

29 October 2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra East,
Mumbai – 400 051

Scrip Code: 500870

Scrip Symbol: CASTROLIND

Dear Sir/Madam,

Sub.: Transcript of audio recording of the Post Earnings Call for 3Q & 9M FY 2026.

Pursuant to Regulation 30 and 46 read with Para A Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the audio recording of the Company's post earnings call for 3Q & 9M FY 2026 with analysts/investors held on Monday, 26 October 2026 is enclosed. The same is also available on the website of the Company and can be accessed on the following link: https://www.castrol.com/en_in/india/home/investors/information-for-shareholders.html under Investor Call Details → 2026 → 3Q FY 2026.

Kindly take the same on record.

Thank You.

Yours faithfully,

For **Castrol India Limited**

Hemangi

Yateen Ghag

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“Castrol India Limited
3Q and 9M Earnings Conference Call”
October 26, 2026



MANAGEMENT (CASTROL INDIA LIMITED):

MR. SAUGATA BASURAY – MANAGING DIRECTOR–

**MS. MRINALINI SRINIVASAN – WHOLE TIME DIRECTOR &
CHIEF FINANCIAL OFFICER**

Moderator:

Ladies and gentlemen, welcome to our 3Q and 9M Earnings Conference Call for Castrol India Limited. Please note that all participant lines will be in the listen-only mode and you can ask your questions after the opening statements. If you need assistance during the call, please press star then zero on your touchtone phone to reach the operator. Please note that this call is being recorded.

Also, please note that this conference call may contain certain forward-looking statements, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

We have with us today Mr. Saugata Basuray, Managing Director, Castrol India Limited; and Ms. Mrinalini Srinivasan, Chief Financial Officer, Castrol India Limited. I now hand the conference over to Mr. Basuray for his opening remarks. Thank you, and over to you, sir.

Saugata Basuray:

Thank you, and good afternoon, and Namaskar to everyone. Thank you for joining Castrol India's analyst call for the third quarter and 9 months ended 30th September 2026. As a reminder, we follow the calendar year for financial reporting. I'm joined today by my colleague, Mrinalini Srinivasan, our Chief Financial Officer and Whole-Time Director.

In a quarter marked by a sharp rise in raw material costs and adverse currency movements, we delivered a resilient performance with revenue up 27% year-on-year. While third quarter profits were down 23% year-on-year. Over the 9 months revenue has grown by 20% to INR 5,151 crores. EBITDA is up by 11% and profit after tax has risen by 9%. As we flagged in our last call, the increase in input costs flowed through in the third quarter.

The pricing actions that we took early in the year in anticipation of the raw material inflation helped moderate the impact on margins, and we have held market share across categories. I would add that our business should not be read sequentially as the second quarter is traditionally our strongest quarter, driven by seasonal demand from agriculture and associated movement of goods, which we catch up in the freight and commercial vehicle business.

We are focused on recovering margins and investing in our growth engines. Even as we manage near-term cost pressures, we kept investing in our infrastructure in rural India, building out the industrial business, which delivered another quarter of double-digit volume growth.

So let me just highlight 5 areas that define our quarter. The first is about distribution reach. We expanded our national footprint to approximately 167,000 outlets, including 46,000 of those outlets, which are in rural small town India. Auto Care, which is an adjacent business that we introduced a few years back is now available across 50,000 physical stores, is doing very well on e-commerce and modern trade.

Our service ecosystem now includes about 870 Castrol Auto Service centers, 37,000 independent bike workshops and 16,000 multi-brand workshops. While our Rural Service Express has expanded to over 1,000 locations.

Customer growth in the industrial business has been strong. This business continues to grow double digits. In the full year and 9 months that has followed, we have added close to 400 customers net, and that helped us generate new business as well as drive the top line growth.

We have also launched Magna CTX, a range of circulating oils designed for demanding industrial lubricant applications. We have also localized a lot of our products, and this is in pursuit of getting better control on our raw material costs. We have brought along new products such as Hysol 35 XBB, and Hysol 61 XBB, boron-free metalworking fluids which is designed for industrial machines.

