(10.45)
Unrealised gain on Overnight funds		0.17	-
Cash and cash equivalents at the beginning of the year		184.23	194.68
Cash and cash equivalents at the end of the year		554.50	184.23
Components of cash and cash equivalents			
Balances with banks in current accounts		5.42	11.70
Deposits with banks		368.91	172.53
Overnight funds		180.17	-
Total cash and cash equivalents (note 4.4)		554.50	184.23

Non cash transactions:

Share value plan:

Equity settled share based payments of Rs. 19.78 Crores (Previous Year: Rs.18 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 2.6 (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

R Gopalakrishnan Chairman
DIN: 00027858

Sandeep Sangwan Managing Director
DIN: 08617717

Samir R. Shah
Partner

Hemangi Ghag Company Secretary
FCS No: 9329

Deepesh Baxi Chief Financial Officer & Whole time Director
DIN: 02509800

Place: Mumbai

Date: 13 February 2023

STATEMENT OF CHANGES IN EQUITY for the year ended December 31, 2022

a) Equity share capital

Particulars	No. of shares	Rs. in Crores
		Amount
Balance as at January 1, 2021	989,122,384	494.56
Changes in equity share capital during the year	-	-
Balance as at December 31, 2021	989,122,384	494.56
Changes in equity share capital during the year	-	-
Balance as at December 31, 2022	989,122,384	494.56

b) Other equity

Particulars	Reserves & Surplus			Rs. in Crores
	Capital Reserve	Retained Earnings	Share based payment	Total Other Equity
Balance as at January 1, 2021	13.62	882.30	23.75	919.67
Profit for the year	-	758.09	-	758.09
Recognition of Share based payment charge	-	-	18.00	18.00
Other comprehensive Income, net of tax	-	(0.79)	-	(0.79)
Total comprehensive income for the year	-	757.30	18.00	775.30
Payment of Dividend	-	(544.02)	-	(544.02)
Balance as at December 31, 2021	13.62	1,095.58	41.75	1,150.95
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)
Total Comprehensive Income for the year	-	814.21	19.78	833.99
Payment of Dividend	-	(593.47)	-	(593.47)
Balance as at December 31, 2022	13.62	1,316.32	61.53	1,391.47

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

R Gopalakrishnan Chairman
DIN: 00027858

Samir R. Shah
Partner

Hemangi Ghag Company Secretary
FCS No: 9329

Place: Mumbai
Date: 13 February 2023

For and on behalf of Board of Directors
Executive Directors

Sandeep Sangwan Managing Director
DIN: 08617717

Deepesh Baxi Chief Financial Officer & Whole time Director
DIN: 02509800

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

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.

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 crystalizing 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, 2022

2. Significant accounting policies (Contd.)

2.4. Recent accounting pronouncements

Standard issued that are not yet effective

On 23rd March, 2022, Ministry of Corporate Affairs has amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable to the Company for the financial year starting January 1, 2023, as below:

a. Ind AS 109: Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any impact on its financial statements.

b. Ind AS 103: Reference to Conceptual Framework

The amendment specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact on its financial statements.

c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that or an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any impact on its financial statements.

d. Ind AS 16: Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing while preparing the asset for its intended use (if any), shall not be recognised in the profit or loss but deducted from the directly attributable cost considered as part of cost of an item PPE. The Company does not expect the amendment to have any material impact on its financial statements.

e. Ind AS 41 - Agriculture

The amendment removes requirements to use pre-tax cash flows when measuring fair value of biological assets. The Company does not expect the amendment to have any impact on its financial statements.

f. Ind AS 101, First-time adoption of Indian Accounting Standards

The amendment aims to simplify application of Ind AS 101 for a subsidiary that becomes a first-time adopter of Indian Accounting Standards later than its parent. The Company does not expect the amendments to have any impact on its financial statements.

2.5. Summary of significant accounting policies

a. Current versus non-current classification

An asset is treated 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

2. Significant accounting policies (Contd.)

All other assets are classified as non-current.

A liability is 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 discounts 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.

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).

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

2. Significant accounting policies (Contd.)

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.

Gains and losses through remeasurements of the net defined benefit liability/(asset) are recognised in 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. 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.

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

2. Significant accounting policies (Contd.)

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:

- a) when the Company can no longer withdraw the offer of those benefits; or
- b) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

2. Significant accounting policies (Contd.)

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, 2022 and the provision for the remaining period of nine months ending on December 31, 2022. The provision for the remaining period of nine months has been arrived at by applying the applicable tax rate of the financial year 2022-23 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, 2022

2. Significant accounting policies (Contd.)

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 (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 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

2. Significant accounting policies (Contd.)

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.

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. Purchase and sale of financial assets are recognised using trade date accounting.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

2. Significant accounting policies (Contd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

2. Significant accounting policies (Contd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

2. Significant accounting policies (Contd.)

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

3. Property, plant and equipment, Capital work-in-progress and Intangible assets

Rs. in Crores

Particulars	As at	
	December 31, 2022	December 31, 2021
A. Carrying amounts		
Tangible Assets		
Freehold Land	3.92	3.92
Leasehold Land	-	-
Building (Including Leasehold Improvements)	42.37	36.96
Plant & equipment	55.15	50.84
Laboratory Equipment	11.98	12.22
Computer Hardware	0.62	1.92
Furniture & Fixture	74.81	62.71
Office Equipment	1.95	2.83
Motor Vehicles	0.09	0.11
	190.89	171.51
Intangible Assets		
Computer Software	3.77	5.41
B. Capital work-in-progress (Refer Note 1 and Note 2)	60.76	50.04

Rs. in Crores

	Freehold Land	Building (Including Leasehold Improvements)	Plant & equipment	Laboratory Equipment	Computer Hardware	Furniture & Fixture	Office Equipment	Motor Vehicles	Computer Software	Total
Cost										
Balance at January 1, 2021	3.92	58.55	143.40	20.67	8.99	117.27	8.91	0.22	11.61	373.54
Additions	-	3.22	6.48	2.29	0.24	55.20	0.73	-	5.55	73.71
Disposals	-	0.88	2.68	-	0.62	48.61	0.03	-	0.34	53.16
Balance at December 31, 2021	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	0.01	3.17	0.04	0.70	38.85	1.69	-	-	44.47
Balance at December 31, 2022	3.91	70.07	164.58	25.26	8.05	139.88	8.45	0.22	16.89	437.31
Accumulated depreciation										
Balance at January 1, 2021	-	20.22	81.27	8.42	5.59	68.17	5.36	0.09	9.86	198.98
Additions	-	4.13	17.51	2.32	1.41	41.56	1.45	0.02	1.78	70.18
Disposals	-	0.42	2.42	-	0.45	48.58	0.03	-	0.23	52.13
Balance at December 31, 2021	-	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
Balance at December 31, 2022	-	27.70	109.43	13.28	7.29	65.07	6.50	0.13	13.12	242.52
Impairment Loss [refer Note a]										
Balance at January 1, 2021	-	-	-	-	0.23	-	-	-	-	0.23
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	0.09	-	-	-	-	0.09
Balance at December 31, 2021	-	-	-	-	0.14	-	-	-	-	0.14
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2022	-	-	-	-	0.14	-	-	-	-	0.14
Carrying amounts										
Balance at January 1, 2021	3.92	38.33	62.13	12.25	3.17	49.10	3.55	0.13	1.75	174.33
Additions	-	3.22	6.48	2.29	0.24	55.20	0.73	-	5.55	73.71
Depreciation / Impairment	-	4.13	17.51	2.32	1.41	41.56	1.45	0.02	1.78	70.18
Disposals (net)	-	0.46	0.26	-	0.08	0.03	-	-	0.11	0.94
Balance at December 31, 2021	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
Balance at December 31, 2022	3.92	42.37	55.15	11.98	0.62	74.81	1.95	0.09	3.77	194.66
Capital work in progress movement										
Balance at January 1, 2021										43.54
Addition during the year										80.21
Capitalised during the year										73.71
Balance at December 31, 2021										50.04
Addition during the year										104.48
Capitalised during the year										87.69
Capital work in progress write off										6.07
Balance at December 31, 2022										60.76

Notes :

(a) Impairment Loss is recognized in the statement of Profit and Loss under "Impairment on property, plant and equipment and other intangible assets".

