

▶ REPORT ON CORPORATE GOVERNANCE

[Pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015].

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Good governance practices stem from the value system and philosophy of the organization and at Castrol, we are committed to optimize shareholder returns, governance processes and an entrepreneurial, performance focused, conducive work environment.

The values of the Company i.e. Safety, Respect, Excellence, Courage and One Team in its ways of working, are fundamental drivers of sustainable business performance.

The Board is collectively responsible to ensure that Corporate Governance processes are structured to direct the Company's actions and agents to achieve this purpose, while complying with the Code of Governance. The Company's policies cover aspects such as ethical conduct, care for health, safety and environment; control and finance; commitment to employees and relationships as rooted in the Company's Governance Principles. Key aspects of the Company's Governance processes are:

- Clear statements of Board processes and the Board's relationship with the Management;
- A framework of prudent and effective controls which enable risks to be assessed and mitigated;
- Set the Company's values and standards and ensure that obligations to shareholders and other stakeholders are understood and fulfilled. The Board recognizes that in conducting its business, the Company should be responsive to other relevant stakeholders;
- Review and where appropriate determine the long term strategy and the annual plan for the Company based on proposals made by the Management, for achieving the Company's purpose.

2. BOARD OF DIRECTORS

Composition and Category

The Board of Directors of the Company comprises of an optimum combination of executive and non-executive directors, which is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"). As of the year ended 31 December 2018, the Board consisted of nine (9) directors comprising of three (3) executive directors, two (2) non-executive directors nominated by Castrol Limited, UK as provided under the Articles of Association of the Company and four (4) independent directors. The Chairman of the Board is a non-executive, independent director. None of the Directors of the Company is related to each other.

During the year under review, following are the changes in the composition of Directors:

1. Ms. Sangeeta Talwar (DIN: 00062478) was appointed as a Additional (Independent Director) of the Company with effect from 23 July 2018 subject to the approval of members.
2. Ms. Rashmi Joshi (DIN:06641898) was re-appointed as Wholetime Director of the Company w.e.f. 1 August 2018 for a period of 5 (Five) years subject to the approval of the members.
3. Mr. Omer Dormen (DIN:07282001) was re-appointed as Managing Director of the Company w.e.f. 12 October 2018 for a period of 1 (One) year subject to the approval of the members and the Central Government. The Company has made an application to the Central Government in Form MR-2 for the said re-appointment of Mr. Omer Dormen.

4. Ms. Shiva McMahon (DIN: 07770783) ceased to be a Nominee Director of the Company with effect from close of the business hours on 15 November 2018

Appointment and Tenure

The Directors of the Company except nominee directors are appointed by members at the General Meetings and two-third of total number of Directors (other than independent directors and nominee directors) retire by rotation pursuant to the provisions of the Companies Act, 2013. The executive directors serve in accordance with the terms of their contract of service with the Company.

Board Independence

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, all the non-executive, independent directors including the Chairman are independent in terms of Listing Regulations, 2015.

The composition of the Board, directorships/committee membership positions in other companies as on year ended 31 December 2018, numbers of meetings held and attended during the year are as follows:

Name of Director	Designation	Board Meetings during the year		Attendance at last AGM	Directorships in listed companies (including Castrol India Limited)	Memberships of Board Committees (including Castrol India Limited)	
		Held	Attended			Member	Chairman
Mr. S. M. Datta	Chairman and Independent Director	4	4	Yes	4	6	2
Mr. R. Gopalakrishnan	Non-Executive Independent Director	4	4	Yes	1	1	0
Mr. Uday Khanna	Non-Executive Independent Director	4	4	Yes	5	4	4
Ms. Sangeeta Talwar***	Non-Executive Independent Director	2	2	NA	3	6	1
Mr. Sashi Mukundan	Non-Executive Nominee Director	4	3	Yes	1	0	0
Mr. Peter Weidner	Non-Executive Nominee Director	4	4	Yes	1	0	0
Ms. Shiva McMahon*	Non-Executive Nominee Director	4	2	Yes	1**	1**	0**
Mr. Omer Dormen	Managing Director	4	4	Yes	1	1	0
Ms. Rashmi Joshi	Chief Financial Officer & Wholetime Director	4	4	Yes	1	1	1
Mr. Jayanta Chatterjee	Wholetime Director – Supply Chain	4	4	Yes	1	0	0

* Ms. Shiva ceased to be a Nominee Director of the Company with effect from the close of the business hours on 15 November 2018.

** The composition of Ms. Shiva McMahon's Directorships/Committee membership positions in other companies as on close of business hours on 15 November 2018.

*** Appointed as a Non-Executive Director in the category of Independent Director with effect from 23 July 2018.

Note: Other Directorships exclude Directorships in Foreign Companies. Other Board Committees' Memberships include memberships of Audit Committee and Stakeholders Relationship Committee of public limited companies, whether listed or not. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all public companies in which they are Directors.

