

Castrol India Limited



CIN : L23200MH1979PLC021359

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

Website: www.castrol.co.in Tel.: (022) 66984100 Fax: (022) 66984101

NOTICE OF POSTAL BALLOT TO THE MEMBERS

(Notice issued to members pursuant to Section 110 of the Companies Act, 2013)



Dear Member(s),

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

The Board of Directors of the Company (the Board) has appointed Mr. B.V. Dholakia, Practicing Company Secretary of Dholakia & Associates LLP, as the "Scrutinizer", for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (For) or dissent (Against) therein and return the Form, in original, duly completed in all respects, in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer at the Registered Office of the Company, on or before the close of working hours on 12th March, 2015 at 5.00 p.m..

Members desiring to opt for e-voting, are requested to read the notes to the Notice and instructions overleaf the Form. References to Postal Ballot in this notice include votes received electronically. Members can opt only one mode of voting, i.e. either by Physical Ballot or e-voting.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman (and in his absence to the Managing Director) of the Company. The result of the Postal Ballot would be announced by the Managing Director or the Company Secretary, on 17th March, 2015 at the Registered Office of the Company.

The aforesaid result would be displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed, published in the newspapers and displayed along with the Scrutinizer's report on the Company's website viz. www.castrol.co.in.

Item No. 1 - Appointment of Mr. S.M. Datta as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. S.M.Datta (DIN 00032812), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 1st October, 2014 to 30th September, 2019, not liable to retire by rotation."

Item No. 2 - Appointment of Mr. R.Gopalakrishnan as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. R. Gopalakrishnan (DIN 00027858), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 1st October, 2014 to 30th September, 2019, not liable to retire by rotation."

Item No. 3 - Appointment of Mr. Uday Khanna as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Uday Khanna (DIN 00079129), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 1st October, 2014 to 30th September, 2019, not liable to retire by rotation."

Item No. 4 - Appointment of Mr. Jayanta Chatterjee as Director

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

"RESOLVED THAT Mr. Jayanta Chatterjee (DIN: 06986918), who was appointed as an Additional Director of the Company with effect from 30th October, 2014 by the Board of Directors pursuant to Section 161(1) of the Companies Act, 2013 (the Act) and Article 115 (a) of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of by rotation."

Item No. 5 - Appointment of Mr. Jayanta Chatterjee as Whole-time Director

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provision(s) of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, the consent of the Company, be and is hereby accorded to the appointment of Mr. Jayanta Chatterjee (DIN : 06986918) as a Whole-time Director of the Company for a period of five (5) years effective from 30th October, 2014, on the terms and conditions of appointment and remuneration as set out in the Explanatory Statement annexed to the Notice with liberty and power to the Board of Directors (hereinafter referred to as 'the Board' which expression shall also include the 'Nomination and Remuneration Committee' of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company."

By Order of the Board of Directors,
For CASTROL INDIA LIMITED

Sandeep Deshmukh
Company Secretary
ACS: 10946



Registered Office:

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

Place : Mumbai

Date : 27th January, 2015

Notes

1. The statement pursuant to Section 102 of the Companies Act, 2013, stating all material facts and the reasons for the proposals set out above is annexed herewith.
2. The Board has appointed **Mr. B. V. Dholakia, Practicing Company Secretary of Dholakia & Associates LLP**, as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.
3. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on 30th January, 2015. Accordingly, the Members whose names appear on the Register of Members / in the List of Beneficial Owners received from NSDL and CDSL as on 30th January, 2015 will be considered for the purpose of voting.
4. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Members as on 30th January 2015.
5. The dispatch of the Postal Ballot Notice and the Explanatory Statement shall be announced through an advertisement in at least 1 (one) English newspaper and at least 1 (one) Marathi newspaper, each with wide circulation in Mumbai, where the registered office of the Company is situated, and published on the Company website.
6. In accordance with the provisions of Section 101 and other applicable provisions of the Companies Act, 2013, read with Rules 18 and 22 of the Companies (Management and Administration) Rules, 2014, the Postal Ballot Notice is being sent by e-mail to those Members who have registered their e-mail addresses with their Depository Participants (in case of shares held in demat form) or with the Company's Registrar and Share Transfer Agent (in case of shares held in physical form). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode (i.e. through registered or speed post or through courier), along with a postage prepaid self addressed Business Reply Envelope.
7. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the link <https://www.evoting.nsdl.com> or website of the Company, www.castrol.co.in. To seek duplicate Postal Ballot Form, please contact our Registrar and Transfer Agent, M/s. TSR Darashaw Limited at 6-10, Haji Moosa Patrawala Industrial Estate, Nr. Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011.
8. In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the related Rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its Members. Please note that e-voting is an alternate mode to cast votes and is optional.
9. Kindly note that the **Members can opt only one mode of voting, i.e., either by Physical Ballot or e-voting**. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Members cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
10. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Ballot form and return the form duly completed and signed, in the enclosed self addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than close of working hours at 5.00p.m. on 12th March, 2015. The postage will be borne by the Company. However, envelopes containing postal ballots, if sent by courier or registered / speed post at the expense of the Members will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self addressed Business Reply Envelope.
11. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 5.00 p.m. on 12th March, 2015 to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member.
12. All the material documents referred to in the Explanatory Statement will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch of the Notice till 12th March, 2015.