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

3. Property, plant and equipment, Capital work-in-progress and Intangible assets (Contd.)

Note 2

B. Capital work-in-progress

Particulars	As at December 31, 2022 Rs. in Crores		As at December 31, 2021 Rs. in Crores	
	Projects in progress	Projects Temporary suspended*	Projects in progress	Projects Temporary suspended
Less than 1 year	56.26	-	39.65	-
1 - 2 year	3.74	-	6.76	-
2 - 3 year	0.76	-	2.78	-
More than 3 years	-	-	0.85	-
	60.76	-	50.04	-

Projects with cost overrun/timeline delayed as of 31-Dec-22

Particulars	As at December 31, 2022				As at December 31, 2021			
	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	0.24	-	-	-	-	11.70	-	-
2.Project 2	1.47	-	-	-	-	-	-	-
3.Project 3	22.85	-	-	-	-	4.03	-	-
4.Project 4	-	-	-	-	6.06	-	-	-
5.Project 5	3.60	-	-	-	-	-	-	-
6.Others	4.51	-	-	-	5.93	0.01	-	-
Total	32.67	-	-	-	11.99	15.74	-	-

4. Financial assets

(Unsecured, considered good, unless otherwise stated)

4.1 Loans receivable

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Non-Current		
Loans receivable Considered good- Unsecured		
Loans to employees *	0.73	0.91
	0.73	0.91
Current		
Loans receivable Considered good- Unsecured		
Loans to employees	0.36	0.53
	0.36	0.53

* Includes Rs. 0.02 Crores (December 31, 2021 : Rs. Nil) to key managerial personnel.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

4. Financial assets (Contd.)

4.2 Other financial assets

Financial assets carried at amortized cost

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Non Current		
Advance to Customers - Rebate		
- Considered good	-	-
- Considered Doubtful	4.29	4.29
	4.29	4.29
Less : Allowance for doubtful advances	(4.29)	(4.29)
	-	-
Security deposits #	6.52	5.71
	6.52	5.71
Current		
Rebates receivable	7.57	18.15
Interest accrued on bank deposits	13.41	12.58
Derivative instruments at fair value through Profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts *	0.91	-
Security deposits #	0.18	1.41
	22.07	32.14

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.

4.3 Trade receivables ** (Refer note 28)

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Current		
Trade receivables Considered good - Secured ##	98.59	73.85
Unsecured		
Trade receivables Considered good - Unsecured	251.77	237.80
Trade receivables - Considered Doubtful	8.09	7.85
Less : Allowance for doubtful debts	8.09	7.85
	251.77	237.80
	350.36	311.65

Movement in the allowance of doubtful debts during the year

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Balance at the beginning of the year	7.85	11.84
Add: Allowance created during the year	1.23	1.23
Less: Reversal of allowance during the year	(0.94)	(2.54)
Less: Amount Written back during the year	(0.05)	(2.68)
Balance at end of the year	8.09	7.85

* 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

4. Financial assets (Contd.)

As at December 31, 2022	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
Sub total	350.36	1.32	-	6.77
Total				358.45
Less : Allowance for doubtful Trade receivables				8.09
Total Trade Receivables				350.36

As at December 31, 2021	Undisputed Trade receivables		Disputed Trade receivables	
	Considered Good	Considered Doubtful	Considered Good	Considered Doubtful
Unbilled	2.87	-	-	-
Not Due	273.47	-	-	-
Less than 6 months	35.21	0.55	-	-
6months - 1 year	0.10	0.33	-	0.23
1-2 Years	-	0.21	-	0.11
2-3 Years	-	0.37	-	0.69
More than 3 years	-	0.18	-	5.18
Sub total	311.65	1.64	-	6.21
Total				319.50
Less : Allowance for doubtful Trade receivables				7.85
Total Trade Receivables				311.65

4.4 Cash and cash equivalents

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Balance with banks		
In current accounts	5.42	11.70
Deposits with original maturity of less than 3 months	368.91	172.53
Investment in overnight funds#	180.17	-
	554.50	184.23

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 December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Deposits with original maturity for less than 12 months	645.00	1,096.99
Earmarked deposit with banks #	2.14	2.08
Unclaimed dividend account and capital reduction (Includes unclaimed amount of Rs.1.22 Crores (December 31, 2021 : Rs. 1.22 Crores) pertaining to capital reduction in earlier years)	16.07	16.91
	663.21	1,115.98

Represents deposit placed for payment for acquisition of land

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

4. Financial assets (Contd.)

4.6 Long Term investment

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Investments Measured at Fair Value Through Other Comprehensive Income (FVTOCI)	325.00	-
	325.00	-

Nature of Instrument Unquoted, Fully Paid up	As at December 31, 2022	
	No. of shares	Total Value Rs. 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
Closing Balance		325.00

Break up of financial assets carried at amortized cost

Particulars	Note	Rs. in Crores	
		As at December 31, 2022	As at December 31, 2021
Loans	4.1	1.09	8.56
Trade receivables	4.3	350.36	311.65
Cash and cash equivalents	4.4	554.50	184.23
Other balances with banks	4.5	663.21	1,115.98
Other financial assets	4.2	27.68	30.73
Long Term Investment	4.6	325.00	-
Total		1,921.84	1,651.15

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). During the quarter, the first tranche of Rs 325 Crores was invested on 8 December, 2022. The second tranche of Rs 162.5 Crores was invested on 10 January 2023.

5. Income tax assets (net)

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Advance Income tax / tax deducted at source (net of current tax provision)	56.18	60.00
	56.18	60.00

6. Deferred tax assets - (net)

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Deferred tax assets (net)	68.55	71.35
	68.55	71.35

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

6. Deferred tax assets - (net) (Contd.)

Movement in deferred tax assets balances

Rs. in Crores

Particulars	Net balance as at January 1, 2022	Recognised in profit and loss	Recognised in OCI	Net deferred tax asset/ (liability) as at December 31, 2022
Deferred tax asset / (liabilities)				
Property, plant and equipment	37.85	6.72	-	44.57
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
Deferred tax asset / (liabilities)	71.35	(3.11)	0.31	68.55

Movement in deferred tax balances

Particulars	Net balance as at January 1, 2021	Recognised in profit and loss	Recognised in OCI	Net deferred tax asset/ (liability) as at December 31, 2021
Deferred tax asset / (liabilities)				
Property, plant and equipment	30.68	7.17	-	37.85
43B disallowances	12.63	(0.76)	0.26	12.13
Inventory - obsolete	2.64	(0.51)	-	2.13
Allowance for doubtful debts	5.96	(0.87)	-	5.09
Other temporary differences	10.33	3.82	-	14.15
Deferred tax asset / (liabilities)	62.25	8.85	0.26	71.35

Income Tax

The major components of income tax expense

Particulars	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Profit and Loss:		
Current tax (net of Charge / (reversal) of earlier years - Rs. 10.31 Crores (December 31, 2021 : Rs. 0.69 Crores))	274.49	280.03
Deferred tax	3.11	(8.84)
Total Income Tax Expense	277.60	271.19

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

6. Deferred tax assets - (net) (Contd.)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

Particulars	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Profit before Income tax expense	1,092.75	1,029.28
Tax at the Indian tax rate 25.17% (December 31, 2021 : 25.17%)	275.05	259.07
Item giving rise to difference in tax		
Effect of non-deductible expenses	13.08	11.13
Effect of tax adjustment of earlier years	(10.31)	0.69
Others	(0.22)	0.30
Income tax expense	277.60	271.19

7. Other assets

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Non-Current		
Advance to Customers - Rebate		
- Considered good	15.73	26.78
- Doubtful	-	-
	15.73	26.78
Capital advances	4.18	3.22
Prepaid expenses	1.10	4.16
Deposits / balance with statutory / government authorities		
- Considered good	35.66	36.74
- Doubtful	6.86	6.86
	63.53	77.76
Less: Allowance for doubtful deposits	6.86	6.86
	56.67	70.90
Current		
Advance to Customers - Rebate		
- Considered good	21.61	19.79
- Doubtful	-	1.15
	21.61	20.94
Less : Allowance for doubtful advances	-	1.15
	21.61	19.79
Prepaid expenses	5.61	5.50
Advance to supplier	12.65	14.21
Other receivables		
Considered good	4.49	4.21
Considered doubtful	-	-
	4.49	4.21
Deposits / balance with statutory / government authorities	64.51	64.04
	108.87	107.75

