



ANNUAL REPORT 2021-2022

TIDE WATER OIL CO. (INDIA) LTD.



COMPANY INFORMATION**Board of Directors**

Shri Sanjoy Bhattacharya, Chairman (DIN: 07674268)
 Shri P. S. Bhattacharyya, Independent Director (DIN: 00329479)
 Shri D. S. Chandavarkar, Non-Executive Director (DIN: 00176277)
 Shri Subir Das, Independent Director (DIN: 00199255)
 Shri R. N. Ghosal, Managing Director (DIN: 00308865)
 Shri P. Y. Gurav, Independent Director (DIN: 02004317)
 Shri Praveen P. Kadle, Independent Director (DIN: 00016814)
 Shri Vijay Mittal, Non-Executive Director (DIN: 09548096)
 Smt. B. S. Sihag, Independent Director (DIN: 00120900)
 Shri Vinod S. Vyas, Non-Executive Director (DIN: 00176206)

Executive Directors

Shri S.K. Vaidya
 Shri A. Basu

Group Chief Financial Officer

Shri S. Basu (ICAI Membership No. F055350)

Secretary

Shri S. Ganguli (ICSI Membership No. A20735)

Statutory Auditor

Price Waterhouse Chartered Accountants LLP,
 Chartered Accountants

Secretarial Auditor

Manoj Shaw & Co., Company Secretaries

Cost Auditors

DGM & Associates, Cost Accountants

Bankers

Citibank NA
 HSBC Bank
 HDFC Bank Ltd.
 IndusInd Bank Ltd.
 Union Bank of India

REGISTERED OFFICE

'Yule House'
 8, Dr. Rajendra Prasad Sarani,
 Kolkata – 700 001
 Tel: 033 7125 7700
 Fax: 033 2242 1087
 Website: www.veedolindia.com;
 Email: tidecal@tidewaterindia.co.in
 CIN: L23209WB1921PLC004357

DELHI OFFICE

904, 904A, & 904B,
 9th Floor, Vijaya Building,
 17, Barakhamba Road
 New Delhi – 110 001

KOLKATA OFFICE

'Yule House'
 8, Dr. Rajendra Prasad Sarani,
 Kolkata – 700 001

Audit Committee

Shri P. S. Bhattacharyya
 Shri Subir Das
 Shri P. Y. Gurav

Nomination and Remuneration Committee

Shri P. S. Bhattacharyya
 Shri Sanjoy Bhattacharya
 Shri D. S. Chandavarkar
 Shri Subir Das
 Shri Praveen P. Kadle
 Smt. B. S. Sihag

Stakeholders' Relationship Committee

Shri Sanjoy Bhattacharya
 Shri Subir Das
 Shri R. N. Ghosal

Risk Management Committee

Shri Subir Das
 Shri R. N. Ghosal
 Shri Praveen P. Kadle

Corporate Social Responsibility Committee

Shri Subir Das
 Shri R. N. Ghosal
 Shri Praveen P. Kadle

Compensation Committee

Shri Sanjoy Bhattacharya
 Shri Subir Das
 Shri P. Y. Gurav
 Shri Praveen P. Kadle
 Smt. B. S. Sihag
 Shri Vinod S. Vyas

Committee of Directors

Shri Sanjoy Bhattacharya
 Shri Subir Das
 Shri Vinod S. Vyas

MUMBAI OFFICE

C.T.C.- 90, Kachwadi
 Govandi, Deonar
 Mumbai – 400 088

CHENNAI OFFICE

Seshachalam Centre,
 10th Floor,
 636/1, Anna Salai, Nandanam
 Chennai – 600 035

Name(s) of any Director or Key Managerial Personnel specified any where in this Report shall be read along with the Director Identification Number (DIN) or Membership No. stated against his / her name as the case may be and the Registered Office Address shall be construed as their address for all practical purposes. Name(s) of Shri Jeetendra Singh, Shri Amit Mehta and Smt. Nayantara Palchoudhri, wherever appearing in this Report shall be read alongwith their respective DINs which are 09207792, 08859397, and 00581440, respectively.

Contents

Page No.