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

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

Item Nos. 1 to 3

As per Section 149 of newly enacted Companies Act, 2013 (the Act), which is effective from April 1, 2014, read with Clause 49 of listing Agreement, your Company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation and also that they can hold this office for two fixed terms, each of which should not exceeding 5 years.

The Company has three Independent Directors on Board viz.

Mr. S.M. Datta,

Mr. R. Gopalakrishnan and

Mr. Uday Khanna

In compliance with the provisions of the Act, the Board of Directors has recommended appointment of the Independent Directors for a first term of five (5) years from 1st October, 2014 to 30th September, 2019.

Mr. S.M. Datta, Mr. R. Gopalakrishnan and Mr. Uday Khanna, have given declarations to the Board that they meet the criteria of 'independence' as provided under Section 149(6) of the Act. In opinion of the Board, each of these directors fulfils the eligibility conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director.

In compliance with the provisions of Section 149 of the Act, read with Schedule IV to the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval. The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day (i.e. excluding Saturdays and Sundays).

None of the Directors, except the proposed appointees in resolution concerning their respective appointment or any of Key Managerial Personnel of the Company or relatives of any of them are, in any way, concerned or interested in these resolutions. The Board recommends the Ordinary Resolutions set out at Items No. 1 to 3 of the Notice for approval by the members. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

A brief profile of the Independent Directors to be appointed is given below-

Mr. S. M. Datta graduated with Honours in Chemistry from the Presidency College, Calcutta and obtained a post graduate degree in Science & Technology from Calcutta University. He is a Chartered Engineer, Fellow of the Institution of Engineers, Fellow of the Indian Institute of Chemical Engineers, Member of Society of Chemical Industry (London) and Honorary Fellow of All India Management Association. Mr. S. M. Datta was Chairman of Hindustan Unilever Limited as well as all Unilever companies in India and Nepal, from 1990 to 1996. He had joined HUL as a Management Trainee in 1956 after completing his university education in Chemical Engineering. He is a Past President of Associated Chambers of Commerce & Industry and the Council of EU Chamber of Commerce in India, Past President of the Bombay Chamber of Commerce & Industry and of Indian Chemical Manufacturers Association and Past Chairman of Bombay First. Other details regarding Mr. S.M. Datta are appended in table below this Statement.

Mr. R. Gopalakrishnan has been a professional manager from 1967 onwards for over 45 years consisting of 31 years in Unilever Group and 14 years with TATA Group. Mr. Gopalakrishnan served in Jeddah as Chairman of Unilever Arabia; as the Managing Director of Brooke Bond Lipton India and finally as Vice-Chairman of Hindustan Lever Limited. Currently, he is the Executive Director of Tata Sons Limited. He studied physics at St. Xavier's Kolkata, engineering at IIT Kharagpur and attended the Advanced Management Program at Harvard Business School. Other details regarding Mr. R. Gopalakrishnan are appended in table below this Statement.