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

8. Inventories (lower of cost and net realizable value)

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Raw materials (including stock in transit Rs. 61.08 Crores (December 31, 2021 : Rs. 45.21 Crores)	314.00	296.59
Packing materials (including stock in transit Rs. 0.00 Crores (December 31, 2021 : Rs. 1.41 Crores)	5.69	8.66
Finished goods	146.06	139.11
Traded goods (including stock in transit Rs. 14.46 Crores (December 31, 2021 : Rs. 12.95 Crores)	68.69	47.29
	534.44	491.65

Note: The cost of inventories recognised in December 31, 2022 includes Rs. 0.08 Crores in respect of write down of inventories to net realisable value (December 31, 2021 : Rs. 2.03 Crores in respect of reversal write down of inventories)

9. Equity share capital

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Authorized		
990,000,000 equity shares (December 31, 2021 : 990,000,000 equity shares) - Rs. 5/- each)	495.00	495.00
	495.00	495.00
Issued, subscribed and fully paid-up		
989,122,384 equity shares (December 31, 2021 : 989,122,384 equity shares) - Rs. 5/- each)	494.56	494.56
	494.56	494.56

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As at December 31, 2022		As at December 31, 2021	
	No. of Shares	Rs. in Crores	No. of Shares	Rs. 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

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

9. Equity share capital (Contd.)

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, 2021 : 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 December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Dividend on Equity Shares paid during the year		
Final Dividend Rs. 3.00 per share for the year December 31, 2021 (December 31, 2020 : Rs. 3.00 per share)	296.73	296.73
Interim Dividend Rs. 3.00 per share for the year December 31, 2022 (December 31, 2021 : Rs. 2.50 per share)	296.73	247.28

The Board of Directors of the Company has at its meeting held on February 13, 2023 recommended a final dividend of Rs. 3.50 per share for year ended December 31, 2022 (December 31, 2021 : Rs. 3.00 per share) which is subject to the approval of the Members at the ensuing Annual General Meeting.

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 December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Castrol Limited, U.K. 504,452,416 equity shares of Rs. 5/- each fully paid [December 31, 2021 : 504,452,416 equity shares of Rs. 5/- each fully paid (Holding Company)]	252.22	252.22

d. Aggregate number of bonus shares issued, for consideration other than cash during the period of five years immediately preceding the balance sheet date:

Equity shares allotted as fully paid bonus shares by capitalisation of general reserve and retained earnings	As at December 31, 2022 No. of Shares	As at December 31, 2021 No. of Shares
The Company had issued and allotted bonus equity shares of Rs.5/- each, on December 26, 2017	494,561,192	494,561,192
	494,561,192	494,561,192

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

9. Equity share capital (Contd.)

e. Details of shareholders holding more than 5% shares in the company are as below:

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%	0.00%
2. Life Insurance Corporation of India	111,689,381	11.29%	-0.04%

Particulars	As at December 31, 2021		
	No. of Shares	% holding in the class	% Change during the year
1. Castrol Limited, U.K.	504,452,416	51.00%	0.00%
2. Life Insurance Corporation of India	112,127,182	11.34%	7.22%

f. Share held by promoters/promoters group at the end of the year

Particulars	As at December 31, 2022	As at December 31, 2021	% Change during the year
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 December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Share based payment ##	61.53	41.75
Capital Reserve #	13.62	13.62
Retained Earnings @	1,316.32	1,095.58
	1,391.47	1,150.95

Share value plan of Ultimate Holding Company (refer note 2.5(2) (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)

	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Current		
Total outstanding dues of micro enterprises and small enterprises (Refer note 26)	23.50	23.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	655.36	596.72
	678.86	620.65

Trade payables are non-interest bearing and are normally settled between 7 to 90 days credit terms

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

11. Financial Liabilities (Contd.)

As at 31st December 2022

Outstanding for the following period from the due date of payment

Ageing	MSME	Others	Disputed dues MSME	Disputed dues 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	-	-
Sub Total	23.50	647.64	-	7.72
Total Trade Payables				678.86

As at 31st December 2021

Outstanding for the following period from the due date of payment

Ageing	MSME	Others	Disputed dues MSME	Disputed dues Others
Less than 1 Year	0.28	24.48	-	0.27
1-2 Years	0.04	0.28	-	0.50
2-3 Years	0.01	0.01	-	1.40
More than 3 Years	-	0.02	-	5.06
Not due	23.60	74.55	-	-
Unbilled	-	490.15	-	-
Sub Total	23.93	589.49	-	7.23
Total Trade Payables				620.65

11.2 Other financial liabilities

Financial liabilities at amortized cost

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Current		
Deposit from customers #	29.51	25.82
Employee benefits payable	33.38	37.27
Capex payables	40.47	44.77
Interest accrued and due on deposit from customers	0.66	0.57
Rebate payables	190.37	168.65
Corporate social responsibility	-	0.09
Unclaimed dividend account and capital reduction (Includes unclaimed amount of Rs.1.22 Crores (December 31, 2021 : Rs. 1.22 Crores) pertaining to capital reduction in earlier years)##	16.07	16.91
Derivative instruments at fair value through Profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts*	-	1.83
	310.46	295.91

* 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.

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. 0.14 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

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

12. Provisions

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Non Current		
Provision for employee benefit (Refer note 27)	18.73	18.50
	18.73	18.50
Current		
Provision for employee benefit (Refer note 27)	0.61	0.06
Provision for indirect taxes (Refer note (a) and (c) below)	31.77	31.38
Provision for litigations (Refer note (b) and (c) below)	1.61	1.61
	33.99	33.05

(a) Movement in Provision for Indirect Taxes:

Particulars	For the year ended December 31, 2022 Rs. in Crores		For the year ended December 31, 2021 Rs. in Crores	
	Excise, Customs and Service tax	Sales Tax, VAT and GST	Excise, Customs and Service tax	Sales Tax, VAT and GST
Balance as at January 1	2.70	28.68	6.54	26.97
Addition during the year	-	1.77	-	4.22
Reversed / Paid during the year	-	1.38	3.84	2.51
Balance as at Dec 31	2.70	29.07	2.70	28.68
Total		31.77		31.38

- (b) There has been no movement in provisions for litigations during the year.
- (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 December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Provision for tax (net of advance tax and tax deducted at source)	12.85	15.85
	12.85	15.85

14. Other liabilities

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Non Current		
Advance Rebate from Supplier	3.79	5.68
	3.79	5.68
Current		
Statutory dues	50.57	44.43
Advance from customers	5.09	8.06
Deferred revenue	18.69	9.66
	74.35	62.15

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

15. Revenue from operations#

Particulars	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Revenue from operations		
Sale of products ([net of rebates Rs. 479.71 Crores] December 31, 2021 : Rs. 435.62 Crores)	4,759.80	4,178.24
Other operating revenue		
Income from services	9.24	9.24
Scrap sale	5.45	4.58
Revenue from operations	4,774.49	4,192.06

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 December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Interest income on financial assets carried at amortized cost		
From bank deposits	44.89	36.04
Others	0.41	0.29
Excess accruals written back	1.17	1.50
Gain on overnight funds**	6.91	-
Allowance for doubtful debts written back (net)	-	1.31
Profit on fair valuation of forward contract	2.86	-
Net gain on termination of lease contracts	-	0.01
Miscellaneous income *	10.81	9.28
	67.05	48.43

* Includes service rendered to related parties of Rs. 10.69 Crores (December 31, 2021 : Rs. 9.22 Crores)

**These instruments are measured at fair value through profit and loss in accordance with Ind AS 109

17. Cost of raw and packing materials consumed

	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Raw materials and packing materials consumed		
Inventory at the beginning of the year	305.25	192.58
Add : Purchases during the year	2,293.31	1,991.75
	2,598.56	2,184.33
Less : Inventory at the end of the year	319.69	305.25
Total raw materials and packing materials consumed	2,278.87	1,879.08

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

17.2 Purchase of traded goods

Particulars	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Purchase of traded goods	249.40	191.85
	249.40	191.85

17.3 Changes in inventories of finished goods / traded goods

Particulars	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Inventories at the end of the year		
Traded goods	68.69	47.29
Finished goods	146.06	139.11
	214.75	186.40
Inventories at the beginning of the year		
Traded goods	47.29	38.09
Finished goods	139.11	136.20
	186.40	174.29
Net (Increase) / decrease in inventories of finished / traded goods	(28.35)	(12.11)

18. Employee benefits expense

Particulars	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Salaries and wages	225.95	189.55
Share based payments	21.12	19.39
Contribution to provident and other funds	16.77	16.35
Staff welfare expenses	8.74	6.70
	272.58	231.99