Mr. S. M. Datta (in individual capacity) holds 25,000 equity shares of the Company as on 31 December 2018, while Mr. Uday Khanna holds 1,600 equity shares of the Company as on 31 December 2018. No other non-executive director holds any shares in the Company. The Company has not issued any convertible securities.

Board Meetings

The Board meets at regular intervals to discuss and decide on the business policy and strategy of the Company apart from other Board business. A tentative annual calendar of the Board and committee meetings is circulated to the directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent board meeting.

The notice of board meeting is given well in advance to all directors. Usually, meetings of the Board are held in Mumbai. The agenda and pre-reads are circulated well in advance before each meeting, to all directors, for facilitating effective discussion and decision making. Considerable time is spent by the directors on discussions and deliberations at the board meetings.

The Company Secretary and Compliance Officer is responsible for collation, review and distribution of all papers submitted to the board and committees thereof for consideration. The Company Secretary and Compliance Officer is also responsible for preparation of the agenda and convening of the Board and committee meetings. The Company Secretary and Compliance Officer attends all meetings of the Board and its committees, advises/assures the Board on compliance and governance principles and ensures appropriate recording of minutes of the meetings.

In addition to the formal meetings, interactions outside the Board meetings also take place between the Chairman and the independent directors and with other Directors.

During the Financial Year, total 4 (four) Board meetings were held i.e. on 6 February 2018, 3 May 2018, 31 July 2018 and 31 October 2018 respectively. The maximum

interval between any two meetings was within the maximum allowed gap of 120 days.

Independent Directors' Meeting

During the year, the four independent directors of the Company met separately on 31 October 2018 without the presence of other directors or management representatives, to review the performance of non-independent directors, the Board and the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Directors' Induction and Familiarization

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices. Periodic presentations are made at the Board and the committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

Independent directors and executive directors are issued letters of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The induction process for non-executive, independent directors includes interactive sessions with the management, business and functional heads, visits to markets/plants, etc.

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

Web link giving the details of familiarization programme imparted to the Independent Directors —

https://www.castrol.com/content/dam/castrolcountry/en_in/About%20Us/News/CIL-Board-Familiarisation-Programme-2017.pdf

Board Evaluation

The Nomination and Remuneration Committee has specified the criteria for performance evaluation of the directors, the Board and its committees. The Board is committed to evaluating its own performance as a Board

and evaluating performance of individual directors, in order to identify strengths and areas in which it may improve functioning. Further, overall effectiveness of the Board is measured to decide the appointments and re-appointments of directors. The details of annual Board evaluation process for directors have been provided in the Board's Report.

Following are the major criteria applied for performance evaluation —

1. attendance and contribution at Board and committee meetings and application of his/her expertise, leadership qualities and knowledge to give overall strategic direction for enhancing the shareholders' value.
2. his/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
3. his/her ability to monitor the performance of the management and satisfy himself/herself with integrity of the financial controls and systems in place, etc.

Independent directors' performance is evaluated also based on his/her help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct and his/her ability to bring an objective view in the evaluation of the performance of the Board and the management.

Directors seeking appointment/re-appointment

Mr. Omer Dormen

Mr. Omer Dormen was appointed as a Managing Director – w.e.f. 12 October 2015

Mr. Omer Dormen has studied business at North London University. He started his professional career with Turkpetrol in Turkey and worked in various sales and marketing roles with a range responsibilities for lubricants, fuels and LPG businesses.

In 1991 he became the Sales and Marketing Director of the joint venture between Castrol and Turkpetrol before becoming the Chief Executive of the newly established Castrol entity 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.

In 2004 he was appointed as the BP Sales Director for the Middle East Region, and was responsible for setting up the businesses in Pakistan and Saudi Arabia. He served as the Castrol Cluster Director for Russia, Turkey, Central Asia and Nordics region between 2011 and 2015.

Mr. Omer Dormen has over 30 years of experience in strategic planning and business management in a variety of international roles.

Mr. Omer Dormen is a member of the Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Company.

Mr. Omer Dormen retires by rotation and, being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

Ms. Rashmi Joshi

Ms. Rashmi Joshi was appointed as Director Finance (Chief Financial Officer) of the Company w.e.f. 1 August 2013.

Ms. Rashmi Joshi is a qualified Chartered Accountant and Company Secretary. She has more than 25 years of experience in finance function working for FMCG, pharmaceutical, consumer durables and lubricants businesses. At Castrol India Limited she is *inter alia* responsible for leading the 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 and investor relations.

