

## 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 2020, the Board consisted of ten (10) directors comprising of three (3) executive directors, three (3) 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:

- a. appointment of Mr. Sandeep Sangwan (DIN: 08617717) as an Additional Director and the Managing Director of the Company for a period of five (5) years with effect from 1 January 2020, subject to the approval of the Central Government.
- b. appointment of Mr. Udayan Sen (DIN: 02083527) as Nominee Director of the Company with effect from 2 April 2020.
- c. cessation of Mr. Jayanta Chatterjee (DIN: 06986918) as a Wholtime Director-Supply Chain on the Board of the Company with effect from the close of business hours on 31 December 2020.
- d. cessation of Ms. Rashmi Joshi (DIN: 06641898) as a Chief Financial Officer & Wholtime Director on the Board of the Company with effect from the close of business hours on 31 December 2020.

- e. appointment of Mr. Deepesh Baxi (DIN: 02509800) as a Chief Financial Officer & Wholetime Director on the Board of the Company with effect from 1 January 2021.

**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 2020, numbers of meetings held and attended during the year are as follows:

Name of Director	Designation	Category of Directorship	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. R. Gopalakrishnan	Chairman and Independent Director	Non-Executive Director	6	6	Yes	1	2	1
Mr. Uday Khanna	Independent Director	Non-Executive Director	6	6	Yes	4	5	3
Ms. Sangeeta Talwar	Independent Director	Non-Executive Director	6	6	Yes	4	8	2
Mr. Rakesh Makhija	Independent Director	Non-Executive Director	6	6	Yes	2	4	0
Ms. Rashmi Joshi*	Chief Financial Officer and Wholetime Director	Executive Director	6	6	No	1	2	0
Mr. Jayanta Chatterjee**	Wholetime Director – Supply Chain	Executive Director	6	6	Yes	1	0	0
Mr. Sashi Mukundan (representing Castrol Limited, UK)	Nominee Director	Non-Executive Director	6	5	Yes	1	0	0
Mr. A. S. Ramchander (representing Castrol Limited, UK)	Nominee Director	Non-Executive Director	6	5	Yes	1	1	0
Mr. Sandeep Sangwan+	Managing Director	Executive Director	6	6	Yes	1	1	0
Mr. Udayan Sen@ (representing Castrol Limited, UK)	Nominee Director	Non-Executive Director	5	4	No	1	1	0

+ Mr. Sandeep Sangwan (DIN: 08617717) was appointed as Managing Director with effect from 1 January 2020

@ Mr. Udayan Sen (DIN: 02083527) was appointed as a Non-Executive, Nominee Director of the Company with effect from 2 April 2020.

\* Ms. Rashmi Joshi resigned at the close of business hours on 31 December 2020

\*\* Mr. Jayanta Chatterjee resigned at the close of business hours on 31 December 2020

**Membership of Directors in other listed Companies:**

Name of the Director	Name of the Company	Designation
Mr. R. Gopalakrishnan	Nil	-
Mr. Uday Khanna	Pfizer Limited	Non-Executive Independent Director
	Kotak Mahindra Bank Limited	Non-Executive Independent Director
	Pidilite Industries Limited	Non-Executive Independent Director
Ms. Sangeeta Talwar	HCL Infosystems Limited	Non-Executive Independent Director
	TCNS Clothing Co. Limited	Non-Executive Independent Director
	Mahindra Holidays & Resorts India Limited	Non-Executive Independent Director
Mr. Rakesh Makhija	Axis Bank Limited	Non-Executive Independent Director
Ms. Rashmi Joshi	Nil	-
Mr. Jayanta Chatterjee	Nil	-
Mr. Sashi Mukundan	Nil	-
Mr. A. S. Ramchander	Nil	-
Mr. Udayan Sen	Nil	-

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. Uday Khanna holds 1,600 equity shares of the Company, Mr. Ramchander Avanavadi Subramaniam holds 20 equity shares and Mr. Udayan Sen holds 1508 equity shares of the Company as on 31 December 2020. 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 6 (six) Board meetings were held i.e. on 31 January 2020, 12 June 2020, 17 June 2020, 28 July 2020, 27 October 2020 and

30 November 2020 respectively. The maximum interval between any two meetings was within the maximum allowed gap pursuant to the Companies Act, 2013 and SEBI Listing Regulations read with the Circulars issued by MCA and SEBI with respect to increase in the gap and extension for holding meetings pursuant to COVID-19 pandemic.