On the brand side, we strengthened Castrol MAGNATEC proposition of non-stop protection even before you start, highlighting how the molecules inside this product protect critical engine parts. Meanwhile, our "Freedom to Ride" community program for bikers continues to move across cities: Mumbai, Pune and Hyderabad in the quarter that went by.

Our Super Mechanics program celebrates the graduation-day of mechanics who have received certification and training. They've been certified by ASDC, India's first sector skill council for the automotive industry. Fast Scan platform has now got verified mechanics, mechanics who have confirmed their identity to Castrol, which is up almost 100,000 to 180,000, which is 24% more than last year at the same time.

We showcase our industrial lubricants business and our heavy-duty solutions across various platforms, such as CONEXPO and bauma, alongside large machine tool and industrial exhibition customers.

We also had some accolades in this particular quarter. Noteworthy on them was a ET Brand Equity Award. We were also ranked in the top 10 Supply Chain Planning Champions and placed seventh in Supply Chain Excellence by the Institute of Supply Chain Management. Our Silvassa and Paharpur facilities won Gold at the regional chapter of the Convention of Quality Concepts, recognizing improvements in operational efficiency and manufacturing.

These actions reinforce our strategy, premiumize the portfolio, go deep in distribution, urban and rural markets, build a strong service ecosystem and prepare for the future of mobility. We continue to see meaningful headroom for growth in rural India. And our long-term ambition is to evolve from a lubricants company into a broader mobility solutions and maintenance partner.

Our industrial business is a growing part of the story. Its double-digit volume growth this quarter, together with new customer addition across sectors, reflects the strength of our technical expertise, our advanced solutions and the trust of customers placed on us.

With that, I will hand over to Mrinalini to take you through the financial performance, the drivers of the quarter and our perspective on what comes next. Mrinalini, over to you.

Mrinalini Srinivasan:

Thank you, Saugata, and good afternoon, everyone. For the third quarter of 2026, revenue from operations was INR1,735 crores, up 27% year-on-year, down 7% sequentially. EBITDA was INR262 crores, down 19% year-on-year and 47% sequentially. This translates to an EBITDA margin of approximately 15% for the quarter. Profit after tax was INR176 crores, down 23% year-on-year and 49% sequentially.

Important to look at these numbers on a 9-month basis. For the 9 months, the revenue from operations was INR5,151 crores, up 20% year-on-year. EBITDA was INR1,086 crores, up 11% year-on-year, supported by the pricing action we took early on in the year. EBITDA margin of approximately 21% for the 9 months period. Profit before tax was INR1,043 crores, up 10% and profit after tax was INR766 crores, up 9%.

Revenue growth in the quarter was supported by the pricing actions we took early in the year. Sequentially, our performance is lower largely because of seasonality and timing. As Saugata mentioned, the second quarter is traditionally our strongest, driven by seasonal demand from agri. In addition, as we said on our last call, cost escalations flow through to the P&L with a little bit of a lag, and we expected some of those to land in this third quarter. Increases in commodity and input costs, along with the broader inflationary pressures began flowing in towards the end of second quarter and became more visible in the third with high double-digit commodity inflation.

Adverse currency movements added further pressure. Pricing helped moderate this impact, and we held market leadership, while we continue to invest in the levers as Saugata mentioned, rural distribution and industrial business of our brands.

I would like to offer some context on margins. Across the industry, higher prices are lifting revenues and will make percentage margins appear softer for some time. While unit profitability margin remains intact. In this time of extreme volatility, for us, margin per liter is a true measure. And on that basis, we have fully absorbed cost inflation. Margins are steady to slightly higher. Protecting margins per liter will remain our priority.

Looking ahead, we expect the operating environment to remain volatile and inflationary. Overall volumes may remain soft in the short to medium term. However, our growth engines, rural and industrial continue to grow, and we expect these to grow ahead of the market. We will continue to monitor input costs, currency, pricing and demand closely and act with agility to manage margin pressure in the medium term. Our focus remains on recovering margins, disciplined execution, careful cost management, resilient supply and sustained investment in the long-term competitiveness. I hand it back to you, Saugata, for your closing remarks.