Notice of 99th AGM

3

Statutory Reports

Directors' Report

20

Management Discussion and Analysis

31

Other Annexures to Directors' Report

33

Corporate Governance Report

46

Business Responsibility Report

61

Financial Statements

Standalone Audit Report

70

Standalone Accounts

80

Consolidated Audit Report

128

Consolidated Accounts

136

AOC - 1

186

NOTICE TO MEMBERS

Notice is hereby given that the Ninety Ninth Annual General Meeting of the members of Tide Water Oil Company (India) Limited will be held on Wednesday, the 24th day of August, 2022 at 10:15 a.m. to transact the following business through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in conformity with the regulatory provisions and Circulars issued by the Ministry of Corporate Affairs, Government of India:

1. To consider and adopt the Statement of Profit and Loss Account for the year ended 31st March, 2022, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of first and second interim dividends and to declare final dividend for the financial year ended 31st March, 2022.
3. To appoint a Director in place of Shri D. S. Chandavarkar who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and Rules framed thereunder, as amended from time to time read together with all circulars, notifications, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other provisions of law, as applicable for the time being, M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 012754N/N500016) and holding valid Peer Review Certificate issued by the Institute of Chartered Accountants of India be and are hereby appointed as the Statutory Auditors of the Company for a second term of 5 (five) years to hold office from the conclusion of this Annual General Meeting until the conclusion of the 104th Annual General Meeting on such remuneration as recommended by the Audit Committee and approved by the Board of Directors of the Company from time to time."

"RESOLVED FURTHER that the Board of Directors (Board) of the Company be and is hereby authorized to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be required to be done to give effect to the instant resolution or for the matters incidental to or ancillary thereof through decisions of the Board and to delegate all or any powers conferred herein, to any Committee of Directors, with power to further delegate to any executive(s)/officer(s) of the Company in this regard."

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following resolutions:

5. As an Ordinary Resolution
"RESOLVED that Shri Vijay Mittal be and is hereby appointed a Director of the Company."
6. As a Special Resolution
"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) read together with the provisions of the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Act as amended from time to time and further read with all circulars, notifications, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other provisions of law, as applicable for the time being, Shri S. Das who was appointed as an Independent Director of the Company for a term up to 31st March, 2023 by the shareholders, be and is hereby reappointed as an Independent Director of the Company with effect from 1st April, 2023 to 31st March, 2028, not liable to retire by rotation."
"RESOLVED FURTHER that the Board of Directors (Board) of the Company be and is hereby authorized to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be required to be done to give effect to the instant resolution or for the matters incidental to or ancillary thereof through decisions of the Board and to delegate all or any powers conferred herein, to any Committee of Directors, with power to further delegate to any executive(s)/officer(s) of the Company in this regard."
7. As an Ordinary Resolution
"RESOLVED that pursuant to the provisions of Sections 177 and 188 of the Companies Act, 2013 (Act) read together with the provisions of the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and read with all circulars, notifications, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015, as amended and other provisions of law, as applicable for the time being, consent of the members of the Company be and is hereby accorded to the Company for entering into transactions involving sale, purchase or supply of any goods or material and/or availing or rendering of any services with Standard Greases & Specialities Private Limited, a related party as per the definition of the term under the Act, upto an amount of Rs. 700 crores (Rupees Seven Hundred Crores only) till the date of the 100th Annual General Meeting of the Company for a period not exceeding fifteen months.”

“RESOLVED FURTHER that the Board of Directors (Board) of the Company be and is hereby authorised to execute, transact, enter into any contract to carry out or perform all such acts, deeds, matters, things, agreements, contracts, etc. as may be required to be done to give effect to the instant resolution or for the matters incidental to or ancillary thereof, through decisions of the Board or through delegation of relevant authority to any person or to any committee of persons.”

8. As an Ordinary Resolution

“RESOLVED that pursuant to the provisions of Sections 177 and 188 of the Companies Act, 2013 (Act) read together with the provisions of the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and read with all circulars, notifications, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other provisions of law, as applicable for the time being, consent of the members of the Company be and is hereby accorded to the Company for entering into transactions involving sale, purchase or supply of any goods or material and/or availing or rendering of any services with JX Nippon TWO Lubricants India Private Limited, a related party as per the definition of the term under the Act, upto an amount of Rs. 700 crores (Rupees Seven Hundred Crores only) till the date of the 100th Annual General Meeting of the Company for a period not exceeding fifteen months.”

