

## NOTICE OF THE MEETING

NOTICE is hereby given that the thirty-sixth Annual General Meeting of the Members of Castrol India Limited will be held on **Tuesday, 13<sup>th</sup> May, 2014 at 3.30 p.m.** at Birla Matushri Sabhagar, Marine Lines, Mumbai 400 020, to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> December, 2013 and the Statement of Profit and Loss for the year ended on that date, along-with the Reports of the Directors and Auditors thereon.
2. To confirm the payment of interim dividend and declare a final dividend on equity shares for the financial year ended 31<sup>st</sup> December, 2013.
3. To appoint a Director in place of Mr. S. M. Datta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Uday Khanna who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors, fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E) having valid peer review certificate, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

RESOLVED FURTHER THAT the remuneration payable together with the out-of-pocket expenses, if any, and the installments in which the remuneration is payable to the Auditors shall be such, as shall be mutually agreed upon between the Board of Directors and the Auditors.”

### Special Business:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, the approval of the Company be and is hereby accorded to the appointment of Mr. Ravi Kirpalani as a Whole-time Director, designated as Managing Director of the Company, for a period of 5 (five) years with effect from 27<sup>th</sup> April, 2013 on the terms and conditions including remuneration as set out in the agreement entered into by the Company with Mr. Ravi Kirpalani, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board 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.”

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies

Act, 1956 or any statutory modification(s) or re-enactment thereof, Ms. Rashmi Joshi, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 115(a) of the Articles of Association of the Company, on 1<sup>st</sup> August, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and subject to the approval of the Central Government, the approval of the Company be and is hereby accorded to the appointment of Ms. Rashmi Joshi as a Whole-time Director designated as Director Finance of the Company, for a period of 5 (five) years with effect from 1<sup>st</sup> August, 2013 on the terms and conditions including remuneration as set out in the agreement entered into by the Company with Ms. Rashmi Joshi, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board 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.”

#### NOTES

1. A Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 6, 7 and 8 to be transacted at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing Proxy should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. 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.
5. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days except Saturdays, Sundays and public holidays between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
6. Brief resume of the Directors proposed to be appointed or re-appointed, including nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement executed with the Stock Exchanges, are incorporated in the Report on Corporate Governance forming part of the Annual Report.
7. The Register of Members and Share Transfer Books will remain closed from

Tuesday, 6<sup>th</sup> May, 2014 to Tuesday, 13<sup>th</sup> May, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on or around 3<sup>rd</sup> June, 2014 to those members whose names shall appear on the Company's Register of Members as on Book Closure dates.

8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants 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 M/s. TSR Darshaw Private Limited at the address provided in the Corporate Governance Report.
9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, M/s. TSR Darshaw Private Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.  
  
In case your holding is in physical form, please inform the Company's Registrars and Transfer Agents of your bank account.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
11. Members can register their complaints, if any, on designated e-mail id **investorrelations.india@castrol.com** which has been designated for the said purpose.

12. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company would be transferring the Final Dividend for the year ended 31<sup>st</sup> December, 2006 and the Interim Dividend for the year ended 31<sup>st</sup> December, 2007 on or before 4<sup>th</sup> June, 2014 and 27<sup>th</sup> August, 2014 respectively. Shareholders are requested to ensure that they claim the dividends referred to above, before it is transferred to the said Fund. Due dates for transfer of Unclaimed Dividend to IEPF, are given in the Report on Corporate Governance.
13. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
14. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the entrance of the venue.
15. The Members are expected to send their queries on Annual Report to the Company Secretary, atleast 7 days before the date of meeting, so that the requisite information/explanations can be provided in time.

By Order of the Board of Directors

**Sandeep Deshmukh**  
Company Secretary

Date: 17<sup>th</sup> February, 2014  
Registered Office  
Technopolis Knowledge Park,  
Mahakali Caves Road,  
Andheri (E),  
Mumbai 400 093



**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AS MADE APPLICABLE WITH EFFECT FROM 12TH SEPTEMBER, 2013**

The following Statement sets out all the material facts relating to the Special Business mentioned at Items Nos. 6, 7 and 8 of the accompanying Notice.

**Item No. 6**

The Board of Directors ("the Board") appointed, subject to the approval of the Members, Mr. Ravi Kirpalani as a Whole-time Director of the Company designated as Managing Director for a period of five (5) years with effect from 27<sup>th</sup> April 2013.