Prior to the current role, she was based in Singapore for four years as Asia-Pacific Planning and Performance Manager for Asia-Pacific operating unit of lubricants business. In that role she was responsible for leading the financial planning and performance management process for the lubricants business in the Asia-Pacific region consisting of 17 countries, influencing the regional leadership team to intervene to ensure delivery of financial plans and strategy, region-wide business process change management, working capital

improvements and MI simplification. She also led finance teams for a cluster of 5 countries covering Middle East, Saudi Arabia, Pakistan, Korea and Taiwan. While in Singapore she served as a Non-Executive Director on the Board of Castrol Philippines.

Ms. Rashmi Joshi is a member of the Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Company.

Ms. Rashmi Joshi was re-designated as the Chief Financial Officer and Wholetime Director with effect from 1 November 2017.

Ms. Rashmi Joshi retires by rotation and, being eligible, offers herself for re-appointment at the forthcoming Annual General Meeting.

3. Committees of the Board

The Board committees are set up to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. Minutes of proceedings of committee meetings are circulated to the directors and placed before Board meetings for noting. The Board has currently established the following Committees:

(A) Audit Committee

Members of the Audit Committee have wide exposure and knowledge in areas of finance and accounting. The terms of reference of the Audit Committee have been drawn up in line with Regulation 18 of Listing Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Audit Committee, *inter alia*, provides reassurance to the Board on the existence of an effective internal controls environment.

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

- 1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) recommending to the Board, the appointment, re-appointment and, if required, the replacement of the statutory auditor and the fixation of audit fees;

- 3) reviewing and monitoring the auditor's independence and performance;
- 4) recommending to the Board, the appointment and remuneration of cost auditor;
- 5) approval of payment to statutory auditor for any other services rendered by the statutory auditor;
- 6) reviewing, with the Management, the annual financial statement and quarterly financial information;
- 7) reviewing with the Management, performance of internal auditor and adequacy of the internal control systems;
- 8) reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and frequency of internal audit;
- 9) discussing with internal auditor any significant findings and follow-up thereon;
- 10) reviewing the findings of any internal investigations by the internal auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 11) discussion with statutory auditor before the audit commences;
- 12) to look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 13) to review the functioning of the whistle blower mechanism;
- 14) approval or any subsequent modification of transactions of the Company with related parties;
- 15) to evaluate internal financial controls and risk managements systems;
- 16) approval of appointment of Chief Financial Officer (CFO).

As on 31 December 2018, the Audit Committee comprises of three (3) members—all independent directors viz. Mr. Uday Khanna, Mr. S. M. Datta,

Mr. R. Gopalakrishnan. Mr. Uday Khanna is the Chairman of the Committee. Ms. Shiva McMahan ceased to be a member of the Audit Committee with effect from close of business hours on 15 November 2018 consequent to her cessation as Nominee Director of the Company.

Meetings of Audit Committee are also attended by the Managing Director, the Chief Financial Officer, the statutory auditors and the internal auditors as permanent invitees. The cost auditors attend the Audit Committee meeting where cost audit reports are discussed. The Company Secretary and Compliance Officer acts as the secretary to the Audit Committee.

The Chairman of the Audit Committee attended the Annual General Meeting for the year ended 31 December 2017.

Four (4) Audit Committee meetings were held during the financial year ended 31 December 2018 on 6 February 2018, 3 May 2018, 31 July 2018 and 31 October 2018. The attendance of each member of the Committee is given below:

Name	Designation	No. of Meetings held	No. of Meetings attended
Mr. Uday Khanna	Chairman	4	4
Mr. S. M. Datta	Member	4	4
Mr. R. Gopalakrishnan	Member	4	4
Ms. Shiva McMahan*	Member	4	3*

* Ms. Shiva McMahan ceased to be a Member of the Committee with effect from the close of the business hours on 15 November 2018 consequent to her cessation as Nominee Director of the Company.

(B) Nomination and Remuneration Committee

In terms of Section 178(1) of the Companies Act, 2013 and Regulation 19 of Listing Regulations, 2015, the Nomination and Remuneration Committee ("NRC") has been constituted.

Role (in brief) of the NRC is as follows:

1. identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment / removal.
2. carry out evaluation of every director's performance.

3. devising a policy on Board diversity;
4. formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
5. formulation of criteria for evaluation of performance of independent directors and the board of directors;
6. to decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. recommend to the board, all remuneration, in whatever form, payable to senior management.

As on 31 December 2018, the NRC comprised of 4 (four) members viz. Mr. R. Gopalakrishnan, Independent Director, Mr. S. M. Datta, Independent Director, Mr. Peter Weidner, Non-Executive Director and Ms. Sangeeta Talwar, Independent Director. The NRC is chaired by Mr. R. Gopalakrishnan.

During the year under review there were following changes in the NRC:

1. Ms. Sangeeta Talwar was appointed as a member of the Committee with effect from 23 July 2018
2. Ms. Shiva McMahan ceased to be a nominee director of the Company with effect from close of the business hours on 15 November 2018 consequent to her cessation as nominee director of the Company.