“RESOLVED FURTHER that the Board of Directors (Board) of the Company be and is hereby authorised to execute, transact, enter into any contract to carry out or perform all such acts, deeds, matters, things, agreements, contracts, etc. as may be required to be done to give effect to the instant resolution or for the matters incidental to or ancillary thereof, through decisions of the Board or through delegation of relevant authority to any person or to any committee of persons.”

9. As an Ordinary Resolution

“RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read together with the provisions of the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 2,00,000 (Rupees Two Lakhs only) plus goods and services tax as applicable and reimbursement of out-of-pocket expenses payable to Messrs. DGM & Associates, Cost Accountants (Firm's Registration No. 000038) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2023.”

10. As an Ordinary Resolution

“RESOLVED that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read together with the provisions of the Rules framed thereunder and read with Schedule V to the Act and further read with any other provisions of law, as applicable for the time being, consent of the members be and is hereby accorded for varying the remuneration payable to Shri R.N. Ghosal, Managing Director with effect from 1st October, 2021 till his remaining term i.e. upto 28th February, 2023, in view of providing revised rate of House Rent Allowance as applicable for the employees of the Company and approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee, in the manner as set out in the letter addressed to him by the Company, a copy whereof was placed before the meeting.”

The Register of the Members and the Transfer Register of the Company were kept closed from 5th July, 2022 (Tuesday) to 11th July, 2022 (Monday) both days inclusive.

Registered Office:

“Yule House”

8, Dr. Rajendra Prasad Sarani

Kolkata – 700 001

Date: 30th May, 2022

By Order of the Board

S. Ganguli

Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 012754N/N500016) Kolkata, were appointed as Statutory Auditors of the Company for a term till the conclusion of the Ninety Ninth Annual General Meeting of the Company. In accordance with the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s Price Waterhouse Chartered Accountants LLP can be appointed as Statutory Auditors of the Company for a further term of 5 (five) consecutive years.

Based on recommendation of the Audit Committee, the Board of Directors at its 334th meeting held on 30th May, 2022, approved the re-appointment of M/s Price Waterhouse Chartered Accountants LLP as Statutory Auditors for a term of 5 (five) years i.e. till the conclusion of the 104th Annual General Meeting. The re-appointment is subject to approval of members of the Company.

M/s Price Waterhouse Chartered Accountants LLP is registered with the Institute of Chartered Accountants of India, engaged with several corporate houses across sectors and have a strong presence in India. The appointment is based on their auditing experience, technical knowledge, independence and capacity to handle the audit of the financial statements of the Company, etc. This may be deemed to be disclosure as required under Regulation 36(5)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The remuneration paid to the Statutory Auditors towards audit fees in FY 2021-22 was Rs. 28 lakhs excluding applicable taxes and out of pocket expenses towards audit fees. The Board of Directors will retain the rights to determine and revise the remuneration as may be deemed appropriate at the recommendation of the Audit Committee for any of the forthcoming financial year(s) during the tenure of the auditor's appointment. This may be deemed to be disclosure as required under Regulation 36(5)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

M/s Price Waterhouse Chartered Accountants LLP have conveyed their consent to be re-appointed as the Statutory Auditors of the Company till the conclusion of the 104th Annual General Meeting of the Company, alongwith a confirmation that their appointment, if approved by the members would be within the limits prescribed under the Act.

The Board considers that the proposed resolution is in the interest of the Company and pursuant to Regulation 17(11) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board recommends the resolution relating to re-appointment of M/s Price Waterhouse Chartered Accountants LLP as the Statutory Auditors till the conclusion of the 104th Annual General Meeting of the Company, for your approval.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, is in any way concerned or interested in this Resolution proposed to be passed.

Item No. 5

Shri Vijay Mittal was appointed as an Additional Director of the Company with effect from 30th May, 2022. Accordingly, he will hold office up to the date of the 99th Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

Shri Vijay Mittal is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director, if appointed.

Shri Vijay Mittal is presently posted as the Joint Secretary in the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India. He has done B. Tech in Electrical Engineering from College of Technology, Pant Nagar, Uttarakhand and Post Graduate Diploma in Energy and Sustainable Development (PGDESD). He also holds Masters Diploma in Public Administration (MDPA) from IIPA, New Delhi. He has rich and varied experience in the fields of rural development, sanitation, production and indigenization of critical defence stores and management functions.