Saugata Basuray:

Thank you, Mrinalini. To summarize, we delivered a resilient third quarter and maintained our growth momentum over the 9 months of this year, despite a sharp raw material inflation and adverse

currency movements. Early pricing actions helped protect our margins per liter. Our market share remains steady and our industrial business continues to deliver double-digit volume growth. We also continue to build the business for the future through innovation, deeper distribution, strong service capabilities and a disciplined investment frame.

As we communicated in August, we expect the operating environment to remain volatile and inflationary in the medium term. We will continue to move with agility and pace to manage margin pressure through pricing and cost actions, while remaining focused on our goal of growing market share in every segment that we operate in.

Our priorities remain unchanged. It will be operational excellence, driving brand strength through innovation and continue to build our distribution infrastructure. These fundamentals position us well to navigate the near term and deliver sustained long-term growth. Thank you once again for joining us. Mrinalini and I will now be happy to take your questions. Operator, please open the floor for discussion.

Moderator: Thank you very much. We'll take our first question from the line of Sucrit D. Patil from Eyesight Fintrade. Please go ahead.

Sucrit Patil: I have two forward-looking questions. My first question to Mr. Basuray is, given our strong 27% top line growth, but declining net profit this quarter, what is our volume guidance across automotive and industrial verticals for the next 2 quarters? And what forward strategies are in place to balance competitive pricing with market share defense while managing raw material cost volatility? That's my first question. I will ask the second question after this.

Saugata Basuray: Let me begin by saying that we remain focused on our long-term objective, which is to gain market share and gain volume. So that remains unchanged. However, the operating environment has been unprecedented with a 60-plus percent increase in raw material bill in the quarter that went by. Some of it we anticipated. And therefore, we took strong pricing action at the beginning of the year.

We will keep watching those movements on raw material price, commodity price movement as well as foreign exchange impact, and we'll balance the pricing action to make sure that consumers are able to digest that price change because we want to enable them to come to the new price table, which are being driven now across the industry. And at the same time, whatever we are doing in terms of investment through infrastructure through growth of our distribution network, as well as in brand innovation, that helps the consumers appreciate the value of the Castrol brand and move to the new price table.

We are not giving a guidance for the next few months because it's unprecedented in terms of the raw material price movement, right? I can only say that we will operate the business in the medium term within an EBITDA frame of 21% to 24%. And within that frame, we will keep investing in the brand to grow the volume and gain market share.

Sucrit Patil: My second question to Ms. Srinivasan is, with raw and packaging material costs jumping significantly this quarter, what is our forward capex and margin guidance for CY '27? And what financial controls or hedging strategies are being implemented to guide our EBITDA margins back towards our historical structure target band of somewhere 22% to 24% range?

Mrinalini Srinivasan: Thank you, Mr. Patil, for the question. You're right. I think raw material prices are volatile. We do acknowledge that they will continue to be volatile in the short to medium term. The question was on capex. Historically, we spent about INR100 crores to INR150 crores, and we spend them on key business drivers of ensuring that innovation in the plant and capacity in the plants is maintained, as well as in market, the right level of consumer and trade visibility is maintained. Saugata spoke about it.

I think our decision is clear that we will continue to invest on the parts of the portfolio, which are our growth drivers, and that's the choice that we will make. Thankfully, the structural margins of the business do guide on that. And hence, when Saugata said that protecting our margin is priority, I think that priority helps ensure that those capex projects also pay out in the short and medium term.

From a financial control standpoint, I think cost prudence and supply resilience is top priority right now, and that's what the company is doing, ensuring that we are able to supply every single liter of demand that comes our way is priority and cost prudence across the lines is what you will also continue to see. We will manage the margin as a combination of pricing as well as cost prudence.

Moderator: Next question is from the line of Deepak Malhotra from CapGrow Capital Advisors LLP.

Deepak Malhotra: Hello, can you hear me?

Moderator: Yes, please go ahead.