The Company has adopted a policy on Nomination, Independence, Remuneration, Diversity and Evaluation ("Policy"). The Policy is in compliance with all applicable provisions of the Companies Act, 2013, particularly Section 178 read together with the applicable rules thereto and Regulation 19(4) of Listing Regulations, 2015. The Policy is designed to attract and retain best talent, who has the potential to drive growth and enhance shareholder value, it is essential to adopt comprehensive compensation policy which is in synchronization with the industry trends.

The Company has also adopted the Policy which is based on the principle that the Company's Board of Directors

should have a balance of skills, experience and diversity of perspectives appropriate to the Company's business. The Company recognizes that a Board composed of appropriately qualified people with a broad spectrum of experience relevant to the business is important for effective corporate governance and sustained commercial success of the Company.

The Company aims to achieve a sustainable and balanced development by building a diverse and inclusive culture.

The Policy is annexed to the Board's Report.

Four (4) NRC meetings were held during the year ended 31 December 2018 on 6 February 2018, 3 May 2018, 31 July 2018 and 31 October 2018. The Chairman of the committee attended the Annual General Meeting for the year ended 31 December 2017. The Company Secretary and Compliance Officer acts as the Secretary to the committee.

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

Name of Director	Designation	No. of Meetings held	No. of Meetings attended
Mr. R. Gopalakrishnan	Chairman	4	4
Mr. S. M. Datta	Member	4	4
Ms. Shiva McMahan*	Member	4	3
Mr. Peter Weidner	Member	4	4
Ms. Sangeeta Talwar**	Member	2	2

* Ms. Shiva McMahan ceased to be a member of the Nomination and Remuneration Committee of the Company with effect from close of the business hours on 15 November 2018 consequent to her cessation as Nominee Director of the Company.

** Ms. Sangeeta Talwar was appointed as a member of the Nomination and Remuneration Committee of the Company with effect from 23 July 2018.

Remuneration of Directors

(i) Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its non-executive and independent directors other than payment of sitting fees to them for attending Board and committee meetings and commission as approved by members for their invaluable services to the Company.

(ii) Details of remuneration paid to Directors

The executive directors are paid salary and performance linked bonus, which is calculated, based on pre-determined parameters of performance. The independent directors are paid sitting fees and commission as determined by the Board from time to time. Other non-executive directors do not receive any remuneration including sitting fees. Sitting fees to the independent directors are being paid as permissible under Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Criteria of making payments to the non-executive directors are disclosed in a Policy and the same is available on https://www.castrol.com/en_in/india/financials/other-financial-documents-policies.html. Details of remuneration of executive directors for the Financial Year ended 31 December 2018 is as under:

(Amount in Rs.)

Name of Director	Salary	Perquisites	Retiral Benefits*	Performance based incentives**	Total
Mr. Omer Dormen	33,223,592	13,975,249	1,216,160	4,885,261	53,300,262
Ms. Rashmi Joshi	12,970,345	1,629,800	790,673	3,234,694	18,625,512
Mr. Jayanta Chatterjee	13,862,208	2,385,258	1,368,333	3,622,602	21,238,401

* Retiral benefits consist of Provident Fund, Gratuity and Pension.

** Performance based incentive for the year 2017 paid in the year 2018.

- the key parameters for the performance based pay/variable component of remuneration availed by the directors are considered by the Board of directors based on the recommendations of the Nomination and Remuneration committee. Variable pay/Performance Linked Bonus (PLB) is dependent on short-term performance against the annual plan. The total overall bonus is based on performance relative to measure and targets reflected in the annual plan which in turn reflects Company's strategy.
- the agreement with each Wholetime Directors and the Managing Director is made for a period of 5 and 1 year(s) respectively. Further, either party to the agreement is entitled to terminate the agreement by giving not less than three months' notice in writing to the other party.

- the appointment of executive directors, key managerial personnel, the management and other employees is by virtue of their employment with the Company and therefore, their terms of employment *vis-à-vis* salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies of the Company at the relevant point in time.
- presently, the Company does not have a scheme for grant of stock options to its employees. However, the management is entitled to the shares of BP PLC (Ultimate Holding Company) under the 'BP Share-Match Scheme' as in force.

Details of remuneration of non-executive, independent directors for the Financial Year ended 31 December 2018.