Pursuant to Regulation 17(11) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board on consideration of his vast experience and knowledge recommends appointment of Shri Vijay Mittal as a Director, as the same will be in the interest of the Company.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Shri Vijay Mittal is in any way concerned or interested in this Resolution proposed to be passed.

Item No. 6

Shri S. Das is due for retirement after his first term as Independent Director. Based on his skills, experience, knowledge and performance evaluation, it is proposed that Shri S. Das be re-appointed for another term from 1st April, 2023 to 31st March, 2028 as an Independent Director of the Board.

In accordance with Section 149 (10) and (11) of the Companies Act, 2013 an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

As Shri S. Das fulfills the requirement of Independent Directors as laid down under Section 149(6) of the Companies Act, 2013 hence his re-appointment is being proposed.

Shri S. Das is a qualified Chartered Accountant with more than 33 years of post qualification experience. He has in-depth knowledge and experience in fields relating to Finance, Legal and Management. He is on the Board of various Companies of repute.

Shri S. Das was appointed as an Independent Director by the shareholders pursuant to the Companies Act, 2013 with effect from 1st April, 2020 through shareholders' resolution dated 28th August, 2020 for a term up to 31st March, 2023 (first term under the Companies Act, 2013).

The Company has received from Shri S. Das (i) consent in writing to act as a Director in Form DIR 2 pursuant to Rule 8 of The Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of The Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration confirming his eligibility that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. Shri Das has also provided a declaration as referred to in Rule 6(3) of Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

Performance of Shri S. Das has been evaluated by the Board and Nomination and Remuneration Committee (NRC) thereof. The Board and NRC considered and noted the valuable guidance and contribution provided by Shri Das to the Board and the Company during his tenure. This may be deemed to be disclosure as required under applicable Secretarial Standards with regard to re-appointment of Independent Director(s).

In the opinion of the Board and based on the Board's evaluation, Shri S. Das fulfills the condition specified in the Companies Act, 2013 and Rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for re-appointment of Shri S. Das as an Independent Director setting out the terms and conditions would be available for inspection in the manner as stated under Point 8 of the accompanying notes. However for the purpose of inspection, the documents shall also be available at the website of the Company www.veedolindia.com under Investor Corner.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri S. Das as an Independent Director. This may be deemed to be the justification for the proposed re-appointment. Accordingly, the Board recommends the resolution in relation to re-appointment of Shri S. Das as an Independent Director, for the approval by Members of the Company.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Shri S. Das, is in any way concerned or interested in this resolution proposed to be passed.

Item No. 7

Your Company has been procuring lubricating oil and other chemicals from Standard Greases & Specialities Private Limited (SGSPL), which has been offering competitive rates for its products to your Company. SGSPL is one of the largest grease producers in Asia and they are supplying grease to meet the needs of Western and Northern Regions of the Company as there are no grease plants thereat. Further, to cater to their needs your Company is also from time to

time supplying lubricating oil to SGSPL which are being offered on competitive terms.

Section 2(76) of the Companies Act, 2013, inter alia, states that 'related party' with reference to a Company, will include any private company in which a Director or manager is a member or Director. Since, Shri D. S. Chandavarkar and Shri Vinod S. Vyas are Directors of SGSPL and also are on the Board of your Company, SGSPL will be deemed to be a related party as per the definition of the terms as stated in Section 2 of the Companies Act, 2013. Further SGSPL is a joint promoter of your Company.

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 'Material Related Party Transaction', has been defined to include transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeding Rs. 1000 crores or 10% (ten percent) of the annual consolidated turnover, as per the last audited financial statement of the Company, whichever is lower and that material related party transactions must have prior approval of the members of the Company by way of a Resolution which shall remain valid upto the date of the next AGM for a period not exceeding fifteen months.

Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended inter alia states that except with the prior approval of the Company by a Resolution, a company shall not enter into a transaction or transactions involving sale, purchase or supply of any goods or materials, directly or through appointment of agent where the transaction or transactions to be entered into amounts to 10% (ten percent) or more of the turnover of the Company.