Deepak Malhotra: Madam, both Stonepeak and BP explicitly, I basically agreed for completion of the deal by the end of calendar year 2026. While I believe antitrust is not really a problem with the transaction, either in EU, Australia, Pakistan or India for that matter. However, I think updating the necessary licenses and operating arrangements across many countries in which Castrol globally operates currently still remains pending. So my question specifically is, what is the status of Stonepeak's acquisition of control of the global Castrol business from BP at present in terms of time line? And by when can we expect the filing of DPS in India?

Mrinalini Srinivasan: Yes. I mean, just for other listeners, the deal was announced back in December '24, and we were clear then that this is going to take time. Castrol has global operations across many, many countries. I think, the number of countries goes beyond 50. And all licenses, legal as well operational licenses, have to be procured.

That work stream is progressing well. Beyond that, I think the moment we find the completion of licenses is done, I think the announcement is due to SEBI, and we will follow that. As of now, I think that's the best update we can share.

Deepak Malhotra: My second question is on the business part. On the business part, I gather that Castrol is again basically looking to come back into the OEM business more strongly. Is that true?

Saugata Basuray: We haven't, Mr. Malhotra, let me address that question. We haven't called out the OEM business specifically. In our institutional business, we work with leading OEMs such as Tata, Maruti, JCB. These are long-standing valued customers, and we continue to work with them.

That sector has been important for us. And there's a lot of investment that goes on in technology because some of the new engines that are being going to be introduced in the next few years, these are long running technology development actions, and we have been working closely with these OEMs over the years to make sure that we have the right products when their new engine platforms come to the market.

Moderator: Next question is from the line of Nitin Tiwari from Phillip Capital.

Nitin Tiwari: I just wanted to get some more color on your sales in this quarter. So if you can throw some more light on segment-wise sales and also overall sales volume as such. And I assume that like you don't share volume numbers more specifically. But if you can give us some color in terms of how the number would have looked on a Y-o-Y or on a sequential basis, and also in terms of segments?

Saugata Basuray: Right. Okay. So I'll address that, and maybe, Mrinalini can come in. So we had flagged in the end of last quarter, August, that we are looking at both the quarter, the June quarter and the September quarter together, because we want to balance the impending raw material price inflation with pricing action. We have done that. What I can tell you is in the 9-month period, we continue to track volume growth, which is ahead of the market growth rate.

The market growth on a regular year in India is estimated to be in the range of 3% to 4%. This year, it may well be a bit different. We see some headwinds coming in, and we are tracking well ahead of that. The only subcategory that we call out, because it's one of our growth drivers, is industrial. And in industrial, as you would have seen in our press announcement, that has continued to deliver strong volume growth, and in the September quarter, we have grown by double digit in that segment.

Nitin Tiwari: And what about automotive and commercial vehicle segments, if you can give some color on that as well. So let me be more specific. I'm asking particularly for this quarter and how would the volume numbers look particularly for this quarter, not for the 9-month number, please?

Saugata Basuray: Yes. So I will tell you that between quarter 2 and quarter 3, because we had managed it that way, the volume growth is looking healthy. And that is the reason we called out saying that market shares have been held.

Nitin Tiwari: Well, all right. So I mean, coming to the margin question, I mean, and this question would be specifically to Mrinalini for that matter. So I mean, earlier we used to guide in percentage terms between 21% and 24%, I suppose. But I mean, this time around, she mentioned in her opening

remarks that the focus is on the margin per liter as such, right? So what's the reference number for us? I mean, when we are, like, you benchmarking ourselves for margin performance.

Mrinalini Srinivasan: Mr. Tiwari, thank you for the question. As Saugata said, in the short term, we are looking at 2Q, 3Q together. You will recall that when we closed our second quarter results, our EBITDA margin was above our guidance range. We closed at 26%.

This quarter, you will see that we closed at 15% range. So both quarters have been beyond the range that we had guided, 21% to 24%. As I pointed in my opening remarks, in the medium term, I do expect the profile to be out of the range as well -- it will be out of the 21%, 24% range. But through our pricing and our cost interventions in the longer term, we do want to bring us back into that 21% to 24% frame. That's what enables investment into the business ongoing, and that's what will fuel the growth as well. So that we hold on to that, and you should see that profile coming back in. But in the short to medium term, there will be some volatility.