19. Finance costs

Particulars	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Interest on financial liabilities carried at amortized cost	1.25	1.11
Interest on income tax	0.31	-
Interest on lease liabilities	2.45	1.30
	4.01	2.41

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

20. Depreciation and amortization expense

Particulars	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Depreciation of property plant and equipment (refer note 3)	67.90	68.40
Depreciation of Right-of-use asset	11.78	12.52
Amortization of intangible assets (refer note 3)	1.71	1.78
	81.39	82.70

21. Other expenses

Particulars	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Rent	1.65	3.38
Rates and taxes	1.63	2.66
Power and fuel	6.21	5.70
Stores and consumables	2.49	2.22
Freight and forwarding charges	141.44	133.26
Insurance	7.76	6.73
Repairs and maintenance		
Land and buildings	5.69	3.60
Plant and equipment	8.54	8.40
Others	21.13	20.51
Allowance for doubtful debts (net)	0.29	-
Processing and filling charges	17.05	16.95
Advertising	130.21	141.75
Stock point operating charges	39.65	40.19
Loss on disposal/write off of Property, plant and equipment and Intangible assets (net)	0.32	0.94
Impairment on property, plant and equipment and intangible assets	6.07	-
Director sitting fees	0.31	0.34
Commission to resident non-whole time Indian directors	0.68	0.68
Royalty	112.44	104.61
Sales promotion fees	201.32	187.98
Travelling expenses	13.53	6.11
Legal, professional fees and contract charges	132.59	107.05
Payment to auditors [Refer note (i) below]	1.72	1.62
Exchange loss (net)	2.34	4.74
Loss on fair valuation of forward contract	-	2.16
Corporate social responsibility [Refer note (ii) below]	20.85	21.23
Miscellaneous expenses	14.98	12.48
	890.89	835.29

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

21. Other expenses (Contd.)

Particulars	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Note		
(i) Payment to auditor (excluding taxes)		
As auditor:		
Audit fee	1.15	1.05
Tax accounts and tax audit fees	0.29	0.28
Limited review	0.20	0.19
Certification fees	0.03	0.03
Reimbursement of expenses	0.05	0.07
	1.72	1.62
(ii) Corporate social responsibility activities		
a. Gross amount required to be spent by the Company during the year.	20.74	21.12
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.	20.85	20.69
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	-	0.45
d. Amount outstanding (payable to implementation /CSR monitoring agency) as at year end for ongoing projects	-	0.09
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. 0.11 Crores in next 3 years

22. Earnings per share (EPS)

Particulars	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Profit for the year	815.15	758.09
	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.)	8.24	7.66
Nominal value per share (Rs.)	5.00	5.00

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

23. Leases

Right-of-use assets

Rs. in Crores

Particulars	Land	Buildings	Vehicles	Total
Balance at January 1, 2022	18.07	5.69	0.50	24.26
Additions	-	43.22	10.44	53.66
Less: Deletions	-	-	0.01	0.01
Less: Depreciation	0.91	8.80	2.07	11.78
Balance at December 31, 2022	17.16	40.11	8.86	66.13

Particulars	Land	Buildings	Vehicles	Total
Balance at January 1, 2021	19.09	14.52	1.27	34.88
Additions	-	-	2.06	2.06
Less: Deletions	-	-	0.16	0.16
Less: Depreciation	1.02	8.83	2.67	12.52
Balance at December 31, 2021	18.07	5.69	0.50	24.26

Lease Liabilities

Particulars	Land	Buildings	Vehicles	Total
Balance at January 1, 2022	0.01	6.17	0.54	6.72
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
Balance at December 31, 2022	0.03	40.81	9.11	49.95

Particulars	Land	Buildings	Vehicles	Total
Balance at January 1, 2021	0.77	15.35	1.32	17.44
Additions	-	-	2.06	2.06
Add: Finance costs	0.05	0.92	0.33	1.30
Less: Deletions	-	-	0.16	0.16
Less: Payments	0.81	10.10	3.01	13.92
Balance at December 31, 2021	0.01	6.17	0.54	6.72

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis as at December 31, 2022:

Particulars	Rs. in Crores
Less than one year	12.81
Between one and five years	50.65

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

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 December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Revenue		
India	4,748.23	4,164.37
Outside India	26.26	27.69
Total	4,774.49	4,192.06
Capital expenditure (including capital work-in-progress)		
India	104.48	80.21
Outside India	-	-
Total	104.48	80.21
	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Non-current assets		
India	378.22	322.08
Outside India	-	0.04
Total	378.22	322.12

There are no transactions with single customer which amounts to 10% or more of the Company's revenue for year ended December 31, 2022 and December 31, 2021.

25. (i) Contingent liabilities & commitments

Particulars	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
(a) Contingent liabilities [Refer note (i) below]		
Claims against the Company not acknowledged as debts:		
- Income tax matters in dispute under appeal	10.57	10.57
- Sales tax matter under appeals	29.32	29.93
- In respect of compensation claimed by third parties / workers / employees	1.09	3.65
(A)	40.98	44.15
(b) Commitments		
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	68.68	60.66
(B)	68.68	60.66
Total (A + B)	109.66	104.81

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

- 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 31st December 2022 and the possibility of outflow of resources embodying economic benefits is considered to be remote.

Financial Year	Amount of demand (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	The Company has received favourable order from MSTT. The Company has filed an appeal at MSTT. Hearing date is awaited. The company had received favourable order from MSTT against which department had filed the appeal in CSTAA. Hearing date is awaited.
2014-15	528.34	
2015-16	510.69	
2016-17	565.00	
2017-18	163.47	
(Apr-17 to Jun-17)		
Total	4,131.25	

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 December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. 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	1.18	0.44
- Interest due on above	0.20	0.00
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	0.20	0.00
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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

27 Employee Benefits

I) Defined Contribution Plan

Contribution to Provident and Other Funds' in Note 18 includes Rs. 0.90 Crores (December 31, 2021: Rs. 0.98 Crores) for ESIC and Labour Welfare Fund. Note 21 includes Insurance Rs. 3.68 Crores (December 31, 2021: Rs. 4.24 Crores) for Medical Insurance benefits and post retiral medical benefit scheme. Salaries, wages and bonus in Note 18 includes Rs. 1.33 Crores for share match (December 31, 2021: Rs. 1.39 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.

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, 2022. 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 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 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

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, 2022 and December 31, 2021:

Particulars	As at December 31, 2022				As at December 31, 2021			
	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)
Change in the present value of the defined benefit obligation and fair value of plan assets:								
Obligation at period beginning	51.91	1.55	1.41	221.50	57.21	1.59	1.48	215.24
Current service cost	3.73	(0.20)	-	8.86	3.92	0.08	(0.12)	8.41
Past service cost	-	-	-	-	-	-	-	-
Interest cost	2.95	-	(0.02)	18.89	2.75	-	0.37	17.91
Actuarial (gain) / loss due to change in assumptions	1.84	-	-	-	(2.22)	-	-	-
Experience (gain) / loss on plan liability	(2.21)	-	-	(12.22)	1.60	-	-	(2.66)
Benefits paid and transfer out	(5.92)	-	(0.22)	(24.37)	(7.20)	(0.12)	(0.32)	(34.05)
Contributions by employee	-	-	-	12.53	-	-	-	12.27
Transfer in / (out)	0.26	-	-	4.46	(4.15)	-	-	4.38
Obligation at period end	52.56	1.35	1.17	229.65	51.91	1.55	1.41	221.50
Change in plan assets								
Plan assets at period beginning, at fair value	36.36	-	-	221.50	41.03	-	-	217.07
Expected return on plan assets	2.25	-	-	19.02	2.16	-	-	18.07
Experience (gain) / loss on plan assets	(0.04)	-	-	(13.79)	0.32	-	-	(4.64)
Asset gain / (loss)	0.26	-	-	-	(4.15)	-	-	-
Contributions by employer	4.29	-	-	8.86	4.20	-	-	8.41
Contributions by employee	-	-	-	12.53	-	-	-	12.27
Benefits paid	(5.92)	-	-	(24.37)	(7.20)	-	-	(34.05)
Transfer in / (out)	-	-	-	6.00	-	-	-	4.37
Plan assets at period end, at fair value	37.20	-	-	229.75	36.36	-	-	221.50
Change in the present value of the defined benefit obligation and fair value of plan assets:								
Fair value of plan assets at the end of the period	37.20	-	-	229.75	36.36	-	-	221.50
Present value of the defined benefit obligation at the end of the period	(52.56)	(1.35)	(1.17)	(229.65)	(51.91)	(1.55)	(1.41)	(221.50)
Asset / (liability) recognized in the Balance Sheet	(15.36)	(1.35)	(1.17)	0.10	(15.55)	(1.55)	(1.41)	(0.00)

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

27 Employee Benefits (Contd.)

- b) Amount for the year ended December 31, 2022 and December 31, 2021 recognized in the statement of Profit and Loss/capitalised (including amount recovered from group) under employee benefit expenses.