**Independent Directors’ Meeting**

During the year, the independent directors of the Company met separately on 27 October 2020 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/castrol/country-sites/en\\_in/india/home/corporate-governance/fam\\_policy.pdf](https://www.castrol.com/content/dam/castrol/country-sites/en_in/india/home/corporate-governance/fam_policy.pdf)

Given below are the key skills / expertise / competence identified by the Board of Directors which are required by them in the context of the business and sector of the Company to function effectively and available with them:

Skills / Expertise / Competence	Sandeep Sangwan	R. Gopalakrishnan	Uday Khanna	Rakesh Makhija	Sangeeta Talwar	Rashmi Joshi	Jayanta Chatterjee	Sashi Mukundan	Ramchander Avanavadi	Udayan Sen
Business Leadership & Operations- knowledge of the Lubricant Industry to provide important insights and perspectives to the Board on the Company’s commercial, strategic, manufacturing, legal and other functions. Leadership experience resulting in a practical understanding of the Company’s processes, develop talent, succession planning and driving the long term growth strategy of the Company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk Management & Governance- knowledge and understanding of business risks to provide insights and perspective to the Board on enterprise risk. Develop highest levels of governance practices, provide insights about maintaining Board and management accountability and to protect stakeholders interest			✓			✓	✓			✓

Skills / Expertise / Competence	Sandeep Sangwan	R. Gopalakrishnan	Uday Khanna	Rakesh Makhija	Sangeeta Talwar	Rashmi Joshi	Jayanta Chatterjee	Sashi Mukundan	Ramchander Avnavadi	Udayan Sen
Finance & Accounting- Provide financial expertise to the Board, including an understanding and analysis financial statements, corporate finance, accounting and capital markets			✓			✓				✓
Business Expertise- understanding of the lubricant operating and business environment, market access and healthcare solutions. Respond to change with agility, optimism and innovation. Sound knowledge of Business Technology, Digital Marketing, Strategic Development, Public Affairs, etc	✓	✓		✓	✓	✓	✓		✓	✓
Understanding of Consumer and Customer Insights in diverse environments and conditions- Experience of having managed organisations with large customer interface in vital business environment and economic conditions which helps in leveraging consumer insights for business benefits.	✓	✓			✓	✓			✓	✓
Understanding use of Digital / Information Technology across the FMCG value chain- Understanding the use of Information Technology across the value chain, ability to foresee technological driven changes and disruption impacting business and appreciation of the need of cyber security and controls across the organisation.	✓					✓	✓	✓	✓	✓

**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-appointments:**

The details of directors seeking appointments / re-appointments forms a part of the Notice of the 43<sup>rd</sup> Annual General Meeting of the Company.

**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 Audit 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 2020, the Audit Committee comprises of six (6) members viz. Mr. Uday Khanna, Mr. R. Gopalakrishnan, Ms. Sangeeta Talwar, Mr. Rakesh Makhija, Mr. A. S. Ramchander and Mr. Udayan Sen. Mr. Uday Khanna is the Chairman of the Committee.

During the year under review, Mr. Udayan Sen was appointed as the member of the Audit Committee with effect from 2 April 2020. No other changes in the composition of the Committee.

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 2019.

Five (5) Audit Committee meetings were held during the financial year ended 31 December 2020 on 31 January 2020, 12 June 2020, 28 July 2020, 27 October 2020 and 30 November 2020. The attendance of each member of the Committee is given below:

Name of Director	Designation	No. of Meetings held	No. of Meetings attended
Mr. Uday Khanna	Chairman	5	5
Mr. R. Gopalakrishnan	Member	5	5
Ms. Sangeeta Talwar	Member	5	5
Mr. A. S. Ramchander	Member	5	4
Mr. Rakesh Makhija	Member	5	5
Mr. Udayan Sen (w.e.f 2 April 2020)	Member	4	4

**(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 2020, the NRC comprised of five (5) members viz. Ms. Sangeeta Talwar, Mr. R. Gopalakrishnan, Mr. Uday Khanna, Mr. Rakesh Makhija and Mr. Sashi Mukundan. The NRC is chaired by Ms. Sangeeta Talwar.

During the year under review there were no changes in the NRC.

