

CASTROL INDIA LIMITED

Policy for Determination of Materiality of Disclosure of Information

(V-1 – Effective 1st January, 2016)

This Policy shall be referred to as “Policy for Determination of Materiality of Disclosure of Information” This policy shall act as a guideline in determining whether a particular information/event need to be shared with Stock exchanges, considering its materiality from the point of view of likely impact on the Company’s business. This policy has been prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015 (“the Regulations”) and is subject to the provisions of the law as amended from time to time.

1. Implementation

It will be the joint responsibility of the Managing Director and Chief Financial Officer of the Company to implement this policy and the Company Secretary / Managing Counsel shall give support for the implementation and compliance.

2. Policy Statement

The Board is committed to maintain transparency by sharing all the material information with its investors, which potentially has impact on the Company’s operations and business. The information shall be shared as soon as possible and periodic updates shall be shared from time to time, when there is material change in the status.

3. Review/amendments in the Policy

The Board is committed for approving and overseeing implementation of this Policy. Recommendations shall be made to the Board to update this Policy, based on changes that may be required due to any regulatory amendments or otherwise.

4. Procedure

- a. Chief Financial Officer (CFO) is the KMP authorised to determine the materiality of an event or information, to make a disclosure (contact details of CFO +91-22-66982331). Managing Director will be the person authorised for this purpose in absence of CFO.
- b. Any event that could be a material event as per this Policy, shall be brought to the notice of CFO, who shall evaluate the same. If CFO is of the opinion that the event may be material or if the materiality can’t be predicted with accuracy but can reasonably be considered to be close to materiality threshold, then CFO shall constitute a Working Group consisting of CFO, MD, Head Investor Relations, Head Legal / Company Secretary (as per the availability).
- c. Subject to the obligations under Insider Trading Code, the Working Group will collect the entire facts to assist the CFO to take decision as regards dissemination of information. The

Working Group may obtain views of the Board, Chairman and/or Audit Committee Chairman, depending upon the facts of each case. This may be done keeping in mind 24 hour deadline for dissemination of information.

- d. The Working Group shall take into account, impact on operations and confidentiality aspect from the point of view of business interests of the Company and considering that in certain situations it may not be possible to predict exact impact of the event, the call about sharing of information will be taken keeping over all investors interests of the in mind. Legal opinion may be obtained wherever necessary before release of information.
- e. The information shall be not be shared with any external agency or employee (except on 'need to know' basis) unless it is shared with the Stock Exchange/s first.
- f. The communication /press release/holding statement or subsequent presentations to the investors shall be uploaded on the Company's web-site immediately thereafter.

5. Material event/information and test of materiality

- I. Any Information /Events covered under Para A, of Part A of Schedule III of the Regulations as may be amended from time to time shall be disseminated irrespective of value.
- II. Any Information /Events covered under Para B, of Part A of Schedule III of the Regulations as may be amended from time to time shall be disclosed, provided it exceeds the materiality threshold as covered under **Annexure A**.

In case of any other information/event, the Working Group/CFO shall deal with the same, appropriately, keeping in view the criteria of materiality.

ANNEXURE A

The following events shall be disclosed upon meeting criteria for materiality i.e. if it is likely to have impact of not less than 5% (five percent) of the annual consolidated revenues or 10% (ten percent) of the consolidated net worth, whichever is lower.

Event	“Additional” conditions, if any
1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).	
3. Capacity addition or product launch.	Launch of sub-products, brands in the existing range of lubricants is excluded.
4. Awarding, bagging/ receiving, amendment or termination of awarded/ bagged orders/contracts not in the normal course of business.	Agreements with regular customers/OEMs in ordinary course of business are excluded.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.	Working capital loan, loan for announced capital expenses and for short term (180 days or less) are excluded.
6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.	Dissemination shall be done when working group is in a position to do reasonable estimate of the impact
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.	Changes in tax rates/rebates excluded.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.	As regards legal matters having non-financial impact the following criteria will apply- Any order passed by industry regulator, capital market regulator, etc involving

	collective penalty of Rs. 1 crore or more. Any sentence passed by a Court for imprisonment of more than 6 months for any of the Directors /Promoters /KMPs.
9. Fraud/ defaults etc. by directors (other than key managerial personnel) or employees of listed entity.	
10. Options to purchase securities including any ESOP/ ESPS Scheme.	Irrespective of the value
11. Giving of guarantees or indemnity or becoming a surety for any third party.	Guarantees/ indemnities given to customers/vendors/government/tax department in ordinary course of business is excluded.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	

Note – Revenues/Net worth shall be calculated based on last Audited Financials and interpreted in view of applicable accounting standards. Standalone financials shall apply, where there is no subsidiary/associate company.