Particulars	For the year ended December 31, 2022				For the year ended December 31, 2021			
	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)
Current service cost	3.73	(0.20)	-	8.86	3.92	0.08	(0.12)	8.41
Past service cost	-	-	-	-	-	-	-	-
Net interest cost	2.95	-	(0.02)	18.89	2.75	-	-	17.91
Interest income	(2.25)	-	-	(19.02)	(2.16)	-	0.37	(18.07)
(Gains) / losses - other long term benefits	-	-	-	-	-	-	-	-
Total cost recognised in Profit and Loss	4.43	(0.20)	(0.02)	8.73	4.51	0.08	0.25	8.25

- c) Amount for the year ended December 31, 2022 and December 31, 2021 recognized in the statement of other comprehensive income:

Particulars	As at December 31, 2022				As at December 31, 2021			
	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)
Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	1.37	-	-	-	0.55	-	-	-
Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	(3.94)	-	-	(1.31)	(2.78)	-	-	-
Actuarial (Gain) / Loss due to Experience on DBO	2.21	-	-	(10.90)	1.62	-	-	(2.67)
Return on Plan Assets (Greater) / Less than Discount rate	0.04	-	-	13.79	(0.33)	-	-	4.66
Total Actuarial (Gain)/Loss included in OCI	(0.32)	-	-	1.58	(0.94)	-	-	1.99

- d) Major Categories of Plan assets are as follows

Provident fund

Particulars	Rs. in Crores	
	As at December 31, 2022	As at December 31, 2021
The composition of plan assets		
Special Deposit	17.32	17.32
Investment in Government and Debt Securities	193.75	184.95
Investment in Mutual Funds	9.74	7.21
Bank Balance	2.12	4.69
Other receivables	6.82	7.33
Total	229.75	221.50

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

27 Employee Benefits (Contd.)

Gratuity		Rs. in Crores	
Particulars	As at December 31, 2022	As at December 31, 2021	
The composition of plan assets			
Special Deposits	0.76	0.76	
Deposit with insurance schemes	35.33	33.76	
Bank Balance	0.36	0.93	
Others - Receivables / (Payables)	0.76	0.91	
Total	37.21	36.36	

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 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, 2022 and December 31, 2021 are set out below:

Particulars	As at December 31, 2022			As at December 31, 2021		
	Gratuity	Compensated absences	Provident Fund	Gratuity	Compensated absences	Provident Fund
	(Funded)	(Non-funded)	(Funded)	(Funded)	(Non-funded)	(Funded)
Discount rate	7.38%	7.38%	7.38%	6.20%	6.20%	6.20%
Rate of increase in compensation level	Executives - 10.00%	Executives - 10.00%	Executives - 10.00%	Executives - 10.00%	Executives - 10.00%	Executives - 10.00%
	Workers - 4%	Workers - 4%	Workers - 4%	Workers - 4%	Workers - 4%	Workers - 4%
Interest Rate Guarantee	-	-	8.10%	-	-	8.50%

f) Sensitivity Analysis

Particulars	As at December 31, 2022			As at December 31, 2021		
	Gratuity	Compensated absences	Provident Fund	Gratuity	Compensated absences	Provident Fund
	(Funded)	(Non-funded)	(Funded)	(Funded)	(Non-funded)	(Funded)
Discount per annum						
a) Increase by 100 basis points	49.60	1.14	228.29	49.20	1.34	215.25
b) Decrease by 100 basis points	55.88	1.48	234.51	54.10	1.48	230.98
Rate of increase in compensation						
a) Increase by 100 basis points	50.17	1.26		54.27	1.48	
b) Decrease by 100 basis points	55.07	1.14		49.67	1.34	
Interest Rate Guarantee						
a) Increase by 100 basis points	-	-	234.33	-	-	230.45
b) Decrease by 100 basis points	-	-	228.29	-	-	215.25

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

27 Employee Benefits (Contd.)

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. 5.03 Crores (December 31, 2021: Rs 4.52 Crores)

Provident fund: Rs. 9.70 Crores (December 31, 2021: Rs. 4.43 Crores)

g) Maturity profile of defined benefit obligation is as follows

Particulars	As at December 31, 2022		As at December 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
Year 1	6.36	31.96	8.61	29.67
Year 2	5.68	37.39	5.70	34.72
Year 3	7.48	37.19	5.78	34.53
Year 4	4.65	35.83	6.87	33.27
Year 5	6.47	23.96	4.40	22.24
Year 6 - 10	21.92	63.32	20.55	67.07

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 Australia Pty Limited |
| BP - Castrol (Thailand) Limited | BP Lubricants USA Inc |
| BP (China) Industrial Lubricants Limited | BP Marine Limited |
| BP Castrol KK | BP Shipping Limited - OBC UK |
| BP Corporation North America | BP Singapore Commercial |
| Castrol Germany GmbH | BP Singapore Pte Limited |
| (formerly as BP Europa SE) | |
| Castrol Belgium BV | Castrol (Shenzhen) Company Limited |
| BP Exploration (Alpha) Limited | Lubricants UK Limited |
| BP France Lubes | BP Products North America Inc |
| BP International Limited | Castrol (Shanghai) Management Co. |
| BP Italia SPA | Bp India Private Ltd |
| BP Japan K.K | BP Business solutions India Pvt Ltd |
| BP Korea Limited | Castrol BP Petco limited |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

28. Related party disclosures as required under Ind AS - 24, "Related Party Disclosures" are given below: (Contd.)

B. Name of the related party and nature of relationship where transaction have taken place (Contd.)

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 - Supply Chain (w.e.f 09.08.2021)
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.

B. Transactions with related parties

Particulars	Nature of Relationship	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Purchase of materials / traded goods **			
Castrol Germany GmbH (formerly as BP Europa SE)	Fellow subsidiary	29.23	28.73
Castrol Belgium BV	Fellow subsidiary	18.37	18.25
BP France	Fellow subsidiary	8.21	8.42
BP Products North America Inc	Fellow subsidiary	-	17.19
BP Lubricants USA Inc	Fellow subsidiary	11.69	6.20
Bp China Industrial Lubricants Ltd.	Fellow subsidiary	5.82	-
Others	Fellow subsidiaries	2.42	5.14
Total		75.74	83.93
* During the year December 31, 2021, the Company has procured 2.52 million units of Biomas Graphene Face masks free of cost from BP Europe SE, and 1.26 million masks from the said procurement have been distributed free of cost to BP India Private Limited by the Company, based on approval of the board of directors of the Company in its meeting held on June 18, 2021.			
# 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, 2021 & October 31, 2022 respectively.			
Sale of goods (net of returns) / Other operating income			
Reliance BP Mobility Limited	Joint venture of BP Global Investment Limited, a subsidiary of Ultimate Holding Company	10.28	19.54
Castrol (Shanghai) Management Co.	Fellow subsidiary	1.13	1.17
BP - Castrol (Thailand) Limited	Fellow subsidiary	1.04	0.44
Castrol BP Petco limited	Fellow subsidiary	9.14	20.50
Others	Fellow subsidiaries	0.88	0.13
Total		22.47	41.78