As your Company proposes to procure lubricating oil and other chemicals from SGSPL, buy grease from them and supply lubricants to them cumulative transaction value whereof during the said period (i.e. Rs. 700 crores), is envisaged to exceed the limits stated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Companies Act, 2013 read with Rules framed thereunder, your approval is sought by way of passing of an Ordinary Resolution. This may be deemed to be a disclosure as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended. The Audit Committee at its meeting held on 11th February, 2022 as adjourned to 14th February, 2022 granted its omnibus approval with regard to related party transactions with SGSPL for the period 1st April, 2022 to 31st March, 2023. Subsequently in view of the circular issued by the Securities and Exchange Board of India on 8th April, 2022, the Audit Committee and the Board at their respective meetings held on 27th May, 2022 and 30th May, 2022 respectively while recommending the matter to the shareholders for obtaining their omnibus approval noted that the said sanction, if approved by the shareholders will be valid upto the date of the 100th Annual General Meeting for a period not exceeding fifteen months.

The aforesaid may be deemed to be the disclosure as required under Para B.6.a of the Circular issued by the Securities and Exchange Board of India on 22nd November, 2022 concerning information to be provided to shareholders for consideration of related party transactions (hereinafter referred to as 'the Circular').

Since, the said transactions are envisaged to meet the requirements of the Company and the same are offered at competitive rates, the Board of Directors and the Audit Committee thereof deemed that the proposed related party transactions will be in the interest of the Company. As such, it may be construed that the proposed related party transaction is not unfavourable to the listed entity considering the terms and conditions, had similar transaction been entered into between two unrelated parties. This may also be deemed to be the disclosure as required under Para B.6.b of the Circular. Since other matters stated under Para B.6 of the Circular are not applicable, the same have not been reproduced here for the sake of brevity. There are no other matter(s) / information(s) deemed relevant which requires disclosure in terms of the Circular.

The Board of Directors of your Company considers that the proposed Ordinary Resolution is in the interest of the Company and pursuant to Regulation 17(11) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board recommends the resolution relating to entering into transactions involving sale, purchase or supply of any goods or material and/or availing or rendering of any services with SGSPL upto an amount of Rs. 700 crores (Rupees Seven Hundred Crores only) during the specified period, for your approval.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Director(s) nominated by SGSPL on the Board of Directors of the Company is in any way concerned or interested in this Resolution proposed to be passed. None of the Directors and Key Managerial Personnels of your Company, other than the Director(s)

nominated by SGSPL on the Board of Directors of the Company do not hold any equity shares in SGSPL. Other entities belonging to the category of 'Promoters or Part of the Promoter Group' do not hold any equity shares in SGSPL.

As per the provisions of Section 188(1) of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, all entities falling under the definition of related parties shall not vote to approve this resolution irrespective of whether the entity is a party to this transaction or not.

Item No.8

During 2014-15, pursuant to a Joint Venture Agreement between Eneos Corporation (formerly JXTG Nippon Oil & Energy Corporation), Japan and your Company, JX Nippon TWO Lubricants India Private Limited (JXTL) was formed, wherein the business segment relating to 'ENEOS' range of products was transferred. JXTL is a Joint Venture Company and is also an Associate Company as your Company holds 50% stake therein. JXTL is construed to be a 'related party' in terms of Section 2(76) read with Section 2(6) of the Companies Act, 2013. Shri R. N. Ghosal, Managing Director is also a Director of JXTL.

Your Company has entered into a Franchisee Agreement inter alia with JXTL with effect from 1st October, 2014. As such, the said arrangement(s) may be construed to invoke provisions as contained in Section 188 of the Companies Act, 2013 and rules made thereunder.

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended 'Material Related Party Transaction' has been defined to include transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeding Rs. 1000 crores or 10% of the annual consolidated turnover, as per the last audited financial statement of the Company, whichever is lower and that material related party transactions must have prior approval of the members of the Company by way of a Resolution which shall remain valid upto the date of the next AGM for a period not exceeding fifteen months.

Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended inter alia states that except with the prior approval of the Company by a Resolution, a company shall not enter into a transaction or transactions involving sale, purchase or supply of any goods or materials, directly or through appointment of agent where the transaction or transactions to be entered into amounts to 10% (ten percent) or more of the turnover of the Company.

