

Castrol India Limited



CIN : L23200MH1979PLC021359

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

Tel.: (022) 66984100 Fax: (022) 66984101 Email : investorrelations.india@castrol.com Website: www.castrol.co.in

NOTICE OF POSTAL BALLOT TO THE MEMBERS (Notice issued pursuant to Section 110 of the Companies Act, 2013)

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, ("Act") if any, read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, that the resolutions set out below are proposed to be passed by way of postal ballot/ e-voting. An explanatory statement pertaining to the said resolutions setting out the material facts concerning each item and the reasons thereof is annexed to this notice, along with a postal ballot form ("Form") for your consideration.

The Board of Directors ("Board") of Castrol India Limited ("Company") has appointed Mr. K.G. Saraf, of M/s. Saraf & Associates, Practising Company Secretaries, as the "Scrutinizer", for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the postal ballot notice and form, record your assent (For) or dissent (Against) therein and return the Form, in original, duly completed in all respects, in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer on or before the close of working hours on 25 March 2019 at 5.00 p.m (IST).

The Company is also providing e-voting facility for voting on the resolutions. Members desiring to opt for e-voting are requested to read the notes to the notice and instructions overleaf the Form. References to postal ballot in this notice include votes received electronically.

Members can opt only one mode of voting, i.e. either by physical ballot or e-voting. If the Member has cast vote through both modes, voting cast through e-voting shall be treated as valid and votes cast through the physical postal ballot forms will be treated as invalid.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman and in his absence to the Managing Director or any of the Wholetime Directors of the Company. The result of the postal ballot would be announced by the Managing Director or any one of the Wholetime Directors, on 26 March, 2019 at the Registered Office of the Company.

The aforesaid result would be displayed at the Registered Office of the Company, intimated to the

Stock Exchanges where the Company's shares are listed, published in the newspapers and displayed along with the Scrutinizer's report on the Company's website viz. www.castrol.co.in and on the websites of BSE Limited, The National Stock Exchange of India Limited and National Securities Depository Limited.

Item No. 1 – Re-appointment of Mr. Omer Dormen (DIN: 07282001) as the Managing Director of the Company for a period of 1 (one) year effective 12 October 2018.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provision(s) of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, the consent, be and is hereby accorded to the re-appointment of Mr. Omer Dormen (DIN : 07282001) as Managing Director of the Company for a period of one (1) year effective from 12 October 2018, on the terms and conditions of appointment and remuneration as set out in the explanatory statement annexed to the notice with liberty and power to the Board of Directors (hereinafter referred to as the "Board" which expression shall also include the 'Nomination and Remuneration Committee' of the Board), in the exercise of its discretion, to alter and vary the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

Item No. 2 – Re-appointment of Ms. Rashmi Joshi (DIN: 06641898) as Wholetime Director of the Company for a period of 5 (five) years effective 1 August 2018:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable

provision(s) of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company, be and is hereby accorded to the re-appointment of Ms. Rashmi Joshi (DIN: 06641898) as a Wholetime Director of the Company, liable to retire by rotation, for the period from 1 August 2018 to 31 July 2023, on the terms and conditions of appointment and remuneration as set out in the explanatory statement annexed to the notice with liberty and power to the Board of Directors (hereinafter referred to as the "Board" which expression shall also include the 'Nomination and Remuneration Committee' of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

Item No. 3 – To confirm appointment of Mr. S. M. Datta (DIN: 00032812) as an Independent Director, up to 30 September 2019 pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

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

"**RESOLVED THAT** pursuant to the resolution passed by the members and Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company do hereby confirm appointment of Mr. S. M. Datta (DIN: 00032812) as an Independent Director up to 30 September 2019, not being liable to retire by rotation."

Item No. 4 – Appointment of Ms. Sangeeta Talwar (DIN: 00062478) as an Independent Director of the Company.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provision(s) of the Companies Act, 2013 ("Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act and applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any amendment thereof) Ms. Sangeeta Talwar (DIN: 00062478), who was

appointed by the Board of Directors as an Additional Director with effect from 23 July 2018 and who holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five years commencing from 23 July 2018 up to 22 July 2023."