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

28. Related party disclosures as required under Ind AS - 24, "Related Party Disclosures" are given below: (Contd.)

B. Transactions with related parties (Contd.)

Particulars	Nature of Relationship	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Receiving of services			
BP International Limited	Fellow subsidiary	9.70	6.73
Castrol Germany GmbH (formerly as BP Europa SE)	Fellow subsidiary	0.79	1.83
Lubricants UK Limited	Fellow subsidiary	2.35	0.18
BP Business Solutions India Private Limited	Fellow subsidiary	15.18	5.50
Others	Fellow subsidiaries	0.68	0.31
Total		28.70	14.55
Rendering of services (Including reimbursement of expenses)			
Castrol Limited, U.K	Holding company	3.33	2.51
BP International Limited	Fellow subsidiary	0.69	3.75
BP India Private Limited	Fellow subsidiary	6.55	4.53
Lubricants UK Limited	Fellow subsidiary	1.00	-
BP Singapore Pte Limited	Fellow subsidiary	-	0.76
Others	Fellow subsidiaries	1.23	1.29
Total		12.80	12.84
Contribution to funds			
Castrol India Ltd. Employees' Provident Fund	Post employment benefit funds	8.86	8.41
Castrol India Ltd. Staff Pension Fund	Post employment benefit funds	2.84	2.90
Castrol India Ltd. Employees' Gratuity Fund	Post employment benefit funds	4.29	4.21
Total		15.99	15.52
Disbursement from funds			
Castrol India Ltd. Employees' Provident Fund	Post employment benefit funds	25.20	34.04
Castrol India Ltd. Staff Pension Fund	Post employment benefit funds	4.37	16.15
Castrol India Ltd. Employees' Gratuity Fund	Post employment benefit funds	6.19	7.21
Total		35.76	57.40
Commission income			
BP Marine Limited	Fellow subsidiary	4.16	3.80
Total		4.16	3.80
Overriding Commission			
Reliance BP Mobility Limited	Joint venture of BP Global Investment Limited, a subsidiary of Ultimate Holding Company	1.94	4.18
Total		1.94	4.18
Dividend (On payment Basis)			
Castrol Limited, U.K.	Holding company	302.67	277.45
Total		302.67	277.45
Royalty expense			
Castrol Limited, U.K.	Holding company	112.44	104.61
Total		112.44	104.61
Share value and share match payments *			
BP PLC	Ultimate Holding Company	21.12	19.39
Total		21.12	19.39

* Share value expenses to be borne by BP PLC

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

28. Related party disclosures as required under Ind AS - 24, "Related Party Disclosures" are given below: (Contd.)

B. Transactions with related parties (Contd.)

Particulars	Nature of Relationship	For the year ended December 31, 2022 Rs. in Crores	For the year ended December 31, 2021 Rs. in Crores
Remuneration to executive directors * ##			
Sandeep Sangwan	Key management personnel	4.72	2.82
Mayank Pandey	Key management personnel	2.44	0.50
Deepesh Baxi	Key management personnel	2.68	1.73
Saugata Basuray	Key management personnel	1.57	-
Total		11.41	5.05
Loan given to Saugata Basuray	Key management personnel	0.02	-
Bifurcation of long term and short term benefits			
Short-term employee benefits		10.26	4.40
Post-employment benefits		0.45	0.23
Share-based payment transactions		0.70	0.42
Total compensation paid to executive directors		11.41	5.05
Commission and Director sitting fees to non-executive Independent directors #			
R Gopalakrishnan	Key management personnel	0.27	0.28
Uday Khanna	Key management personnel	0.23	0.24
Rakesh Makhija	Key management personnel	0.25	0.26
Sangeeta Talwar	Key management personnel	0.24	0.25
Total		0.99	1.03

* The remuneration to executive directors includes share value plan and contribution of company towards share match on taxable basis.

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.

Balance as at year ended	Nature of Relationship	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Amounts payable			
Castrol Limited, U.K.	Holding company	100.17	93.17
Castrol Germany GmbH (formerly as BP Europa SE)	Fellow subsidiary	14.39	15.03
BP Business solutions India Private Limited	Fellow subsidiary	15.18	5.50
Castrol India Ltd. Employees' Provident Fund	Post employment benefit funds	1.79	1.71
Castrol India Ltd. Staff Pension Fund	Post employment benefit funds	0.24	0.24
Castrol India Ltd. Employees' Gratuity Fund	Post employment benefit funds	0.36	0.34
Deepesh Baxi	Key management personnel	0.50	0.39
Mayank Pandey	Key management personnel	0.49	0.24
Sandeep Sangwan	Key management personnel	1.41	1.11
Saugata Basuray	Key management personnel	0.49	-
R Gopalakrishnan #	Key management personnel	0.20	0.20
Uday Khanna #	Key management personnel	0.16	0.16
Rakesh Makhija #	Key management personnel	0.16	0.16
Sangeeta Talwar #	Key management personnel	0.16	0.16
Others	Fellow subsidiaries	16.07	16.33
Total		151.78	134.74

Commission and sitting fees to non-executive Independent directors

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

28. Related party disclosures as required under Ind AS - 24, "Related Party Disclosures" are given below: (Contd.)

B. Transactions with related parties (Contd.)

Balance as at year ended	Nature of Relationship	As at December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Amounts receivable			
Castrol Limited, U.K.	Holding company	3.27	2.23
Castrol BP Petco Limited	Fellow subsidiary	1.22	20.31
Castrol India Ltd. Employees' Gratuity Fund	Post employment benefit funds		
BP India Private Limited	Fellow subsidiary	0.91	1.03
Reliance BP Mobility Limited	Joint venture of BP Global Investment Limited, a subsidiary of Ultimate Holding Company	1.02	-
BP Marine Limited	Fellow subsidiary	1.08	1.82
Lubricants UK Limited	Fellow subsidiary	0.21	-
Others	Fellow subsidiaries	1.28	3.79
Loan receivable from Saugata Basuray	Key Management Personnel	0.02	-
Total		9.01	29.18
Share based payments - Other equity *			
BP PLC	Ultimate Holding Company	61.53	41.75
Total		61.53	41.75

* Payments are not made being deemed contribution.

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, 2022 and December 31, 2021, the Company had a working capital of Rs. 1114.70 Crores and Rs. 1209.60 Crores respectively including cash and cash equivalents of Rs.554.50 Crores and Rs. 184.23 Crores respectively.

The table below provides details regarding the contractual maturities of significant financial liabilities as on reporting date.

Particulars	On demand	Less than 1 year	1 to 5 years	Total
As at December 31, 2022				
Other financial liabilities	(16.07)	(302.99)	(41.35)	(360.41)
Trade and other payables	-	(678.86)	-	(678.86)
As at December 31, 2021				
Other financial liabilities	(16.91)	(285.72)	-	(302.63)
Trade and other payables	-	(620.65)	-	(620.65)

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

29. Financial Risk Management (Contd.)

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 31 December 2022 and 31 December 2021. The analysis 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 31 December 2022 and 31 December 2021.

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 31 December 2022 and 31 December 2021 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

	As at December 31, 2022	As at December 31, 2021
No of buy contracts relating to firm commitments for imports	3	2
Foreign currency - USD	18,253,635	20,823,416
Rs. Crores	150.48	157.26

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, 2022		As at December 31, 2021	
	Foreign currency	Rs. in Crores	Foreign currency	Rs. in Crores
Trade payables				
USD	30,752,476	254.59	32,635,147	242.50
EURO	1,661,886	14.44	3,270,786	27.53
GBP	-	-	54,392	0.55
JPY	-	-	26,348	0.00
AUD	4,892	0.03	4,892	0.03
Trade receivables				
USD	1,694,968	14.04	4,284,537	31.88
Loans and advances given				
USD	1,888,244	15.63	5,868,939	43.61
EURO	204,438	1.80	212,494	1.79
GBP	220,959	2.21	3,856	0.04

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

29. Financial Risk Management (Contd.)

Sensitivity Analysis

The Company is mainly exposed to changes in USD and Euro. The sensitivity analysis demonstrates 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 (Rs. in Crores)

Particulars	As at December 31, 2022	As at December 31, 2021
USD	11.25	8.35
Euro	0.63	1.29
Total	11.88	9.64

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 : 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

30. (A) Fair Value Measurement

The Carrying value and fair value of financial instruments by categories as of December 31, 2022 and December 31, 2021 were as follows

Particulars	As at December 31, 2022		As at December 31, 2021	
	Carrying value	Fair Value	Carrying value	Fair Value
Assets				
Loans	0.73	0.73	0.91	0.91
Other financial assets	6.52	6.52	5.71	5.71
Foreign exchange forward contracts	0.91	0.91	-	-
Non Current Investment at fair value through OCI (Level 3)	325.00	325.00	-	-
Total of Assets	333.16	333.16	6.62	6.62
Liabilities				
Other financial liabilities	41.35	41.35	-	-
Foreign exchange forward contracts	-	-	1.83	1.83
Total of Liabilities	41.35	41.35	1.83	1.83

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.

(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 categorized 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 revenue multiples (Level 3).