Mr. Uday Khanna was associated with Lafarge India Pvt. Ltd as non-executive Chairman, till recently. Mr. Khanna was Managing Director & CEO of Lafarge India from July 2005 to July 2011. He joined the Lafarge Group in Paris in June 2003 as Senior Vice President for Group Strategy, after a long experience of almost 30 years with Hindustan Lever /Unilever in a variety of roles including finance, commercial and general management, both nationally and internationally. His last position before joining Lafarge was Senior Vice President – Finance, Unilever – Asia, based in Singapore. Mr. Khanna has earlier been on the Board of Hindustan Unilever as Director – Exports, after having served as Financial Controller and Treasurer of the company. He has also worked as Vice-Chairman of Lever Brothers in Nigeria and General Auditor for Unilever – North America based in the USA. Mr. Khanna is a Chartered Accountant, (B.Com, FCA). He was the President of the Indo-French Chamber of Commerce & Industry in 2008 & 2009 and the President of the Bombay Chamber of Commerce & Industry in 2012-13. Other details regarding Mr. Uday Khanna are appended in table below this Statement.

Details of Directors seeking appointment pursuant to Clause 49 of the Listing Agreement

Name of Director	Mr. S. M. Datta	Mr. R. Gopalakrishnan	Mr. Uday Khanna
Date of Birth	01.07.1936	25.12.1945	01.12.1949
Date of Original Appointment	01.07.1996	17.10.2000	03.01.2012
No. of Shares held in the Company	5000	nil	800
Directorship its held in other companies (excluding private and foreign companies)	1. Transport Corp. of India Ltd. 2. Philips India Ltd. 3. IL & FS Investment Managers Ltd. 4. Peerles Gen. Fin. & Inv. Co.Ltd. 5. Zodiac Clothing Company Ltd 6. Atul Ltd. 7. Bhoruka Power Corporation India Ltd. 8. Rabo India Finance Ltd.. Education Society 9. Speciality Restaurants Ltd. 10. Peerless Financial Products Distribution Ltd.	1. Tata Chemicals Ltd. 2. Tata Sons Ltd. 3. The Tata Power Company Ltd. 4. Akzo Nobel India Ltd. 5. Rallis India Ltd. 6. Tata Technologies Ltd. 7. Tata Autocomp Systems Ltd. 8. The Anglo Scottish Education Society 9. AdvinusTherspeuticsLtd. 10. Metahelix Life Science Ltd.	1. Bata India Ltd. 2. Coromandel International Ltd. 3. Pfizer Ltd. 4. Thomas Cook (India) Ltd. 5. Pidilite Ltd. 6. NRB Bearings Ltd. 7. Indo French Chambers of Commerce and Industry 8. The Anglo- Scottish
Position held in Audit Committees and Stakeholders' Relationship Committees in other companies	Member of Stakeholders Relationship Committee 1. IL & FS Investment Manager Ltd Member of Audit Committee 1. Bhoruka Power Corp. Ltd. 2. Transport Corporation of India Ltd. 3. Peerless General Finance & Investment 4. Rabo India Finance Ltd. 5. Philips India Ltd. 6. Peerless Financial Products Distribution Ltd.	Member of Audit Committee 1. Tata Chemical Ltd. 2. Akzo Nobel Ltd.	Member of Stakeholders Relationship Committee 1. Thomas Cook (India) Ltd. Member of Audit Committee 1. Bata India Ltd. 2. Coromandel International Ltd. 3. Thomas Cook (India) Ltd. 4. Pfizer Ltd.

Item No. 4

The Board of Directors at its meeting held on 30th October, 2014 had appointed Mr. Jayanta Chatterjee as an Additional Director of the Company with effect from 30th October, 2014.



As per Section 161 of the Companies Act, 2013 read with Article 115(a) of the Articles of Association of the Company, Mr. Jayanta Chatterjee holds office only up to the date of next Annual General Meeting of the Company and is eligible for appointment. A notice in writing along with the requisite deposit under Section 160 of the Companies Act, 2013 has been received signifying intention to appoint Mr. Jayanta Chatterjee as a director retiring by rotation.

Mr. Chatterjee does not directly or through any other person/s holds any shares in the Company. He is not a director in any other company registered in India.

The Board considers that the appointment of Mr. Chatterjee as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board recommends his appointment as a Director of the Company, liable to retire by rotation.

Except Mr. Chatterjee, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 4 of the notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 5

Subject to the approval of the Central Government and Members of the Company, the Board of Directors of the Company at its meeting held on 30th October, 2014 had appointed Mr. Jayanta Chatterjee as Whole-time Director, designated as 'Director Supply Chain' for a period of five (5) years with effect from 30th October, 2014 on the terms and conditions set out in the Agreement entered into with him. The appointment is based on recommendations of the Nomination and Remuneration Committee.