Item No. 5 – Approval for payment of royalty to Castrol Limited, UK, Promoter Company:

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

"**RESOLVED THAT** pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded for entering into related party transaction(s), which are undertaken in the ordinary course of business and at arm's length pricing, as detailed below:

| | |
|-----------------------|--|
| Name of Related Party | Castrol Limited, U.K. |
| Nature of transaction | Payment of royalty @ 3.5% on annual turnover subject to a cap of 10% on profit before tax. |

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things and matters as may be necessary in order to give effect to this resolution."

By Order of the Board of Directors,

For Castrol India Limited

Jayanta Chatterjee
Wholetime Director
DIN: 06986918

Registered Office:

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

Place : Mumbai

Date : 30 January 2019

Notes

1. The explanatory statement pursuant to Section 102 read with Section 110 of the Act stating all material facts and the reasons for the proposals are annexed herewith.
 2. This postal ballot notice is being sent to the members whose names appear on the register of members / list of beneficial owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on close of business hours of **1 February 2019**.
 3. Members who have registered their email IDs for receipt of documents in electronic form under the Green Initiative of the Ministry of Corporate Affairs are being sent the postal ballot notice by e-mail to their email addresses registered with their Depository Participants / the Company's Registrar and Transfer Agent. Members who receive the postal ballot notice by e-mail and who wish to vote through physical postal ballot form can download the same from the website of the Company (www.castrol.co.in). For members whose email IDs are not registered, physical copies of this postal ballot notice are being sent by registered post, speed post or a courier along with a postage-prepaid self-addressed business reply envelope. To seek a duplicate postal ballot form, please contact the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, and fill in the requisite details and send the same to the Scrutinizer.
 4. Members whose names appear on the Register of members / list of beneficial owners as on **1 February 2019** will be considered for the purpose of voting. A person who is not member as on the relevant date should treat this postal ballot notice for informational purposes only.
 5. Resolutions passed by the members through postal ballot are deemed to have been passed as if they are passed at a General Meeting of the members.
 6. Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In cases where members cast their votes through both modes, voting cast through e-voting shall be treated as valid and votes cast through the physical postal ballot forms will be treated as invalid.
 7. In case where a member wishes to obtain a printed postal ballot form or a duplicate, he or she may send an email to investorrelations.india@castrol.com or rnt.helpdesk@linkintime.co.in. The Company/ registrar and share transfer agent shall forward the same along with postage-prepaid self-addressed business reply envelope to the member.
 8. The voting rights for the equity shares of the Company are one vote per equity share, registered in the name of the member. The voting rights of the members shall be in proportion to the percentage of paid-up share capital of the Company held by them, which will be determined on the basis of the paid-up value of shares registered in the name of each member as on 1 February 2019.
- The postal ballot period commences on 23 February 2019 (09:00 hours IST) and ends on 25 March 2019 (17:00 hours IST).**
9. In compliance with Sections 108 and 110 of the Act and the Rules made thereunder, the Company has provided the facility to members to exercise their votes electronically and to vote on all resolutions through the e-voting service facility arranged by NSDL. The instructions for electronic voting are annexed to this postal ballot notice. Members cannot exercise votes by proxy, though corporate and institutional members shall be entitled to vote through their authorized representatives with proof of their authorization.
 10. Members wishing to exercise their vote by physical postal ballot are requested to carefully read the instructions printed on the postal ballot form and return the postal ballot form duly completed and signed, in the enclosed self-addressed business reply envelope to the Registrar and Share Transfer Agent at – "To, Mr. K.G. Saraf - Castrol India Limited, The Scrutinizer, c/o Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083", so that it reaches the Registrar and Share Transfer Agent not later than the close of working hours (i.e. 17:00 hours IST) on 25 March 2019. The postal ballot form should be completed and signed by the member. The Scrutinizer's decision on the validity of the postal ballot shall be final. As mentioned above, the postage will be borne by the Company. However, envelopes containing postal ballots, if sent by courier or registered / speed post at the expense of the members, will also be accepted. **postal ballot forms received after 17:00 hours IST on 25 March 2019 shall be deemed invalid.** Voting by postal ballot, in the physical form or e-voting, can be exercised only by his / her duly constituted attorney or in case of bodies corporate, the duly authorized person.
 11. The Scrutinizer will submit his report to the Chairman or any other person authorized by the Chairman after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman or any director of the Company duly authorized on 26 March 2019 and will also be displayed on the Company website (www.castrol.co.in) and on the website of NSDL (<https://nsdl.co.in>), and communicated to the stock exchanges, registrar and share transfer agent on the said date.
 12. Members can also contact Mr. Rupesh Bhargava – Client co-ordination Team, at Link Intime India Private Limited (the Company's Registrar and Share Transfer Agent) to resolve any grievances with regard to voting by postal ballot. Email id – rupesh.bhargava@linkintime.co.in, contact no. +91 9167779211;
 13. This postal ballot notice is also placed on the website of the Company www.castrol.co.in and on the website of NSDL at <https://nsdl.co.in>.
 14. The last date of receipt of the postal ballot forms/ e-voting i.e. 25 March, 2019, shall be the date on which the resolutions would be deemed to have been passed, if approved by the requisite majority.

15. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch until the last date for receipt of votes by postal ballot / e-voting.
16. In compliance with Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Act, read with related Rules, the Company is pleased to provide e-voting facility to all its shareholders, to enable them to cast their votes electronically instead of dispatching the physical postal ballot form by post. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its members.

Voting through electronic means:

The instructions for members for e-voting are as under:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

Now, you will have to click on "Login" button.

After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. to the scrutinizer by e-mail to castrolpb2019@sarafandassociates.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Voting rights in the postal ballot / e-voting cannot be exercised by a proxy, though corporate and institutional members shall be entitled to vote through their authorized representatives with proof of their authorization.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)
As required by Section 102 of the Companies Act, 2013, this explanatory statement sets out all material facts relating to the business mentioned in the accompanying notice.

Item No. 1 – Re-appointment of Mr. Omer Dormen (DIN: 07282001) as the Managing Director of the Company for a period of 1 (one) year effective 12 October 2018.

The members of the Company at the 38th Annual General Meeting held on 5 May 2016, approved the

appointment of Mr. Omer Dormen (DIN: 07282001) as the Managing Director for a period of 3 (three) years w.e.f. 12 October 2015. The member's approval was subject to the approval of the Central Government, since Mr. Omer Dormen was a Non-Resident.

Consequently the Central Government approval was granted on 24 August 2016. The term of Mr. Omer Dormen expired on 11 October 2018.

The Board of Directors of the Company has at its meeting held on 31 July 2018, on the basis of the recommendations made by the Nomination and Remuneration Committee and taking into consideration several factors, including the qualifications, skills and expertise, performance during his existing tenure, achievement of growth and performance targets for the functions under his responsibility and for Castrol India Limited in entirety, familiarity with the business operations of the Company, commitment towards the Company and his exemplary leadership skills, decided to continue with the appointment of Mr. Omer Dormen as the Managing Director for a further period of 1 (one) year w.e.f. 12 October 2018 and approved the terms and conditions of his appointment, including payment of remuneration, subject to the requisite approval of the members and the Central Government.

The material terms of appointment and remuneration as contained in the Board resolution dated 31 July 2018 are given below:

A. Remuneration:

| Reward Element | (Per Annum) | |
|--|---|-----------------|
| | Turkish Lira | INR Equivalent* |
| Base Salary | 714,800 | 12,764,184 |
| Cost of Living Allowance (COLA) | 148,496 | 2,651,693 |
| Hardship Allowance | 454,574 | 8,117,346 |
| Transition Payment | 68,594 | 1,224,883 |
| Housing Benefit (Maximum Annual Limit) | 428404 | 7,650,000 |
| Performance Linked Bonus | As per the Company Policy | |
| Equity Plans | As per the Company Policy | |
| Medical Reimbursement | As per International Mobility Policy | |
| Leave and Leave Travel Concession | As per International Mobility Policy | |
| Club Fees | Fees of one Club will be paid by the company | |
| Personal Accident & Life Insurance | As per International Mobility Policy | |
| Provident Fund | Contribution to Provident Fund as per rules applicable to an International worker | |
| Education Support for Children | Provided for one child | |
| Company Car | Fully maintained Company leased car with driver as per the policy | |
| Utilities Payment | Paid by the company | |