Mr. Kirpalani has almost 30 years of experience in Sales, Marketing and Strategy. Mr. Kirpalani served as the Chief Operating Officer and Director – Automotive at Castrol India Ltd. from May 1, 2009 to April 26, 2013. He joined Castrol India Ltd. in 1999 as the General Manager, East and was promoted in 2002 to Vice President, Sales. In 2004, he was appointed as the Customer Director for India, Middle East, Turkey and Africa. In 2005, he moved to the UK as the Transformation Director and was a member of the global strategy team. Mr. Kirpalani played a key role in the implementation of the global strategy. Prior to Castrol, he worked for M/s Reckitt Benckiser for 12 years, in various roles and for a leading consumer products company in Muscat, Oman. Mr. Kirpalani has been a Director of Castrol India Ltd. since May 1, 2009. Mr. Kirpalani is an Economics (Hons) graduate from St. Stephens College, Delhi and holds MBA from IIM, Kolkata.

Mr. Kirpalani satisfies all the conditions as stated in the Part I of the Schedule XIII to the Companies Act, 1956. Pursuant to Section 302 of the Act, an Abstract of the main terms and conditions of Mr. Kirpalani's appointment dated 27<sup>th</sup> April 2013 was sent to the Members.

The terms and conditions as contained in the Agreement dated 21<sup>st</sup> May, 2013 entered into

between Mr. Kirpalani and the Company are as under:

**(A) Salary:**

- (i) Basic Salary of Rs. 5,20,005/-per month.
- (ii) Other Allowances of Rs. 6,55,005/- Allowances consist of Flexible Compensation Plan (FCP) component of Rs. 5,20,005/- per month which is allocable as per the rules of the Company & a City Compensatory Allowance of Rs.1,35,000/- per month as per rules applicable to Senior Executives in Level E and above.

Subject to the Board of Directors reviewing the increase in such salary & allowances from time to time.

**(B) Performance Linked Bonus:**

Such percentage of the net profits of the Company or such amount as may be decided by the Directors for each financial year or part thereof.

Provided however that the aggregate amount of salary and performance linked bonus shall be subject to such limits as may be fixed by the Board of Directors for each financial year or part thereof from time to time.

**(C) Perquisites:**

The Managing Director shall be entitled to perquisites as are allowed to Senior Executives in Level E and above, based on the approval of the Board of Directors from time to time. In addition to Salary and Performance Linked Bonus, the Managing Director shall also be entitled to perquisites and in particular the following perquisites shall be allowed to the Managing Director.

**i. Housing:**

- (a) the Company shall provide hired accommodation to the Managing Director including the provision

for funding from the Managing Director's salary and a provision of top-up towards leased accommodation as per the rules of the Company applicable to Senior Executives in Level E and above or

- (b) the Company shall provide to the Managing Director unfurnished Company owned accommodation with applicable deductions towards employee funding towards such house as per rules for Senior Executives in Level E and above or
- (c) where no accommodation is provided by the Company or the Managing Director does not opt for the accommodation provided by the Company during any period covered under this Agreement, then the Managing Director shall be entitled to top-up towards leased accommodation as per rules of the Company applicable to Senior Executives in Level E and above.

ii. **Medical Reimbursement:**

Medical Expenditure incurred by the Managing Director and his family as per the rules of the Company applicable to Senior Executives in Level E and above.

Explanation: Family shall mean the Managing Director's wife and his dependent children.

iii. **Leave and Leave Travel Concession:**

- (a) Leave on full salary, as per the rules of the Company applicable to Senior Executives in Level E and above.
- (b) Leave Travel Concession allocated from the flexible compensation plan for the Managing Director and his Family once in a year incurred in accordance with the rules of

the Company applicable to Senior Executives in Level E and above.

- iv. **Club Fees:** Fees of one Club Admission (Life Membership fees shall not be included).
- v. **Personal Accident Insurance:** As per rules of the Company applicable to Senior Executives in Level E and above.
- vi. **Provident Fund and Superannuation Fund:** Contribution to Provident Fund and Superannuation Fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961. The Managing Director shall have the option to receive the cash allowance in full or in part in lieu of the Company's contribution to the Superannuation fund.
- vii. **Encashment of Leave:** Encashment of leave at the end of tenure will be permitted as per rules applicable to Senior Executives in Level E and above.
- viii. **Gratuity:** Gratuity payable shall be as per 'Castrol India Limited Gratuity Rules' in force from time to time.
- ix. **Company Car:** The Managing Director is eligible for Company leased car with deductions from the flexible compensation plan as per the rules applicable to Senior Executives in Level E and above.
- x. Such other Equity/Bonus/Investor Plan applicable to Senior Executives in level E and above.