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 31st December, 2022 : 67,279 shares (31st December, 2021 : 82,322 shares) were purchased by employees at weighted average fair value of GBP 4.26 per share (31st December, 2021 : GBP 3.13 per share). The Company contribution during the year on such purchase of shares amounting to Rs. 1.34 Crores (31st December, 2021 : Rs 1.38 Crores) has been charged under employee benefit expense under Note 27.

b) Share Value Plan

The expense recognised for employee services received during the year is shown in the following table:

Particulars	December 31, 2022 Rs. in Crores	December 31, 2021 Rs. in Crores
Total expense recognised for equity settled share-based payment transaction	19.78	18.00

All share-based payments transactions relate to employee compensation.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

31. Equity Settled Share-based payments (Contd.)

Fair values and associated details for restricted share units granted are as follows :

Particulars	December 31, 2022	December 31, 2021
Share Value Plan		
Number of units granted	196,105	212,765
Weighted average fair value	\$4.64	\$4.63
Restricted Share unit		
Number of units granted	22,000	1,260,000
Weighted average fair value	\$4.52	\$4.63
Options		
Number of units granted	0	1,350,000
Weighted average fair value	\$0.00	\$0.82

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, 2022	December 31, 2021
Within one year	210,446	78,739
1 to 2 years	193,070	158,760
2 to 3 years	2,467,058	217,130
3 to 4 years	-	2,610,000
Total	2,870,574	3,064,629

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 December 31, 2022 Rs. in Crores	As at December 31, 2021 Rs. in Crores
Trade payables	678.86	620.65
Other payables	504.12	437.86
Less: cash and cash equivalents	554.50	184.23
Net debt	628.48	874.28
Total equity	1,886.03	1,645.51
Capital and net debt	2,514.51	2,519.79
Gearing ratio	25%	35%

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

33. Financial Ratios

Particulars	Numerator/ Denominator	For the year ended December 31, 2022	For the year ended December 31, 2021	Variance (%)
Current Ratio (in times) :	Current Assets / Current Liabilities	2.00	2.17	-8%
Return on Equity Ratio(%) :	Net profit after tax / Average Networth	46%	50%	-7%
Inventory Turnover (no. of days) :	Average Inventory/ Cost of goods sold*365	74.91	76.10	-2%
Debtors Turnover (no. of days) :	Average Trade Receivables / Revenue from operations * 365	25.30	21.43	18%
Payables Turnover (no. of days) :	Average Trade payables / Cost of goods sold * 365	94.87	103.37	-8%
Net Capital Turnover (in times) :	Revenue from operations / Working Capital	4.28	3.47	24%
Net Profit Margin (%) :	Net profit for the year / Total Income	16.82%	17.86%	-6%
Return on Capital Employed (%) :	Earning before Interest and Tax / Capital Employed	57.94%	62.55%	-7%
Debt Service Coverage Ratio:*	Earnings available to service debt / Debt Service	70.35	60.56	16%

*Finance cost on Lease Liabilities is considered as Debt service cost for calculation of this ratio
Debt Equity & Return on Investment are not applicable

- 34.** The Parliament of India has approved the Code on Social Security, 2020 (the Code) which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Code has been published in the Gazette of India however, the effective date has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective, if any.
- 35.** 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 and currently a backup is maintained on a cloud-based server. The Company is in the process of complying with the requirement of maintaining server(s) 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.

36. 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, 2022 Rs. in Crores	Balance Outstanding as at December 31, 2021 Rs. in Crores	Relationship with the Struck off company, if any
Josh Mining & Infracon Pvt Ltd	Receivables	0.05	0.05	Customer
Criss Cross Logistics Pvt Ltd	Payables	0.15	0.11	Vendors

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

36. Other Statutory Information (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 Rs.	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	
Popular Stock And Share Services Private Limited		2,800	14,000	
Badri Sarraf Finance And Mutual Benefit Company Limited		3,520	17,600	

Name of the struck off Company	Nature of transactions with struck off company	Number of shares held as at December 31, 2021	Balance Outstanding as at December 31, 2021 in Rs.	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	
Popular Stock And Share Services Private Limited		2,800	14,000	
Badri Sarraf Finance And Mutual Benefit Company Limited		3,520	17,600	

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

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 Rs. in Crores	Title Deeds 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 company
As at 31-Dec-22						
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
As at 31-Dec-21						
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

- 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 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 :
- 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 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 :
- 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2022

- 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.

The accompanying notes 1 - 36 are an integral part of the financial statements.

For and on behalf of Board of Directors Executive Directors

R Gopalakrishnan Chairman
DIN: 00027858

Sandeep Sangwan Managing Director
DIN: 08617717

Hemangi Ghag Company Secretary
FCS No: 9329

Deepesh Baxi Chief Financial Officer & Whole time Director
DIN: 02509800

Place: Mumbai

Date: 13 February 2023

NOTICE

CASTROL INDIA LIMITED

CIN: L23200MH1979PLC021359

Registered Office: Technopolis Knowledge Park, Mahakali Caves Road,
Andheri (East), Mumbai – 400 093

Website: www.castrol.co.in

Email ID: investorrelations.india@castrol.com

Tel: +91 22 66984100 **Fax:** +91 22 66984101

NOTICE is hereby given that the Forty Fifth (45th) Annual General Meeting of the Members of Castrol India Limited will be held on **Thursday, 11 May 2023 at 10:00 A.M.** Indian Standard Time (“IST”) through Video Conferencing facility/ Other Audio-Visual Means (“VC/OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31 December 2022 and the reports of the Board of Directors and the Statutory Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended 31 December 2022.
3. To appoint a Director in place of Mr. Sandeep Sangwan (DIN 08617717), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mayank Pandey (DIN 09274832), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. To ratify the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants, for the financial year ending 31 December 2023 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 Rs. 4,10,000/- (Rupees Four Lacs Ten Thousand Only) plus applicable tax and reimbursement of related business expenses, at actuals, to M/s. Kishore Bhatia & Associates, Cost Accountants (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 2023.”

6. To approve the remuneration payable to Non-Executive Independent Directors of the Company and in this regard to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in supersession of the resolution passed by the Members at the 42nd Annual General Meeting held on 15 July 2020 and pursuant to the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Non-Executive Independent Directors, be paid such sum of remuneration, in addition to the sitting fees for attending the meetings of the Board of Directors and/or Committees thereof, as the Board of Directors may determine from time to time, not exceeding 1% of the net profits of the Company for any financial year, computed in the manner laid down in Section 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

On behalf of the Board of Directors

Hemangi Ghag

Company Secretary & Compliance Officer
Membership no.: FCS 9329

Place: Mumbai

Date: 13 February 2023

Registered Office:

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

NOTES:

1. The Ministry of Corporate Affairs, Government of India ("MCA") has vide its circular dated 28 December 2022, read with circulars dated 13 January 2021, 5 May 2020, 13 April 2020 and 8 April 2020 (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 2023, without the physical presence of the Members 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 45th AGM of the Company is being held through VC/OAVM.
2. The Company has availed the services of Central Depository Services (India) Limited ("CDSL") for conducting the AGM through VC/OAVM and enabling participation of Members at the meeting thereto and for providing services of remote e-voting and e-voting during the AGM.
3. An Explanatory Statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM, is annexed hereto.
4. 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, are provided at the end, and form an integral part of this Notice.
5. Pursuant to the provisions of the Act, a Member 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 Member of the Company. Since this AGM is being held pursuant to the MCA Circulars on AGM through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the proxy form, attendance slip and route map are not annexed to this Notice.
6. The meeting shall be deemed to be held at the Registered office of the Company at Technopolis Knowledge Park, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.
7. 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.
8. 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 SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5 January 2023, companies can send Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository Participant(s). Physical copy of the Annual Report shall be sent to those Members who request for the same.
9. The Notice and Annual Report will also be available on the Company's website 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 and www.nseindia.com respectively, and on the website of CDSL i.e. www.evotingindia.com.
10. The recorded transcript of the AGM will be hosted on the website of the Company.
11. Members, 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:
 - Members 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.
 - Members holding shares in demat mode may update the email address through their respective Depository Participant(s).

In accordance with the MCA Circulars, the Company has additionally enabled temporary registration of email id for the limited purpose of receiving the Annual Report and notice of AGM. The Members may temporarily update their email address by accessing the link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>.

Please note that registration of email address and mobile number is now mandatory while voting electronically and joining virtual meetings.