Exchange Rate – 1 TRY = Rs.17.857

The total monthly remuneration will be TRY 1,51,539 per month (equivalent to Rs.27,00,675/- per month).

The above salary is subject to revision from time to time, pursuant to a review by the Board of Directors.

B. Responsibilities:

Subject to the supervision and control of the Board of Directors of the Company, the Managing Director shall have substantial powers of management and shall perform such duties and exercise such powers, authorities and discretions as the Board shall from time to time delegate to him.

C. Payment:

The remuneration will be paid in Turkish Lira and by way of secondment arrangement to done with 'BP Petrolleri AS' (a BP Group entity) and mark-up, if any will be decided mutually between the Company and 'BP Petrolleri AS', within the limits of related party transactions approved by the Audit Committee of the Company.

D. Minimum Remuneration:

Notwithstanding anything contained above, wherein any financial year during his tenure as Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Dormen shall be subject to Section 197 of the Companies Act, 2013 and provisions of Section II of Part II of Schedule V to the Companies Act, 2013 or any other law or enactment for the time being in force.

A brief profile of Mr. Omer Dormen and the information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India is annexed to this notice.

Except Mr. Omer Dormen, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in or concerned with the resolution.

The Board of Directors recommends passing of the resolution as an ordinary resolution.

Item No. 2 – Re-appointment of Ms. Rashmi Joshi (DIN: 06641898) as Wholetime Director of the Company for a period of 5 (five) years effective 1 August 2018:

The members of the Company at the 36th Annual General Meeting held on 13 May 2014, approved the appointment of Ms. Rashmi Joshi (DIN: 06641898) as a Wholetime Director for a period of 5 (five) years, w.e.f. 1 August 2013 to 31 July 2018.

The Board of Directors of the Company has at its meeting held on 3 May 2018 on the basis of the recommendations made by the Nomination & Remuneration Committee and taking into consideration several factors, including the performance of Ms. Rashmi Joshi, her contribution to the Company and the significance of her role in achieving growth and performance targets of the Company decided to continue with the appointment of Ms. Rashmi Joshi as a Wholetime Director, liable to retire by rotation, for a further period of 5 (five) years, w.e.f. 1 August 2018 and approved the terms and conditions of her appointment, including payment of remuneration, subject to the approval of members of the Company.

The material terms of appointment and remuneration as

contained in the resolution of the Board and Agreement are given below:

(A) Salary:

- (i) Basic Salary of Rs. 4,58,100/- per month.
- (ii) Allowances of Rs. 5,44,600/- per month. Allowances consist of Flexible Compensation Plan (FCP) component of Rs. 4,58,100/- 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 Wholetime 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 Wholetime Director shall also be entitled to perquisites and in particular the following perquisites shall be allowed to the Wholetime Director.

i. Housing:

- (a) the Company shall provide hired unfurnished accommodation to the Wholetime Director as applicable to her job including the provision for funding from the Wholetime 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 Wholetime 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 Wholetime Director does not opt for the accommodation provided by the Company during any period covered under this Agreement, then the Wholetime 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 Wholetime 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 Wholetime 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.

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 Wholetime 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.60 lakhs 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:

Notwithstanding anything contained above, wherein any financial year during her tenure as Wholetime Director, the Company has no profits or its profits are inadequate, the remuneration payable to Ms. Rashmi Joshi shall be subject to Section 197 of the Companies Act, 2013 and provisions of Section II of Part II of Schedule V to the Companies Act, 2013 or any other law or enactment for the time being in force.