Provided however, that the value of the perquisites allowed under Clause (C) in its entirety but excluding sub-clauses (i),(v),(vi) (to the extent of the limits being exceeded, if any, prescribed thereunder) (vii) and (viii) shall not exceed the sum of Rs. 75 lacs for each financial year or part thereof. In arriving at the value of

the perquisites insofar as there exists a provision for valuation of perquisites under the Income Tax Rules, the value shall be determined on the basis of Income Tax Rules in force from time to time.

#### **Minimum Remuneration:**

Where in any financial year, the Company has no profit or its profits are inadequate, the Company shall pay to the Managing Director, Minimum Remuneration as provided in Section II of Part II of Schedule XII of the Companies Act, 1956 as modified from time to time.

In compliance with the provisions of Sections 269, 309 and other applicable provisions of the Act read with Schedule XIII of the Act, the terms of appointment and remuneration specified above are now being placed before the members for their approval vide Resolution at Item No. 6.

Save and except Mr. Kirpalani, none of the other Directors of the Company are in any way concerned or interested in the resolution.

The Board commends the resolution as set out at Item No. 6 of the Notice for your approval.

#### **Item No. 7**

The Board of Directors of the Company (the 'Board'), at its meeting held on 1<sup>st</sup> August, 2013 appointed Ms. Rashmi Joshi as an Additional Director effective from 1<sup>st</sup> August, 2013 pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 115(a) of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Ms. Rashmi Joshi would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith deposit of Rs. 500/-, proposing the candidature of Ms. Rashmi Joshi for the office of Director of the Company under the provisions of Section 257 of the Act.

Ms. Rashmi Joshi is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Ms. Rashmi Joshi, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming her eligibility for such appointment.

The Board of Directors considers that it would be in the interest of the Company to avail of the services of Ms. Rashmi Joshi as a Director of the Company and therefore recommend her appointment. Moreover, appointment of a woman director will be in compliance of Section 149 of the Companies Act, 2013, when notified.

Save and except Ms. Rashmi Joshi, none of the other Directors of the Company are in any way concerned or interested in the resolution.

The Board commends the resolution as set out at Item No. 7 of the Notice for your approval.

#### **Item No. 8**

The Board of Directors ("the Board") has also appointed, subject to the approval of the Central Government and members, Ms. Rashmi Joshi as a Whole-time Director of the Company designated as "Director – Finance", for a period of five years with effect from 1<sup>st</sup> August, 2013.

Ms. Rashmi Joshi is a Chartered Accountant and a Company Secretary with over 24 years of post-qualification experience in finance function in FMCG, Pharma, Consumer durable and Oil & Gas industries. She joined Castrol India in 2005, as General Manager Finance & Accounts and later moved into an Asia & Pacific region in 'Planning and Performance Manager' role, based at Singapore.

Ms. Rashmi Joshi satisfies all the conditions as stated in the Part I of the Schedule XIII to the Companies Act, 1956 except to the extent that she has not stayed in India for a continuous period of 12 months immediately preceding the date on which she was appointed i.e. 1<sup>st</sup> August, 2013.



Pursuant to Section 302 of the Act, an Abstract of the main terms and conditions of Ms. Rashmi Joshi's appointment dated 1<sup>st</sup> August, 2013 was sent to the Members for their information. An application has also been made to the Central Government in respect of non-fulfillment of the requirement of Clause No. (c) of the Part I of Schedule XIII to the Companies Act, 1956 and hence the said appointment and remuneration to be paid to Ms. Rashmi Joshi are subject to receipt of the said approval.

The terms and conditions as contained in the Agreement dated 1<sup>st</sup> August, 2013 entered into between Ms. Rashmi Joshi and the Company are as under:

**(A) Salary:**

- (i) Basic Salary of Rs. 2,89,675/- per month.
- (ii) Allowances of Rs. 3,76,175/- per month. Allowances consist of Flexible Compensation Plan (FCP) component of Rs. 2,89,675/- per month which is allocable as per the rules of the Company and a City Compensatory Allowance of Rs. 86,500/- per month as per rules applicable to Senior Executives in Level F and above as applicable to her job.