Nitin Tiwari: I'm sorry, Mrinalini, my question was with respect to like what's our reference number for our EBITDA per liter, because that's what you mentioned that like we'll be maintaining our EBITDA per liter, and we have maintained that in this quarter as well. So if I look at the absolute EBITDA number, which has fallen by about 20% and then 47% sequentially. And if we are maintaining our EBITDA per liter on that I mean, on that number of EBITDA, then perhaps our volume numbers have also fallen sharply. So is that the right read?

Mrinalini Srinivasan: So, I wouldn't comment on that, Mr. Tiwari. Actually, that's an internal frame for us to guide our decisions, but what we always target is percentage margin as percentage of sales. And that's why you saw my commentary on 15% in this quarter, 26% in the previous quarter. Over a 6-month basis, we are at 21%; on 9-month basis, we are at 21%. And our endeavor is going to be in that range of 21% to 24%.

Moderator: We'll take our next question from the line of Dhaval Popat from Choice International.

Dhaval Popat: What I'm able to understand is that given 40% of the business is B2B and somehow the contracts would be lagged on passing on the costs. So of course, we expect this B2B margins to be back, baking in the calls that we have incurred in this quarter. I already see that on the base oil prices, 2 and 3 for this particular quarter, like base oil 2 is down about minus 5%, base oil 3 is about 7%.

And just looking at the October numbers, these are not so high. And so, a, of course, the question is on given B2B will be passed on for this quarter, do we expect a margin for this business to come back to the normal level? B, given there could be increase in sharp increase in volumes, what are the utilization levels that the plants are running at currently?

And if I can just chip in one more is, c, is of course, there would be some rebates on base oil prices that Castrol gets in October to December period. Baking in this saying there should be some advantage to B2C business as well. If you can provide some color on this, if possible?

Mrinalini Srinivasan: Dhaval, thank you for the question. I'll try to phrase the question because there was a little bit of disturbance and then between Saugata and I, we will try to answer the question together. So firstly, there was a question really based on base oil prices. I believe you were asking if we are seeing any softening in those prices. I think the operating environment continues to be substantially challenged even versus where we were same time last year. You would see that in our COGS number as a percentage of our sales, it's up year-on-year same versus same quarter last year, it's up 61%. The cost environment continues to be very volatile and the costs are indeed higher than last year.

As a response, our pricing strategy is very diverse across channels. And I think your question was specific to B2B channel, wherein we do have some price flex arrangements, how input costs will then translate to pricing. So you're right, there are some segments we do have those arrangements, but the pricing strategy is very diverse across every channel, depending on the customer we operate with. But broadly, the company operates around recovering the cost inflation, and that's what we are doing in each of those channels.

And I believe the last question you had was specifically on the rebate that comes into the company every quarter 4, based on the global contracts that we have. So I think, it is a BAU, business as usual conversation for us. We do have a diversified supplier pool, and we do engage in our ongoing negotiations. So all efforts on to bring that those level of rebates as we do, but you will discover as we close quarter 4.

Dhaval Popat: And just on utilization levels, if you can guide?

Mrinalini Srinivasan: Yes. Sorry. That was the fourth question you had on plant utilization levels. I think we've commented on this in the past as well, that our plants run at around 70% to 80% utilization. We are in that same thing.

Dhaval Popat: For the current quarter, would it be the same number or slightly high? Like the quarter gone by, basically July to September?

Saugata Basuray: It'll be in the same range, if I were to just interject. But when we give you a range, it is flexed for the full year because there's seasonal demand, which are there, right? So you can take that for the year, it is going to remain broadly in that same range. We have a lot of work that happens in the background in terms of building in capacity, and we also have extra opportunity to drive up volume when we require, right? So we operate within a certain range. That range will be maintained.

Moderator: Next question is from the line of Vipul Shah from Sumangal Investments.

Vipul Shah: Are we planning any further pricing action in this quarter to protect the margins?