As your Company manufactures/supplies oils relating to FF segment and SF segment on behalf of / to the Joint Venture Company viz. JX Nippon TWO Lubricants India Private Limited and also provides allied services, referred above, with respect to the concerned business, cumulative transaction value whereof during the said period (i.e. Rs. 700 crores), is envisaged to exceed the limits stated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Companies Act, 2013 read with rules framed thereunder your approval is sought by way of passing of an Ordinary Resolution. This may be deemed to be a disclosure as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended. The Audit Committee at its meeting held on 11th February, 2022 as adjourned to 14th February, 2022 granted its omnibus approval with regard to related party transactions with JXTL for the period 1st April, 2022 to 31st March, 2023. Subsequently in view of the circular issued by the Securities and Exchange Board of India on 8th April, 2022, the Audit Committee and the Board at their respective meetings held on 27th May, 2022 and 30th May, 2022 respectively while recommending the matter to the shareholders for obtaining their omnibus approval noted that the said sanction, if approved by the shareholders will be valid upto the date of the 100th Annual General Meeting for a period not exceeding fifteen months.

The aforesaid may be deemed to be the disclosure as required under Para B.6.a of the Circular issued by the Securities and Exchange Board of India on 22nd November, 2022 concerning information to be provided to shareholders for consideration of related party transactions (hereinafter referred to as 'the Circular').

Since, the said transactions are envisaged to meet the requirements of the Company and the same are offered at sanctioned rates and prevailing commercial terms, the Board of Directors and the Audit Committee thereof deemed that the proposed related party transactions will be in the interest of the Company. As such, it may be construed that the proposed related party transaction is not unfavourable to the listed entity considering the terms and conditions, had similar transaction been entered into between two unrelated parties. This may also be deemed to be the disclosure as

required under Para B.6.b of the Circular. Since other matters stated under Para B.6 of the Circular are not applicable, the same have not been reproduced here for the sake of brevity. There are no other matter(s) / information(s) deemed relevant which requires disclosure in terms of the Circular.

The Board of Directors of your company considers that the proposed Ordinary Resolution is in the interest of the Company and pursuant to Regulation 17(11) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board recommends the resolution relating to entering into transactions involving sale, purchase or supply of any goods or material and/or availing or rendering of any services with / to JXTL upto an amount of Rs. 700 crores (Rupees Seven Hundred Crores only) during the specified period, for your approval.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Shri R. N. Ghosal, Managing Director is in any way concerned or interested in this Resolution proposed to be passed. The existing Promoters or entities belonging to the Promoter Group, Directors and Key Managerial Personnels of your Company do not hold any equity shares in JXTL.

As per the provisions of Section 188(1) of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, all entities falling under the definition of related parties shall not vote to approve this resolution irrespective of whether the entity is a party to this transaction or not.

Item No.9

The Company is required under Section 148 of the Companies Act, 2013 (Act) read with the Companies (Cost Records and Audit) Amendment Rules, 2016 to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of Directors of the Company, on recommendation of the Audit Committee, has approved the appointment of Messrs. DGM & Associates, Cost Accountants to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Amendment Rules, 2016 for the financial year ending on 31st March, 2023, at a remuneration of Rs. 2,00,000 (Rupees Two Lakhs only) plus reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the said Rules, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought by way of passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2023.

The Board of Directors of your Company on consideration of their auditing experience, technical knowledge, independence and capacity to handle audit of cost records of the Company, deemed it justified to appoint Messrs. DGM & Associates, Cost Accountants to conduct audit of cost records of the Company for the financial year ending on 31st March, 2023 and since it further considered that the proposed Ordinary Resolution is in the interest of the Company therefore pursuant to Regulation 17(11) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, it recommends the resolution relating to ratification of remuneration of Rs. 2,00,000 (Rupees Two Lakhs only) plus out-of-pocket expenses payable to Messrs. DGM & Associates, Cost Accountants (Firm's Registration No. 000038) for conducting the audit of the cost records of the Company for the financial year ending on 31st March, 2023, for your approval.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, is in any way concerned or interested in this Resolution proposed to be passed.

Item No.10

The remuneration of Shri R.N.Ghosal, Managing Director was sanctioned by the shareholders vide their resolution dated 28th August, 2020. In terms of the existing shareholders' approval, Shri R.N.Ghosal, Managing Director was entitled to House Rent Allowance at the rate of 24% of his Basic Salary.

The pay structure which is applicable for all the employees of the Company and adopted by the Board of Directors, specified inter alia that House Rent Allowance (HRA) will be 24% of the Basic Salary initially. However, if subsequently the Industrial Dearness Allowance (IDA) crosses 25% of Basic Salary, then HRA will be 27% in place and stead of 24%