(Amount in Rs.)			
Name of Director	Commission	Sitting Fees	Total
Mr. S. M. Datta	20,00,000	850,000	28,50,000
Mr. R. Gopalakrishnan	16,00,000	750,000	23,50,000
Mr. Uday Khanna	16,00,000	450,000	20,50,000
Ms. Sangeeta Talwar*	7,07,000	300,000	10,07,000
TOTAL			82,57,000

* *Ms. Sangeeta Talwar was appointed as an Independent Director of the Company with effect from 23 July 2018*

(C) Stakeholders Relationship Committee

Stakeholders Relationship committee has been constituted to monitor and review investors' grievances. As on 31 December 2018, it comprises of Mr. S. M. Datta, Mr. Omer Dormen and Ms. Rashmi Joshi. Mr. S. M. Datta is the Chairman of the Committee. Ms. Chandana Dhar, Company Secretary and Compliance Officer of the Company, is the Compliance Officer of the Company for redressal of shareholder's/investor's complaints.

Four (4) committee meetings were held during the year ended 31 December 2018 on 6 February 2018, 3 May 2018, 31 July 2018 and 31 October 2018 and all members attended all the meetings. The Chairman of the committee attended the Annual General Meeting for the year ended 31 December 2017. The Company Secretary and Compliance Officer acts as the Secretary to the committee

Details of Shareholders'/Investors' Complaints

During the Financial Year ended 31 December 2018, 34 complaints were received from the shareholders. Out of the total complaints received during the year 6 were pending as on 31 December 2018. The complaints relate to non-receipt of annual report, dividend, share transfers, etc.

Opening as on 1 January 2018	4
Received during the year	34
Disposed of during the year	32
Closing as on 31 December 2018	6

(D) Corporate Social Responsibility (CSR) Committee

As on 31 December 2018, the Corporate Social Responsibility committee comprises of Mr. R. Gopalakrishnan as Chairman, Mr. Sashi Mukundan, Ms. Sangeeta Talwar, Mr. Omer Dormen, Ms. Rashmi Joshi and Mr. Jayanta Chatterjee as members. The Company Secretary and Compliance Officer acts as the Secretary to the committee.

Ms. Sangeeta Talwar was appointed as a member of the CSR committee of the Company with effect from 23 July 2018.

Two (2) meetings of the Committee were held during the year ended 31 December 2018 viz. on 6 February 2018 and 31 July 2018 and all members attended all the meetings except Mr. Sashi Mukundan sought leave of absence for the meeting held on 31 July 2018.

Please refer to the Board's Report and its annexures for details regarding CSR activities carried out by the Company during the year ended 31 December 2018.

(E) Risk Management Committee

As on 31 December 2018, the Risk Management Committee comprises of Mr. Omer Dormen, Managing Director as the Chairman of the Committee and other members viz. Ms. Rashmi Joshi, Chief Financial Officer and Wholetime Director and Mr. Jayanta Chatterjee, Wholetime Director – Supply Chain and Mr. Siddharth Shetty, Managing Counsel. The Company Secretary and Compliance Officer acts as the Secretary to

the Committee. Mr. Vikram Garga ceased to be member of the Risk Management Committee w.e.f. 10 December 2018 consequent upon his resignation from the Company.

Four (4) meetings of the Risk Management Committee were held during the year ended 31 December 2018 viz. on 1 February 2018, 24 April 2018, 20 July 2018 and 22 October 2018.

Name of Director	Designation	No. of Meetings held	No. of Meetings attended
Mr. Omer Dorman	Chairman	4	4
Ms. Rashmi Joshi	Member	4	4
Mr. Jayanta Chatterjee	Member	4	3
Mr. Siddharth Shetty	Member	4	3
Mr. Vikram Garga*	Member	4	2

* Mr. Vikram Garga ceased to be member of the Committee w.e.f. 10 December 2018 consequent upon his resignation from the Company.

Internal Controls and Risk Management

The Company has laid down internal financial controls framework through a combination of entity level controls, process level controls and IT general controls, *inter-alia*, to ensure orderly and efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements/information, safeguarding of assets, prevention and detection of frauds and errors.

The evaluation of these internal financial controls was done through the internal audit process, established within the Company and also through appointing professional firm to carry out such tests by way of systematic annual internal audit program. Based on the review of these reported evaluations, the Directors confirm that, for the preparation of financial accounts for the year ended 31 December 2018, the applicable Accounting Standards have been followed and the design of the internal financial controls were found to be adequate and that no significant deficiencies were noticed.

During the year, on the recommendation of the audit committee, the Board of Directors appointed

Aneja and Associates, Chartered Accountants as the Internal Auditor of the Company.

4. Affirmation and Disclosure

- there were no materially financial or commercial transaction, between the Company and members of the management that may have a potential conflict with the interest of the Company at large.
- all details relating to financial and commercial transactions where directors may have a pecuniary interest are provided to the Board and the interested directors neither participate in the discussion nor vote on such matters.

Code of Conduct

The Company's Code of Conduct (CoC) is based on its values and clarifies the principles and expectations for everyone who works at Castrol India Limited. It applies to all Castrol India Limited employees, officers and members of the Board. The Code of Conduct is available on the website of the Company https://www.castrol.com/content/dam/castrolcountry/en_in/About%20Us/Financials/BP%20CoC.pdf.