Saugata Basuray: Let's see. As and when we decide, then we'll let the market know. And we're not giving any forward guidance. The only thing I would tell you is that we will keep looking at the movement of raw material, which is very, very dynamic. It's linked to crude oil, as you can understand, and the foreign exchange. It changes every day. And whatever pricing actions we do, we will balance it out with our

outlook to make sure consumer franchise and the brand is maintained. So we keep looking at it, and we'll take action as it comes.

Vipul Shah:

So for institutional business, is contracts linked to some raw material prices, which gives you right to pass on the fluctuations in prices or it doesn't work that way?

Saugata Basuray:

So there are different contract terms. I would give a pretty large customer base within the institutional business. There are quite a few of them, which do have set clauses which allow for us to renegotiate the prices based on flow of cost of goods. So we do have those. At the same time, it's not just about pricing.

We have done a lot of work and continue to do a lot of work on finding efficiency in our supply chain. So that we can mitigate partly the impact of the raw material price movement. So that's an activity which has been on for the last 6 to 7 months and will continue.

Moderator:

We'll take our next question from the line of Kirtan Mehta from Baroda BNP Paribas Mutual Fund.

Kirtan Mehta:

In the past, we have mentioned that we are doing some pilots for the cooling solutions. In this regard, would you be able to update in terms of the progress that we have achieved? And out of the global portfolio of the cooling solution products, which are the ones those are being sort of tested at this point in India?

Saugata Basuray:

So our position remains pretty much similar to what I had guided last time, that there are ongoing pilots which are there. There are -- there's a bit of business that's going on. But I think there's a lot more work that will happen in that front as some of these infrastructure build-outs really come into fruition. There are a wide number of products, but these are industrial products. They are not brands because they have very specific spec.

I can point you to our website and to the fact that about 1.5 months back, 2 of our latest products are certified by NVIDIA, which means that data centers which are going to bring in NVIDIA chips and which will look into direct-to-chip cooling, we would have products which have been certified to use in those data centers. And that's where we stand today right now on the thermal management part of our business, which is focused on data centers.

Kirtan Mehta:

Sure. And any of the sort of the solutions being offered to any data center being set up in India? Even by the global measures, would it be rooted through the Castrol India only, or can it also be sort of supplied by your parents as well, or the other entities?

Saugata Basuray:

When Indian customers would be transacting with Castrol India, but this is a hypothetical question because we wouldn't know a specific case for what you might be referring to. What I can say is that there are multiple infrastructure players in India. Some of them are building their own data centers. Some have got it contracted by others. And our teams are in touch with all of them, and we remain in continuous conversation.

- Kirtan Mehta:** I was actually referring to some of the global players who are setting up data centers in India like Google, Amazon. And if they have sort of agreed to use the Castrol solution, for the U.S. businesses, would that deal be sort of extending to India as well? And if that happens, would it be supplied by your counterpart or would it come through Indian entity?
- Saugata Basuray:** So I wouldn't really know, honestly, to be straightforward, as what Google might do. Because in most cases, each data center will have its own cooling solution. So as and when there is something for us to announce to the market or to inform them, we certainly will do so.
- Moderator:** Next question is from the line of Amit Parkar from Patel Investment. Amit Parker, your line is unmuted. Kindly unmute and go ahead with your question, please.
- Amit Parkar:** Yes. Am I audible?
- Moderator:** Yes. Please go ahead.
- Amit Parkar:** So I had a question regarding margins. Given the sharp compression in gross margins and EBITDA margins this quarter, how should we think about the earnings recovery trajectory over the next 2 to 4 quarters? Beyond pricing actions and a moderation in input cost inflation, what structural levers can drive margin recovery? And should investors expect a gradual normalization or a more prolonged period of margin pressure?
- Saugata Basuray:** So I'll address that question. Maybe Mrinalini can join in. So as you've seen, the raw material commodity prices is moving at a very rapid pace, and it has fluctuated. We are linked to crude oil, and crude oil itself has gone through a cycle of \$120-odd in quarter 2, which is the June quarter of this year, went down to \$80 and now is back at about \$114, \$115. And so is the case with currency.
- So I would say that till the time that kind of volatility is on, we will keep balancing our pricing action to make sure that we also are enabling consumers to settle down to new price points. It will be calibrated, it would be very focused on certain sectors. And the focus will be to defend the margins so that we can keep investing in the business.
- As and when the volatility subsides, which means the movements across from highs to lows, then we will be in a position to give you a much stronger guidance in terms of by when will the margin normalize. We will hold ourselves to the frame of operating the business at 21% to 24% EBITDA. And in that state, growing the volume at least 1.5x to 2x the market growth rate. That's how we're going to operate the business. Short term, there will be volatility.
- Mrinalini Srinivasan:** And Mr. Parker, if I may just add on. I think your question also was what other levers do we use. And I think on there, I think it's important to call out the fact that there is operational excellence at scale, which means that we do use our diversified supplier network to get the best value as much as possible on a periodic basis. Saugata spoke about it in his opening comments.