A brief profile of Ms. Rashmi Joshi and the information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India is annexed to this notice.

Except Ms. Rashmi Joshi, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in or concerned with the resolution.

The Board of Directors recommends passing of the resolution as an ordinary resolution.

Item No. 3 – To confirm appointment of Mr. S. M. Datta (DIN: 00032812) as an Independent Director, up to 30 September 2019 pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The members had appointed Mr. S. M. Datta (DIN: 00032812) as an Independent Director of the Company, for a term of 5 (five) years, effective 1 October 2014 upto 30 September 2019.

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018, no listed entity effective 1 April 2019, shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Accordingly approval of the members is sought for continuation of the remaining term of Mr. S. M. Datta, aged 82 years, as an Independent Director, i.e., up to 30 September 2019 not being liable to retire by rotation.

The Board of Directors considers that with his extensive domain knowledge, professional expertise and strong leadership, Mr. S. M. Datta's continued association with the Board will immensely benefit the Company.

The Company has received a declaration from Mr. S. M. Datta confirming that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). Further, Mr. S. M. Datta is not disqualified from being appointed as Director in terms of Section 164 of the Act.

A brief profile Mr. S.M. Datta and the information pursuant to Regulation 36(3) of the SEBI LODR and Secretarial Standard 2 issued by the Institute of Company Secretaries of India is annexed to this notice.

Except Mr. S.M. Datta, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in or concerned with the resolution.

The Board of Directors recommends passing of the resolution as a special resolution.

Item No. 4 – Appointment of Ms. Sangeeta Talwar (DIN: 00062478) as Independent Director of the Company.

The Board of Directors of the Company, based on the recommendation of the Nomination & Remuneration Committee appointed Ms. Sangeeta Talwar (DIN: 00062478) as an Additional (Independent)

Director of the Company with effect from 23 July 2018 for a term of 5 (five) years i.e. upto 22 July 2023.

As per Section 161 of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, Ms. Sangeeta Talwar holds office only up to the date of the ensuing Annual General Meeting of the Company and her appointment as an Independent Director is subject to the approval of members.

The Company has received a notice in writing from a Member pursuant to Section 160 of the Act, proposing the candidature of Ms. Sangeeta Talwar as an Independent Director of the Company.

Further, the Company has also received from Ms. Sangeeta Talwar (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that she satisfies the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Ms. Sangeeta Talwar fulfils the conditions for appointment as an Independent Director as specified in the Act and the SEBI LODR and she is independent of the management.

A brief profile Ms. Sangeeta Talwar and the information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India is annexed to this notice.

Except Ms. Sangeeta Talwar, none of the Directors, Key Managerial Personnel of the Company and their relatives are interested in or concerned with the resolution.

The Board of Directors recommends passing of the resolution as an ordinary resolution.

Item No. 5 – Approval for payment of royalty to Castrol Limited, UK, Promoter Company:

The Company, in its ordinary course or business, pays royalty to Castrol Limited, U.K., Promoter Company on its annual domestic turnover pursuant to an agreement entered between the Company and Castrol Limited, U.K.

The existing rate of royalty payable to Castrol Limited, U.K. is beyond the materiality limit of 2% of annual turnover as per audited balance sheet of Castrol India Limited as on 31 December 2018 defined under the recent amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, being effective from 1 April 2019.

The Company continues to require access to global technology and expertise to be able to compete effectively in the changing times and to keep its leadership position. The rate of royalty is reasonable and meets the criteria of arm's length transaction.

The details of the said related party transaction are

given below:

| | |
|---|---|
| Name of the Related Party | Castrol Limited, U.K |
| Nature of Relationship | Promoter Company/Holding Company |
| Name of Director(s) or Key Managerial Personnel who are interested | None |
| Nature of transaction | Payment of royalty @ 3.5% on annual turnover subject to a cap of 10% on profit before tax. |
| Period of transaction | Repetitive, annual basis |
| Terms & conditions of the transaction | Pricing and payment terms: At arm's length. Pricing agreed between the related parties would be reviewed and validated for meeting the criteria of arm's length pricing by a reputed and independent chartered accountant firm. |
| Whether transaction has been reviewed and approved by the Audit Committee | Yes |
| Whether the transaction is in ordinary course of business | Yes |

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that all related party transactions require prior approval of the Audit Committee. The Audit Committee and Board of Directors of the Company have approved the abovementioned related party transaction.