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 2020 on 31 January 2020, 26 August 2020, 27 October 2020 and 30 November 2020. The Chairperson of the committee had attended the 42<sup>nd</sup> Annual General Meeting of the Company for the year ended 31 December 2019, held on 15 July 2020. 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 the Director	Designation	No. of Meetings held	No. of Meetings attended
Ms. Sangeeta Talwar	Chairperson	4	4
Mr. R. Gopalakrishnan	Member	4	4
Mr. Sashi Mukundan	Member	4	4
Mr. Uday Khanna	Member	4	4
Mr. Rakesh Makhija	Member	4	4

**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 and Board 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 independent directors are disclosed in the Policy and the same is available on [https://www.castrol.com/content/dam/castrol/country-sites/en\\_in/india/home/corporate-governance/nrc-policy\\_cil\\_2018.pdf](https://www.castrol.com/content/dam/castrol/country-sites/en_in/india/home/corporate-governance/nrc-policy_cil_2018.pdf)

Details of remuneration of executive directors for the financial year ended 31 December 2020 is as under:

(Amount in INR)

Name of Director	Salary	Perquisites	Retiral Benefits*	Performance based incentives**	Total
Mr. Sandeep Sangwan	2,26,88,571	70,10,192	14,17,500	61,26,013	3,72,42,276
Ms. Rashmi Joshi	1,59,60,376	24,52,920	8,39,790	38,50,413	2,31,03,499
Mr. Jayanta Chatterjee	1,43,32,800	34,48,650	15,70,428	51,19,596	2,44,71,474

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

\*\* Performance based incentive for the year 2019 paid in the year 2020.

- 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' and 'BP Share Value Plan' Schemes, as in force.

Details of remuneration of Non-Executive, Independent Directors for the financial year ended 31 December 2020 is as under:

(Amount in INR)

Name of Director	Commission	Sitting Fees	Total
Mr. R. Gopalakrishnan	20,00,000	8,50,000	28,50,000
Mr. Uday Khanna	16,00,000	8,00,000	24,00,000
Ms. Sangeeta Talwar	16,00,000	9,00,000	25,00,000
Mr. Rakesh Makhija	16,00,000	9,00,000	25,00,000

**(C) Stakeholders Relationship Committee**

Stakeholders Relationship Committee (“SRC”) has been constituted to monitor and review investors’ grievances. As on 31 December 2020, it comprises of Mr. R. Gopalakrishnan (Independent Director), Mr. Sandeep Sangwan and Ms. Rashmi Joshi. Mr. R. Gopalakrishnan is the Chairman of the Committee.

During the year under review, Mr. Sandeep Sangwan was appointed as the Member of the Committee w.e.f. 1 January 2020.

Ms. Chandana Dhar, Company Secretary and Compliance Officer of the Company, is the Compliance Officer for redressal of shareholder’s/ investors’ complaints.

One (1) committee meeting was held during the year ended 31 December 2020 on 31 January 2020 and all members attended the meeting. The Chairman of the committee attended the Annual General Meeting for the year ended 31 December 2019. The Company Secretary and Compliance Officer acts as the Secretary to the Committee.

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

Name of Director	Designation	No. of Meetings	
		held	attended
Mr. R. Gopalakrishnan	Chairman	1	1
Ms. Rashmi Joshi	Member	1	1
Mr. Sandeep Sangwan (w.e.f. 1 January 2020)	Member	1	1

Ms. Rashmi Joshi ceased to be a member of the Committee w.e.f close of business hours on 31 December 2020 consequent to her cessation as Chief Financial Officer and Wholetime Director of the Company. Mr. Deepesh Baxi, Chief Financial Officer and Wholetime Director was appointed as a member w.e.f 1 January 2021

**Details of Shareholders’/Investors’ Complaints**

During the Financial Year ended 31 December 2020, 11 complaints were received from the shareholders. Out of the total complaints received during the year Nil were pending as on 31 December 2020. The complaints relate to non-receipt of annual report, dividend, share transfers, etc.

Opening as on 1 January 2020	02
Received during the year	09
Disposed of during the year	11
Closing as on 31 December 2020	0

**(D) Corporate Social Responsibility (CSR) Committee**

As on 31 December 2020, the Corporate Social Responsibility Committee comprises of Mr. Rakesh Makhija, Ms. Sangeeta Talwar, Mr. Sashi Mukundan, Mr. Sandeep Sangwan, Ms. Rashmi Joshi and Mr. Jayanta Chatterjee. Mr. Rakesh Makhija is the Chairman of the Committee.

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

- Mr. Sandeep Sangwan was appointed as the Member of the Committee w.e.f. 1 January 2020.

2. Ms. Rashmi Joshi and Mr. Jayanta Chatterjee ceased to be the members of the Committee w.e.f close of business hours on 31 December 2020 consequent to their cessation as Chief Financial Officer and Wholetime Director and Wholetime Director – Supply Chain of the Company, respectively.

The Company Secretary and Compliance Officer acts as the Secretary to the committee. Two (2) meetings of the Committee were held during the year ended 31 December 2020 viz. on 31 January 2020 and 27 October 2020.