Subject to revision in such Salary from time to time, pursuant to a review by the Board of Directors.

**(B) Performance Linked Bonus:**

Such percentage of the net profits of the Company or such amount as may be decided by the Directors for each financial year or part thereof.

Provided however that the aggregate amount of salary and performance Linked Bonus shall be subject to such limits as may be fixed by the Board of Directors for each Financial Year or part thereof from time to time.

**(C) Perquisites:**

The Whole-time Director shall be entitled to perquisites as are allowed to Senior Executives in Level F and above, as applicable

to her job, based on the approval of the Board of Directors from time to time. In addition to Salary and Performance Linked Bonus, the Whole-time Director shall also be entitled to perquisites and in particular the following perquisites shall be allowed to the Director.

**i. Housing:**

- (a) the Company shall provide hired unfurnished accommodation to the Director as applicable to her job including the provision for funding from the Director's salary and a provision of top-up towards leased accommodation as per the rules of the Company applicable to Senior Executives in Level F and above as applicable to her job; or
- (b) the Company shall provide to the Director unfurnished Company owned accommodation with applicable deductions towards employee funding towards such house as per rules for Senior Executives in Level F and above as applicable to her job; or
- (c) where no accommodation is provided by the Company or the Director does not opt for the accommodation provided by the Company during any period covered under this Agreement, then the Director shall be entitled to top-up towards leased accommodation as per the rules of the Company applicable to Senior Executives in Level F and above as applicable to her job.

**ii. Medical Reimbursement:**

Medical expenditure incurred by the Whole-time Director and her family as per the rules of the Company applicable to Senior Executives in Level F and above as applicable to her job.

- iii. **Leave and Leave Travel Concession:**
- (a) Leave on full salary, as per the rules of the Company applicable to Senior Executives in Level F and above as applicable to her job.
- (b) Leave Travel Concession for the Whole-time Director and her Family once in a year incurred in accordance with the rules of the Company applicable to Senior Executives in Level F and above as applicable to her job.
- iv. **Club Fees:** Fees of one Club, (Life Membership fees shall not be included).
- v. **Personal Accident Insurance:** As per rules of the Company applicable to Senior Executives in Level F and above as applicable to her job.
- vi. **Provident Fund and Superannuation Fund:** Contribution to Provident Fund and Superannuation Fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
- vii. **Encashment of Leave:** Encashment of leave at the end of tenure will be permitted as per rules applicable to Senior Executives in Level F and above, as applicable to her job.
- viii. **Gratuity:** Gratuity payable shall be as per 'Castrol India Limited Gratuity Rules' in force from time to time.
- ix. **Company Car:** The Whole-time Director shall be provided with a Company car as per the rules applicable to Senior Executives in Level F and above as applicable to her job.

Provided however, that the value of the perquisites allowed under Clause (C) in its entirety but excluding sub-clause (i), (v),(vi) (to the extent of the limits being

exceeded, if any, prescribed thereunder) (vii) and (viii) shall not exceed the sum of Rs.50 lacs for each financial year or part thereof. In arriving at the value of the perquisites insofar as there exists a provision for valuation of perquisites under the Income Tax Rules, the value shall be determined on the basis of Income Tax Rules in force from time to time.

**Minimum Remuneration:**

Where in any financial year, the Company has no profit or its profits are inadequate, the Company will pay to the Whole-time Director, Minimum Remuneration as provided in Section II of Part II of Schedule XIII of the Companies Act, 1956 as modified from time to time.

In compliance with the provisions of Sections 269, 309 and other applicable provisions of the Act read with Schedule XIII of the Act, the terms of appointment and remuneration specified above are now being placed before the Members for their approval.

Save and except Ms. Rashmi Joshi, none of the other Directors of the Company are in any way concerned or interested in the resolution.

The Board commends the resolution as set out at Item No. 8 of the Notice for your approval.

By Order of the Board of Directors

**Sandeep Deshmukh**  
Company Secretary

Date: 17<sup>th</sup> February, 2014

Registered Office  
Technopolis Knowledge Park,  
Mahakali Caves Road,  
Andheri (E),  
Mumbai 400 093