Mr. Jayanta Chatterjee is a Bachelor of Electrical Engineering from Jadavpur University Calcutta and Post Graduate Diploma in Business Management from IIM Calcutta. He has over 20 years of Supply Chain leadership experience across multiple functions – Planning, Customer Fulfillment, Manufacturing and Process Implementation – and distribution channels – Retailis, Distributor, OEM, Industrial and Marine – in Asia & Pacific and India. He started professional career with Philips India Limited in their Lighting Division, in the area of Industrial Engineering and Purchasing. Mr. Chatterjee joined Castrol in 1999 and has progressed through roles of increasing responsibility in Supply Chain. Most recently he was the Regional Customer Fulfillment and Planning Manager based in Singapore before coming back to India.

Mr. Jayanta Chatterjee satisfies all the conditions stated in the Part I of the Schedule V to the Companies Act, 2013 except to the extent that he has not stayed in India for a continuous period of 12 months immediately preceding the date on which he was appointed on 30th October, 2014, hence his appointment also requires approval of the Central Government. The material terms of appointment and remuneration as contained in the draft Agreement are given below:

Term: 5 (five) years, from 30th October, 2014 to 29th October, 2019 ("Both days inclusive").

Salary, Allowances and Perquisites ("Remuneration")

- a) **Salary and Allowances:** Basic Salary of Rs. 2,83,793/- per month and Other Allowances of Rs. 4,18,793/- per month. (with such increments as may be decided by the Board of Directors of the Company from time to time, subject to a ceiling on increment of 20% in a year, over the existing Basic salary and Allowances)
- b) **Performance linked incentive:** Such percentage of the net profits of the Company or such amount as may be decided by the Board of Directors for each financial year as per Company policy, however not exceeding 50% of the Basic Salary and Allowances in a year.
- c) **Perquisites:** In addition to the aforesaid remuneration, the Whole-time Director shall be entitled to perquisites as they are applicable to the senior executives including top – up towards lease accommodation (If the Company provides leased accommodation or company accommodation the same shall be recovered from 'Allowances' as per Company Policy); Reimbursement of medical expenses incurred by the Whole time Director and his family; Leave on full salary as per the rules of the Company; Fees of one Club excluding life Membership Fees; Personal Accident & Life Insurance; Encashment of leave at the end of tenure; Contribution to Provident Fund and Superannuation Fund; Gratuity as per Company rules; Company leased car as per the rules provided that the lease rental shall be recovered from Allowances paid to the Whole-time Director as per Company policy and such other Equity/Bonus/Incentive plan applicable to senior executives.

Provided however, that the value of the Perquisites (except contribution to Provident Fund, Superannuation and Gratuity) shall not exceed the sum of Rs.75,00,000 for each financial year or part thereof. In arriving at the value of the perquisites, the value shall be determined on the basis of Income Tax Rules in force from time to time.

Minimum Remuneration:

Where in any financial year, the Company has no profit or its profits are inadequate the Company will pay to the Whole-time Director, Minimum Remuneration as provided in Schedule V of the Companies Act, 2013 as modified from time to time.

Other Terms and Conditions:

1. The Whole time Director shall not be paid any sitting fees for attending meetings of the Board or any Committee/s thereof.
2. Subject to the supervision and control of the Board of Directors, the Director shall perform such duties and exercise such powers, authorities and discretions as the Board shall from time to time delegate to his on such terms and conditions and subject to such restrictions as the Board may from time to time impose. For day to day functioning, the Whole-time Director shall work under the superintendence and direction of the Board of Directors.
3. The appointment can be terminated by either of the parties by giving to the other requisite notice in writing as per the Agreement or by payment of a sum equivalent to remuneration for the notice period or part as may be mutually agreed.

In view of the provisions of Sections 196, 197, 203 of the Act, the Board recommends the Special Resolution set out at Item No. 5 of the accompanying Notice, for the approval of the Members. Copy of the agreement referred to in the Resolution is available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays and Sundays.

Mr. Chatterjee is not a Director in any other body corporate. He does not hold by himself or through any other person on a beneficial basis, any shares in the Company.

Except Mr. Chatterjee, being an appointee, none of the directors / Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

By Order of the Board of Directors,
For CASTROL INDIA LIMITED

Sandeep Deshmukh
Company Secretary
ACS: 10946

Registered Office:

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

Place : Mumbai

Date : 27th January, 2015