The Board of Directors are responsible for ensuring that rules are in place to avoid conflict of interest by the Board members and the Management. The Board has adopted the Code of Conduct for the members of the board and senior management team. The Code provides that the directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, they are required to make adequate disclosures to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The members of the Board and the management annually confirm the compliance of the Code of Conduct to the Board.

The Code of Conduct for the members of the Board and senior management team is in addition to the Code of Conduct of the Company. A copy of the said Code of Conduct is available on the website of the Company at – <https://www.castrol.com/>

content/dam/castrolcountry/en_in/About%20Us/Financials/COC-BOARD-SR-MGT_1.pdf

5. General Body Meetings

Location and time of the last three AGMs of the Company

Location	Date	Time	Special Resolution
Yashwantrao Chavan Pratishtan Auditorium, General Jagannath Bhosale Marg, Nariman Point, Opp. Mantralaya, Mumbai-400021	3 May 2018	10.00 a.m.	NIL
Pama Thadhani Auditorium, Jai Hind College, 'A' Road, Churchgate, Mumbai- 400020	31 May 2017	3.30 pm	NIL
Birla Matushri Sabhagar, Marine Lines, Mumbai 400020	5 May 2016	3.30 pm	1. Appointments of Mr. Omer Dormen as Managing Director and Mr. Ravi Kirpalani as a whole time Director 2. Alteration of Articles of Association

6. Means of Communication with Shareholders

The Company regularly interacts with shareholders through multiple channels of communication such as results' announcements, annual report, media releases, Company's website and subject specific communications.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Business Standard and Sakal.

The aforesaid results are also made available on the website of the Company – https://www.castrol.com/en_in/india/investors/financial-results.html. The website also displays vital information relating to the Company and its performance and official press releases.

The quarterly results, shareholding pattern and all other corporate communication to the stock exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites.

Presentations, if any, referred to during analysts and institutional investors' meets / calls every quarter are displayed on the Company's website www.castrol.co.in.

7. General Shareholder Information

Forty-first (41st) Annual General Meeting

Date : 15 May 2019

Time : 10:00 a.m.

Venue : Yashwantrao Chavan Pratishtan Auditorium Yashwantrao Chavan Pratishtan Centre, General Jagannath Bhosale Road, Nariman Point, Opp. Mantralaya, Mumbai 400 021, Maharashtra

Last date for receipt of proxy forms: 13 May 2019 10:00 a.m.

Book Closure Dates

The register of members and share transfer books of the Company will remain closed from 11 May 2019 to 15 May 2019 (both days inclusive). The said book closure is for payment of final dividend for the year ended 31 December 2018. The book closure dates have been fixed in consultation with the stock exchanges.

Dividend Payment Date

The board of directors of the Company has at its meeting held on 30 January 2019 recommended a final dividend of INR 2.75 per share for financial year ended 31 December 2018 (2017: final dividend INR 2.50 per share This is in addition to an interim dividend of INR 2.25 per share (2017: INR 4.50 pre-bonus issue per share) for the Financial Year ended 31 December 2018.

The register of members and share transfer books of the Company will remain closed for the purpose of final dividend from 11 May 2019 to 15 May 2019 (both days inclusive). The final dividend, if approved by the shareholders of the Company at the 41st Annual General Meeting, shall be paid on or before 14 June 2019.

Financial Year

1 January to 31 December

The Company has obtained approval from the Company Law Board vide order No. 19 dated 23 April 2015 to follow different financial year i.e. other than April to March financial year.

Tentative calendar of Board Meetings for Financial Year ending 31 December 2019

The tentative dates of meeting of board of directors for consideration of quarterly financial results for the financial year ending 31 December 2019 are as follows:

First Quarter Results	Not later than 15 May 2019
Second Quarter/Half Yearly Result	Not later than 14 August 2019
Third Quarter Results	Not later than 14 November 2019
Fourth Quarter/Annual Results	Not later than 1 March 2020

Due Dates for Transfer of Unclaimed Dividend to the Investor Education and Protection Fund (IEPF)

Year	Dividend	Date of Declaration	Due Date for transfer to IEPF
2011	Final	16.04.2012	22.05.2019
2012	Interim	16.07.2012	21.08.2019
2012	Final	26.04.2013	01.06.2020
2013	Interim	01.08.2013	06.09.2020
2013	Final	13.05.2014	18.06.2021
2014	Interim	31.07.2014	05.09.2021
2014	Final	14.05.2015	19.06.2022
2015	Interim	29.07.2015	03.09.2022
2015	Final	05.05.2016	10.06.2023
2016	Interim	27.07.2016	01.09.2023
2016	Special	21.02.2017	29.03.2024
2016	Final	31.05.2017	06.07.2024
2017	Interim	23.08.2017	29.09.2024
2017	Final	3.05.2018	08.06.2025
2018	Interim	31.07.2018	05.09.2025

Listing on Stock Exchanges — Equity Shares

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001.
National Stock Exchange of India Limited (NSE)
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.