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any material related party transaction requires approval of the members by way of an ordinary resolution and no entity falling under the definition of "related party" shall vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not. Hence, the promoter company, viz. Castrol Limited U.K. and other related parties of the Company cannot vote to approve the resolution / transaction.

As the related party transaction is in the ordinary course of business and at arm's length basis, approval under Section 188 of the Companies Act, 2013 is not required.

None of the Directors, Key Managerial Personnel of the Company and their relatives are interested in or concerned with the resolution.

The Board of Directors recommends passing of the resolution as an Ordinary resolution, by exercising their vote through the postal ballot.

By Order of the Board of Directors,
For Castrol India Limited

Jayanta Chatterjee
Wholetime Director
DIN: 06986918

Registered Office:

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

Place: Mumbai

Date: 30 January 2019

Annexure I

INFORMATION REQUIRED UNDER REGULATION 36(3) OF THE SEBI REGULATIONS AND SECRETARIAL STANDARD 2 WITH RESPECT TO DIRECTOR'S RE-APPOINTMENT AND APPOINTMENT:

| Particulars | Mr. Omer Dormen | Ms. Rashmi Joshi | Mr. S. M. Datta | Ms. Sangeeta Talwar |
|---------------------------------------|--|--|--|--|
| DIN | 07282001 | 06641898 | 00032812 | 00062478 |
| Date of appointment | 12.10.2015 | 01.08.2013 | 01.07.1996 | 23.07.2018 |
| Age | 57 years | 52 years | 82 years | 62 years |
| Qualification | Business Graduate from North London University | Chartered Accountant and Company Secretary | Graduate in Chemistry from the Presidency College, Calcutta, a postgraduate degree in Science & Technology from Calcutta University and a Chartered Engineer | Economics Graduate and MBA from IIM Kolkata, Executive Program Wharton School |
| Brief Profile and Nature of Expertise | <p>Following his graduation in 1985, Mr. Dormen joined Turkpetrol in Turkey and worked in various sales and marketing roles with a range of responsibilities for lubricants, fuels and LPG businesses. In 1991 he became the Sales and Marketing Director of the Joint Venture of Castrol and Turkpetrol before becoming the Chief Executive of the newly established Castrol Company in Turkey and was responsible for setting up the business. Following BP's acquisition of Castrol, he became the Performance Unit Leader for Turkey and managed the integration of the two businesses. Omer has over 30 years of experience in strategic planning</p> | <p>With more than 26 years of experience in finance function working for FMCG, Pharmaceutical, Consumer durable and Lubricants businesses, at Castrol India Limited. Ms. Rashmi Joshi has been responsible for leading India finance team, transformation of finance processes, business partnering by actively contributing in delivery of plans, improving key performance ratios, shaping country strategy for India and South Asia, risk management.</p> | <p>Mr. S.M. Datta was Chairman of Hindustan Unilever Limited as well as all Unilever companies in India and Nepal, from 1990 to 1996. He had joined HUL as a Management Trainee in 1956 after completing his university education in Chemical Engineering. He is a Past President of Associated Chambers of Commerce & Industry and the Council of EU Chamber of Commerce in India, Past President of the Bombay Chamber of Commerce & Industry and of Indian Chemical Manufacturers Association and Past Chairman of Bombay First. Mr. Datta is a fellow member of the Institution of Engineers, Fellow of the Indian</p> | <p>In a career spanning over 30 years Ms. Talwar has worked across large businesses of European, American and Indian corporations. She has largely worked with the private sector in India & in Switzerland as well as spearheaded the implementation of a national level, Social sector - World Bank funded project in Rural India. She has multifunctional exposure across tire disciplines of Marketing, Sales, Human Resources and General Management. She now serves as an Independent Director on several large boards with businesses ranging across, FMCG, Alternative energy, Education (including as a member of the Board of Governors IIM Kolkata), financial services, IT Infrastructure & hardware distribution and Automobiles. She</p> |