We do a lot of localization of our input material, which helps in cost, also in cash. And I think we also then also use our reformulation where we can assure the same level of performance, while digging down the bill of material. So the combination of all of those is a very important muscle. That cost discipline is very familiar to Castrol, and we continue to do that along with pricing, as you rightly mentioned.

Moderator: Next question is from the line of Jimit Mehta, an individual Investor.

Jimit Mehta: Am I audible?

Moderator: Yes. Yes. Please go ahead.

Jimit Mehta: Thanks for this opportunity. So my first question was on the volumes growth in the industrial segment. So what are the factors that are driving this double digit volume growth? And how are the margins when we compare this to the automotive segment?

Saugata Basuray: Right. Okay. So the industrial business is now been a strong volume growth trajectory for 1.5 years to almost 2 years. We announced our strategy in 2020, sometime for the end of '24, early '25. And this is being driven largely by new customer acquisition in sectors like steel and cement that we have called out earlier.

The growth is also being driven by new product introductions, specifically in metalworking fluids. And we have done a lot in the last few years to localize a lot of those products and bring down cost, which is also helping us with the margin.

So the industrial business' margin remains healthy. It's on track to be higher than what it was last year at the same time. And therefore, we feel quite comfortable with the growth profile that is coming through. There could be short-term headwinds, but overall in the strategy that we had announced on industrial business continues to deliver.

Moderator: Our next question is from the line of Raj Kiran Gandhi from SBI Mutual Fund.

Raj Kiran Gandhi: I just wanted to reconfirm on margins. You did mention, right, even for next quarter you will not be in the guided range. Was there such explicit comment? So just wanted to reconfirm.

Saugata Basuray: Yes. What we said, Mr. Gandhi, is that the operating environment, raw material price remains very, very volatile. And therefore, we're just calling on the fact that in that volatile environment, if that sustains, then we are not giving a guidance on the 21% to 24% in the short term. And that's something for us to watch.

We track raw material price, we track foreign exchange. We are also tracking if there's any headwind on the consumption side. As it moderates down or become more predictable, we will take actions both on the cost front and pricing to keep the business in the 21% to 24% range. Does that answer your question?