Payment of Listing Fees

Annual listing fees for the financial year 2018-19 have been paid by the Company to BSE and NSE

Stock Code

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

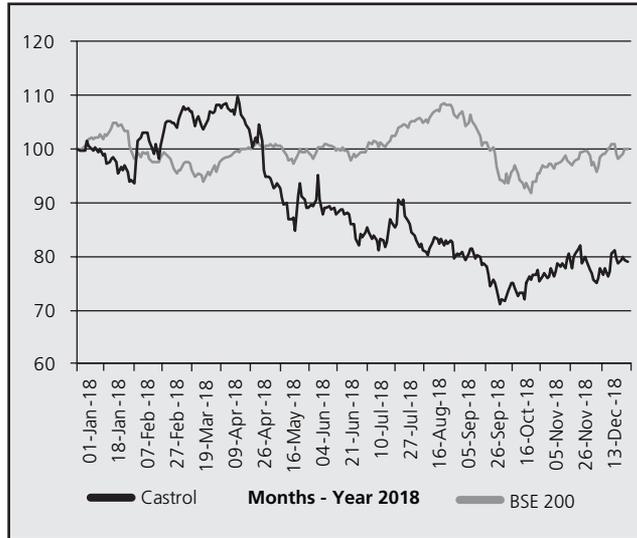
Market Price Data

Monthly high and low quotation of the equity shares of the Company traded on the BSE and the NSE during the year ended 31 December 2018.

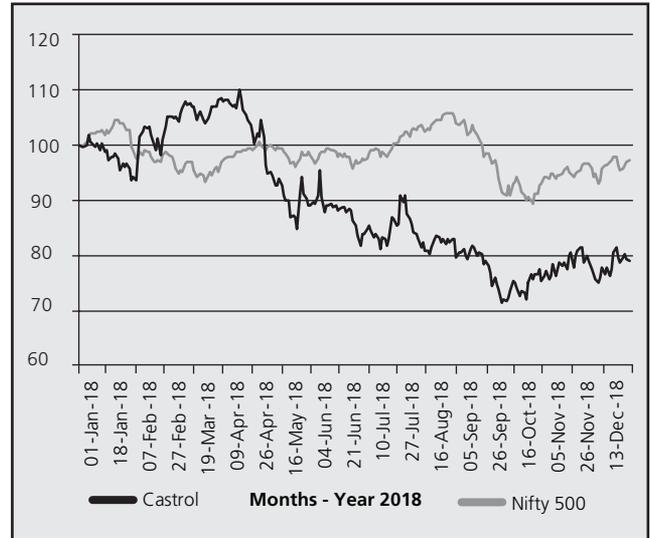
MONTHS	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
January 2018	196.50	182.00	196.50	182.00
February 2018	202.80	172.25	202.80	171.50
March 2018	208.90	190.65	209.00	196.15
April 2018	214.00	191.75	213.95	191.60
May 2018	202.70	161.75	202.95	161.60
June 2018	183.40	161.30	183.85	161.05
July 2018	176.00	154.65	176.20	153.70
August 2018	177.15	153.10	177.80	152.70
September 2018	160.15	140.55	160.20	140.25
October 2018	149.55	134.85	150.00	134.95
November 2018	159.70	141.85	160.00	143.60
December 2018	156.50	142.10	156.80	141.50

Stock Performance in comparison to the BSE 200 and NSE Nifty 500 Indices

**BSE 200 VS CASTROL INDIA LIMITED
SHARE PRICE (INDEXED)**



**NSE NIFTY 500 VS CASTROL INDIA LIMITED
SHARE PRICE (INDEXED)**



During the financial year ended 31 December 2018, securities of the Company have not been suspended from trading on any of the stock exchanges where they are listed.

The Registrar and Share Transfer Agent of the Company

Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company as on 31 December 2018.

Address for Correspondence

Link Intime India Private Limited

(Registrar and Share Transfer Agent)

C-101, 247 Park, L.B.S. Marg,

Vikhroli West, Mumbai-400 083

Phone: 022 4918 6000

Toll free number: 1800 1020 878

Email: rnt.helpdesk@linkintime.co.in

Share Transfer System

All shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents as per the Listing Regulations, 2015. Request for transfer and transmissions are approved by the Share Transfer Agent under the authority granted by the Board. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) within 15 days.