The attendance of each member of the CSR Committee is given below:

Name of Director	Designation	No. of Meetings held	No. of Meetings attended
Mr. Rakesh Makhija	Chairman	2	2
Ms. Sangeeta Talwar	Member	2	2
Mr. Sashi Mukundan	Member	2	2
Mr. Sandeep Sangwan (w.e.f. 1 January 2020)	Member	2	2
Ms. Rashmi Joshi	Member	2	2
Mr. Jayanta Chatterjee	Member	2	2

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 2020.

**(E) Risk Management Committee**

As on 31 December 2020, the Risk Management Committee (RMC) comprises of Mr. Sandeep Sangwan, 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.

Two (2) meetings of the RMC were held during the year ended 31 December 2020 viz. on 21 April 2020 and 23 September 2020.

Ms. Rashmi Joshi and Mr. Jayanta Chatterjee ceased to be the members of the Committee w.e.f close of business hours on 31 December 2020 consequent to their cessation as Chief Financial Officer and Wholetime Director and Wholetime Director – Supply Chain of the Company, respectively

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

Name of Director	Designation	No. of Meetings held	No. of Meetings attended
Mr. Sandeep Sangwan (w.e.f. 1 January 2020)	Chairman	2	2
Ms. Rashmi Joshi	Member	2	2
Mr. Jayanta Chatterjee	Member	2	2
Mr. Siddharth Shetty	Member	2	2

**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 2020, 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 re-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/castrol/country-sites/en\\_in/india/home/corporate-governance/bp\\_coc.pdf](https://www.castrol.com/content/dam/castrol/country-sites/en_in/india/home/corporate-governance/bp_coc.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/castrol/country-sites/en\\_in/](https://www.castrol.com/content/dam/castrol/country-sites/en_in/)

[india/home/corporate-governance/coc\\_board\\_sr\\_mgt\\_2020.pdf](india/home/corporate-governance/coc_board_sr_mgt_2020.pdf)

**5. GENERAL BODY MEETINGS**

**Location and time of the last three AGMs of the Company:**

Location	Date	Time	Special Resolution
Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)	15 July 2020	3.00 p.m.	1. Re-appointment of Mr. R. Gopalakrishnan (DIN: 00027858) as an Independent Director of the Company for a term of 5 (five) years effective 1 October 2019 2. Re-appointment of Mr. Uday Khanna (DIN: 00079129) as an Independent Director of the Company for a term of 5 (five) years effective 1 October 2019.
Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Nariman Point, Opp. Mantralaya, Mumbai-400021	15 May 2019	10.00 am	NIL
Pama Thadhani Auditorium, Jai Hind College, ‘A’ Road, Churchgate, Mumbai- 400020	03 May 2018	10.00 am	NIL

**Postal Ballot**

During the year no resolutions were passed through postal ballot. There is no proposal to conduct any business through Postal Ballot at the forthcoming AGM.

**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/home/investors/financial-results.html](https://www.castrol.com/en_in/india/home/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 [https://www.castrol.com/en\\_in/india/home.html](https://www.castrol.com/en_in/india/home.html).

## 7. GENERAL SHAREHOLDER INFORMATION

### Forty-third (43<sup>rd</sup>) Annual General Meeting

**Date** : Friday, 30 April 2021

**Time** : 3.00 pm

**Venue** : Annual General Meeting through Video Conferencing/ Other Audio-Visual Means (VC/OAVM facility) [Deemed Venue for Meeting: Registered Office: Technopolis Knowledge Park, Mahakali Caves Road, Chakala, Andheri (East), Mumbai 400093].

**Last date for receipt of proxy forms:** Not Applicable

**Book Closure Dates :** Saturday, 24 April 2021 to Friday, 30 April 2021

**Dividend Payment Date :** on or before 30 May 2021

### 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 financial year other than April to March.

### Tentative calendar of Board Meetings for Financial Year ending 31 December 2021

The tentative dates of meeting of board of directors for consideration of quarterly financial results for

the financial year ending 31 December 2021 are as follows:

First Quarter Results	Not later than 14 May 2021
Second Quarter/Half Yearly Result	Not later than 14 August 2021
Third Quarter Results	Not later than 14 November 2021
Fourth Quarter/Annual Results	Not later than 1 March 2022

### 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
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	28.09.2024
2017	Final	03.05.2018	08.06.2025
2018	Interim	31.07.2018	05.09.2025
2018	Final	15.05.2019	20.06.2026
2019	Interim	29.07.2019	03.09.2026
2019	2 <sup>nd</sup> Interim	17.06.2020	23.07.2027
2020	Interim Dividend	27.10.2020	02.12.2027

### 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 2020-21 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 2020.