- Raj Kiran Gandhi:** Sure, sure. And on data centers and some of these, again, just reconfirming, you mentioned whether Google or any global data center sets up in India. It is up to them, whether they buy from a global entity, which they have approved their product or they buy from India entity? How does that work?
- Saugata Basuray:** No. So what I said is I wouldn't be able to comment on how Google does it. I know that the model, some of the hyperscalers follow. In many cases, they get data centers built, which they then operate. In many cases, they lease space from data center developers, which they also do in India.
- Each of these have their own model in terms of what kind of cooling solution they are taking and what is the business for commercial model there. So it's not a single sector with a single business model. That's what I was calling out.
- Raj Kiran Gandhi:** Got it. But as a practice, let's say, not taking a specific case of Google, but any of these hyperscalers, whether they contract it out or they do on their own. Is it that most of them would be, let's say, U.S. where major of them are getting built up, they would have some approved products already. So do they kind of just take that?
- Or if there is something coming in India, it will be routed via Castrol India? So as a business model or as a general practice, do they kind of separately then kind of approve products from Castrol India plant and all?
- Saugata Basuray:** Okay. So the products that we would offer are products that are approved globally. We don't develop products for data center specifically in Castrol India. For Castrol or anybody needs to participate for a cooling solution for any of these hyperscalers, the technical product would require certain approvals, which is the reason why I had called out that couple of our formulations recently got certified by NVIDIA. So that's a base case requirement.
- And like us, there will be other people who may have those certifications. Without that, one can't proceed. And any product that we would offer in India would have the necessary certification or approvals.
- Moderator:** Next question is from the line of Dhaval Popat from Choice International.
- Dhaval Popat:** Yes. Just to add on, regarding the data centers cooling business, does Castrol have an internal guidance or prediction wherein how much would be the value of this data center cooling business in terms of value, not in terms of volume, by 2030? A. And B, question, of course, on base oil 4, as in how much of the raw materials or a percentage of raw materials would constitute of base oil 4 for Castrol, if you can provide color on any of these.
- Saugata Basuray:** What was your last question, Dhaval, if you could just repeat base oil, what did you mention?
- Dhaval Popat:** Base oil 4. So, base oil 2, 3, 4 is what Castrol uses. So proportion of raw materials would base oil 4 constitute for Castrol? If you can provide some color or some range on that. Base oil 4, particularly.

- Saugata Basuray:** Well, I won't be able to give you specific formulation, because that's proprietary, as you can imagine. So we have predominantly Group 2, Group 3 are the base oils that are predominantly used. Beyond that, there is something called PAO, polyalphaolefin. I think maybe you're referring to that. So the part of our portfolio, which in the automotive business, which are what we call as thin products, which is 0W and 5W, they predominantly have Group 3 and PAO. So that's where we would have brands such as MAGNATEC and POWER1 on the consumer side, which consume these products. So does that answer your question?
- Dhaval Popat:** So that part would be around less than 10% or so, I believe, of the overall portfolio, or 10% or more than that. Some color?
- Saugata Basuray:** Yes. So it's not as linear as that, because it's not that the entire formulation is Group 3 or PAO. Right? It's just that directionally, what I'm guiding you to is that automotive or the consumer products, which are fully synthetic and carry viscosity such as 0W, 5W, they are the ones where the formulation would have dependency on Group 3 and PAO.
- Dhaval Popat:** Okay. Okay. That helps. And any guidance on how do you see the value for data center cooling business going forward?
- Mrinalini Srinivasan:** I think, Dhaval, on this one, let me take it to what Saugata just said, these products tend to have large long pilot cycles, and we are in those pilots very well. They wouldn't form a substantial part of our revenue and profit today, and hence any specific comments on that perhaps is not appropriate.
- Moderator:** Dhaval, may I request you to rejoin, please? Next question is from the line of Nitin Tiwari from Phillip Capital. Please go ahead.
- Nitin Tiwari:** It's actually not a question. I just wanted to leave both of you with an observation. I mean, given that like I mean, I don't know whether it is an outcome of the environment we are operating in or it is a strategy. But given that we avoid talking about specifics and we talk in very broad terms, so it has I mean, I'm taking the liberty of talking on behalf of all market participants. It becomes incrementally very, very difficult to ascertain a fair value for our stock.
- Let me tell you, for example, we talk about a margin guidance of 21% to 24%. And if that's like our 9 months or last quarterly -- 4 quarter performances are anything to go by, that's a value range of almost like 15%, 16% on a fair value basis, I mean, which can swing the value either ways.
- We haven't like gone into specific about the segment performances of our business and avoided the specifics. So it's just an observation, if you can like possibly like as far as possible, keeping your business sensitivities in perspective, as far as possible, you can provide us with more specific guidance's which can help the market participants better. That would be like highly appreciable. That's the thought I would want to leave you, both of you with. And would be happy and really appreciate if you can accommodate that. Thank you.
- Saugata Basuray:** It is somehow one of the [inaudible 0:45:54]



Castrol India Limited
October 26, 2026

Moderator:

Thank you. This brings us to the end of the call. On behalf of Castrol India Limited, thank you for joining this call. You may now disconnect your lines. Wish you a good day ahead.