Distribution of shareholding by size class:

No. of Shares held	No. of shares	No. of shareholders	% of shareholders
Upto 500	20649050	153636	2.0876
501 – 1000	15308762	19758	1.5477
1001 – 2000	15851884	10581	1.6026
2001 – 3000	9729469	3863	0.9836
3001 – 4000	8411921	2342	0.8504
4001 – 5000	7048451	1541	0.7126
5001 – 10000	23777095	3308	2.4039
10001 and above	888345752	3486	89.8115
Total	989122384	198515	100.0000

Distribution of shareholding by ownership:

Sr. No.	Category	No. of shareholders	No. of shares held	% of the total paid up capital
I	Foreign Promoter Company	3	504452416	51.00
II	Foreign Collaborator	0	0	0.00
III	Foreign Institutional Investors	128	88677002	8.97
IV	Overseas Bodies Corporate	0	0	0.00
V	Non-Resident Individuals	4109	5687529	0.58
VI	Public Financial Institutions	8	17868308	1.81
VII	Indian Mutual Funds	76	58207370	5.88
VIII (a)	Nationalised Banks/ Non Nationalised Bank	19	4783293	0.48
(b)	Other Banks (Foreign Bank)	13	19573	0.00
IX	Domestic Companies (Other Bodies Corporate)	1640	27514248	2.78
X	Resident Individuals	192069	171119807	17.30
XI	Directors and Relatives	0	0	0.00
XII	Other (Clearing member, Insurance companies, IEPF, Trust)	450	110792838	11.20
	Total	198515	989122384	100.00

As on 31 December 2018, about 98.79% of the paid-up share capital of the Company has been dematerialized. Trading in equity shares of the Company is permitted only in dematerialized form. Promoter's holding is held in dematerialized form.

The Company does not maintain any demat suspense account and/or unclaimed suspense account.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.

Plant Locations

The Company's plants are located at Patalganga in Maharashtra; Paharpur in West Bengal and Silvassa (Union Territory).

Address for Correspondence (other than queries relating to shares)

Castrol India Limited
Technopolis Knowledge Park, Mahakali Caves Road,
Andheri (East), Mumbai 400 093
Email ID for investors: investorrelations.india@castrol.
com, Phone: +91 22 6698 4100

Commodity price risks/Foreign exchange risk and hedging activities

The Company is subject to commodity price risks due to fluctuation in prices of base oil. The Company's payables and receivables are in foreign currencies and due to fluctuations in foreign exchange prices, it is subject to foreign exchange risks. The Company has in place a robust risk management framework for identification and monitoring and mitigation of commodity price and foreign exchange risks.

8. Other Disclosures

(a) Disclosures on materially significant related party transactions having potential conflict with the interests of the Company at large

In line with the requirements of the applicable statutory requirements, the Company has formulated a Policy on Related Party Transactions which is also available on Company's website at https://www.castrol.com/content/dam/castrolcountry/en_in/About%20Us/Financials/related-party-transactions-policy-cil-2018-final-website.pdf

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. There were no related party transactions that may have potential conflict with the interest of the Company at large.

(b) Whistle Blower Policy/Vigil Mechanism

The Company has a robust whistle-blower mechanism called "OpenTalk". The employees are encouraged to raise any of their concerns by way of whistle-blowing and all employees have been given access to the Audit Committee Chairman through a dedicated e-mail address indiaauditcommitteec@bp.com. No employee has been denied access to the Audit Committee pertaining to the Whistle Blower Policy.

(c) The Company has complied with all mandatory items of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(d) As per Clause 13 of Part C of Schedule V to the Listing Regulations, the Company has made disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 on the website of the Company.

9. Discretionary Requirements

A. The Board

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

B. Shareholders' Rights – Half yearly results

As the Company's half yearly results are published in an English newspapers having a circulation all over India and in a Marathi newspaper (having a circulation in Mumbai), the same are not sent separately to the shareholders of the Company, but hosted on the website of the Company.

C. Audit Qualification

There are no qualifications contained in the audit report.

D. Separate positions of the Chairman and the CEO/Managing Director

The positions of the Chairman and the Managing Director are separate.

E. Reporting of Internal Auditors

The internal auditors of the Company report to the audit committee and make detailed presentation at quarterly meetings.

F. The Company has no subsidiary and hence there is no need to frame any policy for determining "material" subsidiary.

G. There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the Listing Regulations, 2015.

H. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Sr. No.	Particulars	
a.	Number of Complaints filed during the Financial Year	01
b.	Number of Complaints disposed of during the Financial year	01
c.	Number of complaints pending as on the end of the Financial year	Nil

CODE OF CONDUCT DECLARATION

In accordance with Listing Regulations executed with BSE Limited and National Stock Exchange of India Limited, I, Omer Dormen in my capacity as the Managing Director of the Company hereby confirm that all members of the Board of Directors and the Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct of the Company for the Board of Directors and the Senior Management, for the Financial Year ended 31 December 2018.

Omer Dormen
Managing Director
DIN: 07282001

Place : Mumbai

Date : 30 January 2019