12. In terms of the SEBI Listing Regulations, securities of listed companies can now only be transferred in dematerialized form, so the Members are advised to dematerialize shares held by them in physical form.
13. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members 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.
14. The Securities and Exchange Board of India ("SEBI") has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1 January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1 October 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and 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.
15. Final dividend on equity shares, if declared at the meeting, will be credited / dispatched on or before 9 June 2023 to those Members whose names shall appear on the Company's register of Members as on record date i.e. Thursday, 4 May 2023.
16. Members 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. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its registrar and share transfer agent, KFin Technologies Limited.
17. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, as soon as possible.
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. Members 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 and of the Company 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 2022.
20. The Members, 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.

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 **cut-off date, i.e. Thursday, 4 May 2023** only shall be entitled to avail the facility of remote e-voting.
22. The remote e-voting period commences on **Sunday, 7 May 2023 at 9.00 am IST** and ends on **Wednesday, 10 May 2023 at 5.00 pm IST**. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

23. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
24. 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 Members 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 member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
25. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December 2020, under Regulation 44 of the SEBI Listing Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

Currently, there are multiple e-voting service providers ("ESPs") providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

26. 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	<ol style="list-style-type: none"> 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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasinew/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 & voting during the meeting. Additionally, there are also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration. 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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 e-voting Service Providers.
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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: https://eservices.nsdl.com 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 & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com . Select "Register Online for IDeAS" portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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: Members 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	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 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**.
- 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 ClientID
 - 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** 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 Dematerialised Form or Physical Form
PAN	Enter your 10 digital alpha-numeric PAN issued by the Income Tax Department 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.

27. 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** or **einward.ris@kfintech.com** respectively.
- ii. For shareholders holding shares in dematerialised form - please update your e-mail id and mobile no. with your respective Depository Participant (DP).
- iii. For individual shareholders holding shares in dematerialised 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:

- 28. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned in point no. 26 for e-voting.
- 29. A person who is not a member as on the cut-off date should treat this Notice of the AGM for information purpose only.
- 30. As per the provisions of the circulars, Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 31. The Members 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.
- 32. The facility of participation at the AGM through VC/OAVM will be made available on first come first serve basis. This 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.
- 33. 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.
- 34. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- 35. 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.
- 36. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to minimize / mitigate any kind of aforesaid glitches.

37. Members are requested to send their questions in advance prior to Monday, 1 May 2023 mentioning their name, demat account number/folio number, email ID, mobile number at **investorrelations.india@castrol.com**. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
38. Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance prior to Monday, 1 May 2023 mentioning their name, demat account number/folio number, email ID, mobile number at **investorrelations.india@castrol.com**.
39. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the Meeting.
40. 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.
41. Members 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** or call on toll free no. 1800 22 55 33.
42. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk. **evoting@cdslindia.com** or call 1800 22 55 33.

Instructions for Shareholders for e-voting during the meeting

43. Procedure for e-voting on the day of the AGM is same as the remote e-voting as mentioned above.
44. 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.
45. 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.
46. 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.
47. 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

48. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.
49. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the "Corporates" module.
50. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
51. 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.

52. The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
53. 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.
54. 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 **castrolagm2022@sarafandassociates.com** and **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

55. 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.
56. 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 Chairman 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.
57. 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** and on the website of CDSL at **www.evoting.india.com** immediately after the declaration of results by the Chairman 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.
58. 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, 11 May 2023.

On behalf of the Board of Directors

Hemangi Ghag

Company Secretary & Compliance Officer
Membership No.: FCS 9329

Place: Mumbai

Date: 13 February 2023

Registered Office:

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

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 2023.**

The Board of Directors, based on the recommendation of the Audit Committee, approved at its meeting held on 13 February 2023, the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants, (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 Rs. 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 Members of the Company. Accordingly, consent of the Members 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 2023.

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 recommends passing of the resolution as set out under Item No. 5 as an ordinary resolution for approval by the Members.

Item No. 6 – To approve the remuneration payable to Non-Executive Independent Directors of the Company.

At the 42nd Annual General Meeting of the Company held on 15 July 2020, the Company had approved payment of remuneration to Non-Executive Directors upto a limit of 1% of the net profits of the Company calculated in accordance with the provisions of the Companies Act, 2013 subject to maximum Rs. 20,00,000 (Rupees Twenty Lacs Only) per Director in a year. The said approval is valid till 31 December 2024.

The remuneration payable to Non-Executive Independent Directors is based on certain parameters like the financial performance of the Company, industry benchmarks, role of the Director and such other relevant factors. The changing regulatory framework has enhanced onus on Directors to protect the interest of all stakeholders. Further, considering the contribution by Independent Directors in guiding the management on business strategy, risk management, controls and governance of the Company, it is proposed to consider revision in the threshold of remuneration payable to Non-Executive Directors.

It is therefore proposed that the total remuneration by way of commission payable to all Independent Directors continue to be limited to 1% of the net profits of the Company for any financial year, computed in the manner laid down in Section 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof. This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Other than the Independent Directors and their relatives, 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 recommends passing of the resolution as set out under Item No. 6 as an ordinary resolution for approval by the Members.

On behalf of the Board of Directors

Hemangi Ghag

Company Secretary & Compliance Officer
Membership No.: FCS 9329

Place: Mumbai

Date: 13 February 2023

Registered Office:

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

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 45TH 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	Mr. Sandeep Sangwan	Mr. Mayank Pandey
Brief Profile	<p>Sandeep Sangwan is the Managing Director of Castrol India Limited since January 2020. He joined bp Plc in 2012 as a Customer Lead in Castrol InnoVentures, and since then has held various national and international leadership roles for key markets in Europe, Asia, and Africa. Sandeep brings with him extensive experience in business transformation, sales, and marketing and is passionate about building brands, driving growth, and building high performance teams.</p> <p>Prior to joining bp, he worked with Gillette and P&G for over 20 years in India, the Middle East, China, and Europe, where he held several leadership roles in sales, marketing, and P&L delivery. He is an alumnus of the Indian Institute of Management (IIM), Lucknow and Regional Engineering College (NIT), Kurukshetra. Sandeep is a keen golfer and loves to travel.</p>	<p>Mr. Mayank Pandey has over 20 years of industry experience, of which he has spent the last 15 years at bp, having joined Castrol in September 2007. Mr. Pandey heads Supply Chain operations for India and is responsible for developing and implementing a robust Supply Chain strategy to enable business growth for Castrol India and operate a safe, reliable, and efficient supply chain.</p> <p>Prior to this role, he worked as the Supply Chain Planning Head for Castrol Europe. In his earlier roles, Mr. Pandey has led Supply Chain Strategy & Transformation for Castrol China, led Supply Chain Operations for Castrol North Asia (Japan / Korea) and supply chain logistics & planning team lead roles with Castrol India. He is passionate about building high performance teams and customer centricity.</p> <p>Mr. Pandey's professional experience spans lubricants, business consulting, paints, and the engineering industry. Prior to joining bp, Mr. Pandey has worked with Tata Strategic Management Group (TSMG), Asian Paints and Larsen & Toubro (L&T) in various roles spanning business strategy, procurement, logistics and manufacturing.</p>
Director Identification Number (DIN)	08617717	09274832
Date of appointment	1 January 2020	9 August 2021
Date of Birth	2 November 1966	21 January 1973
Expertise in specific functional areas	Business Leadership & Operations, Sales, Marketing, Lubricants	Lubricants, Business Consulting, Paints, Engineering Industry
Qualifications	MBA from IIM Lucknow Engineering degree from Regional Engineering College (NIT) Kurukshetra	MBA from SP Jain Institute of Management Mechanical Engineering from the Harcourt Butler Technological Institute
Directorship as on 31 December 2022	NIL	NIL
Listed entities from which Director has resigned in last 3 years	NIL	NIL
Committee Membership in Castrol India Limited as on 31 December 2022	1. Corporate Social Responsibility Committee 2. Stakeholders' Relationship Committee 3. Risk Management Committee	NIL
Committee Membership in other Companies as on 31 December 2022	N.A.	N.A.
Shareholding (including shareholding as a beneficial owner) in Castrol India Limited as on date	NIL	100 equity shares
Relationship with other Directors, KMPs	NIL	NIL
Number of meetings attended during the year	Kindly refer Corporate Governance Report	
Terms and conditions of appointment / re-appointment and remuneration	Managing Director liable to retire by rotation	Wholtime Director liable to retire by rotation

On behalf of the Board of Directors

Hemangi Ghag
Company Secretary & Compliance Officer
Membership No.: FCS 9329

Place: Mumbai
Date: 13 February 2023

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