| Particulars | Mr. Omer Dormen | Ms. Rashmi Joshi | Mr. S. M. Datta | Ms. Sangeeta Talwar |
|---|--|---|--|---|
| | and business management in a variety of international roles. | | Institute of Chemical Engineers, Member of Society of Chemical Industry (London) and Honorary Fellow of All India Management Association. | is Diversity speaker and also runs her own Brand & Strategy consulting co. |
| Terms and conditions of Appointment/ Re-appointment | Provided in the Explanatory Statement annexed to the Notice. | Provided in the Explanatory Statement annexed to the Notice. | Provided in the Explanatory Statement annexed to the Notice. | Provided in the Explanatory Statement annexed to the Notice. |
| Remuneration last drawn (including sitting fees, if any) | INR 53,300,262/- | INR 18,625,512/- | INR 28,50,000/- | NIL |
| Relationship with other Directors/ Key Managerial Personnel | Mr. Omer Dormen is not related to any of Directors / Key Managerial Personnel of the Company | Ms. Rashmi Joshi is not related to any of Directors / Key Managerial Personnel of the Company | Mr. S .M. Datta is not related to any of Directors / Key Managerial Personnel of the Company | Ms. Sangeeta Talwar is not related to any of Directors / Key Managerial Personnel of the Company |
| Directorship Details | 1. Castrol India Limited | 1. Castrol India Limited 2. Thirdware Solutions Limited | 1. Transport Corp. of India Limited 2. Castrol India Limited 3. Philips India Limited 4. IL & FS Investment Managers Limited 5. The Peerless General Finance & Investment Co Limited 6. Atul Limited 7. Boruka Power Corporation Limited 8. Peerless Financial Products Distribution Ltd 9. Chandra's Chemical Enterprises Private Limited 10. SMD Management Consultants Private Limited | 1. Glaxosmithline Consumer Health Care Limited 2. HCL Infosystems Limited 3. TCNS Clothing Co. Limited 4. Sembcorp Energy India Limited 5. Sembcorp Green Infra Limited 6. Mahindra First Choice Wheels Limited 7. Flyvision Consulting LLP 8. Manipal Global Education Services Private Limited |

| Particulars | Mr. Omer Dormen | Ms. Rashmi Joshi | Mr. S. M. Datta | Ms. Sangeeta Talwar |
|---|---|--|---|---|
| Membership/ Chairmanship of Committee of other Boards* | Stakeholders' Relationship Committee 1. Castrol India Limited | Stakeholders' Relationship Committee 1. Castrol India Limited Audit Committee 1. Thirdware Solutions Limited - Chairman | Stakeholders' Relationship Committee 1. Castrol India Limited - Chairman 2. IL & FS Investment Managers Ltd Audit Committee 1. Castrol India Limited 2. IL & FS Investment Managers Ltd 3. Boruka Power Corporation India Ltd – Chairman 4. Transport Corp. of India Limited 5. Peerless Gen. Fin. & Inv. Co. Ltd. | Stakeholders' Relationship Committee 1. HCL Infosystems Limited – Chairman 2. TCNS Clothing Co. Limited – Chairman Audit Committee 1. GlaxoSmithKline Consumer Heathcare Limited 2. HCL Infosystems Limited 3. Mahindra First Choice Wheels Limited 4. Sembcorp Energy India Limited 5. Sembcorp Green Infra Limited 6. TCNS Clothing Co. Limited 7. Manipal Global Education Services Private Limited |
| Shareholding in the Company | NIL | NIL | 25,000 held by Mr. Datta and 46,472 held jointly with Mrs. Datta | NIL |
| No. of Meetings of the Board attended during the year 2018 | 4 | 4 | 4 | 2 |

(*) Only two committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the SEBI Regulations