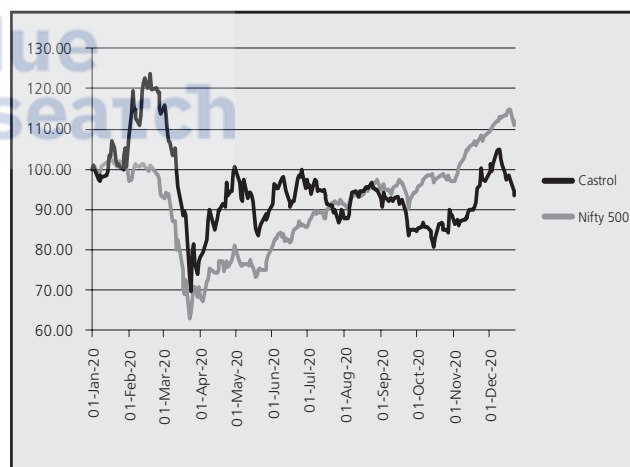
MONTHS	BSE		NSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
January 2020	140.00	123.60	140.00	123.55
February 2020	162.05	135.00	162.20	134.90
March 2020	153.90	89.65	153.50	89.55
April 2020	132.60	98.15	132.80	98.15
May 2020	130.60	106.00	130.80	106.00
June 2020	131.20	116.35	131.40	116.30
July 2020	126.85	109.90	126.95	109.80
August 2020	125.85	113.00	125.90	113.10
September 2020	124.45	107.00	124.50	106.20
October 2020	120.30	104.00	120.40	104.00
November 2020	130.40	110.40	130.80	110.40
December 2020	137.25	119.35	137.25	119.35

**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 2020, 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 2020.

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](mailto: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 (India) Limited (CDSL) within 15 days. Acceptance of fresh application for transfer of shares in physical mode has been discontinued w.e.f. 1 April 2019 also the resubmitted cases shall not be accepted after 31 March 2021 as per SEBI Circular.

### Distribution of shareholding by size class:

No. of Shares held	No. of shares	No. of shareholders	% of shareholders
Upto 500	23633402	189595	80.72
501 – 1000	14873384	18930	8.06
1001 – 2000	16807110	11188	4.76
2001 – 3000	10530353	4159	1.77
3001 – 4000	8780596	2443	1.04
4001 – 5000	7664174	1666	0.71
5001 – 10000	25093594	3452	1.47
10001 and above	881739771	3447	1.47
<b>Total</b>	<b>989122384</b>	<b>234880</b>	<b>100.00</b>

### 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
III	Foreign Institutional Investors & FPI & Foreign National	169	118617687	11.99
IV	Overseas Bodies Corporate	0	0	0
V	Non-Resident Indians	4751	7416564	0.75
VI	Public Financial Institutions	3	5968732	0.60
VII	Indian Mutual Funds & Alternate Investment Fund	54	30786367	3.11
VIII	Nationalised Banks/	11	1494165	0.15
(a)	Non-Nationalized Bank	3	3424	0.00
(b)	Other Banks (Foreign Bank)	11	19276	0.00
IX	Domestic Companies (Other Bodies Corporate)	1192	12349814	1.25
X	Resident Individuals	222941	166562892	16.84
XI	Directors and Relatives	3	3128	0.00
XII	Others (Clearing member, HUF, Insurance companies, IEPF, NBFC, Trust)	5739	141447919	14.30
<b>Total</b>		<b>234880</b>	<b>989122384</b>	<b>100.00</b>

As on 31 December 2020, about 99.08% 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](mailto: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. A part of the Company's payables 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 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 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/castrol/country-sites/en\\_in/india/home/corporate-governance/related\\_party\\_transactions\\_policy\\_cil\\_2018.pdf](https://www.castrol.com/content/dam/castrol/country-sites/en_in/india/home/corporate-governance/related_party_transactions_policy_cil_2018.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](mailto:indiaauditcommitteec@bp.com). No employee has been denied access to the Audit Committee pertaining to the Whistle Blower Policy.

**(c) Details of payment to Statutory Auditors**

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) have been appointed as the Statutory Auditors of the Company. During the year ended 31 December 2020, the Company has paid a consolidated sum of INR 1.55 Crores to the Statutory Auditors

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

**(e) 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 quarterly 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	No. of Complaints
a.	Number of Complaints filed during the Financial Year	0
b.	Number of Complaints disposed of during the Financial year	0
c.	Number of complaints pending as on the end of the Financial year	0

