



Not just walking into a tomorrow,
but defining a future.

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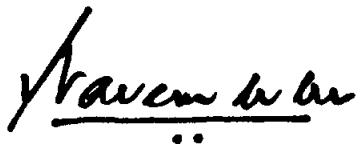
Dear Shareholders,

Castrol India, a great success story in the world of lubricants, has delighted all its stakeholders for over a decade. However, the last two years have been difficult, not just for our Company but also for our industry. We believe that this is a passing phase and our Company shall be back on a growth journey with renewed vigour. Automotive industry projections and other factors suggest that lubricant market-value will grow. Castrol India is well positioned to tap new opportunities with its incomparable brand, bazaar and people power. In this journey we have a new companion - the BP brand.

With the global acquisition of Castrol brand by BP, Castrol India has become part of one of the world's largest petroleum and petrochemicals companies. This is bringing tremendous value addition to our Company. Combined with Castrol's winning values is BP's global strength, knowledge, proven processes and its well-known operational excellence. BP also brings to the business its great commitment to Health, Safety and Security for all its people, to environment and to being a Force for Good.

In recent years, the commercial vehicle lubricant market segment, the largest constituent, has declined because of overall slowdown and structural changes driven by improvement in engine technology. However, the longer-term fundamentals of this segment remain quite strong. Our country has great growth potential. Sustained economic growth will lead to enhanced transport activity. Road infrastructure is improving dramatically. Thus 'road transport and personal mobility' vehicles should have faster growth as witnessed in other Asian markets in transition. Post-structural correction, automotive lubricant market should thus be back on growth track. It will also trade up because higher technology vehicles will require superior products and services. Castrol India with two Power brands - Castrol and BP, is extremely well positioned to take advantage of this. Our strategy is based on driving growth in premium automotive segments where we have proven core competence and leadership.

We are on a journey which will take us not just into tomorrow but help define a clear and bright future for our Company. Yesterday and today might present challenges because of transition, but with Castrol know-how, BP values and new ways of working, we see a great future ahead.



Naveen Kshatriya
Managing Director

Castrol India Limited

NOTICE OF THE MEETING

Notice is hereby given that the Twenty-fourth Annual General Meeting of the Members of Castrol India Limited will be held at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020 on Monday, 5th August, 2002 at 3.00 p.m. to transact the following business.

1. To receive and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended 31st December, 2001 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. D.S. Parekh who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Mr. R. Pisharody as a Director of the Company liable to retire by rotation and in respect of whom the Company has received a notice in writing from a shareholder under Section 257 of the Companies Act, 1956 expressing his intention to propose Mr. R. Pisharody as a candidate for the office of Director in place of Mr. J. Goswami who retires by rotation but does not seek re-election.
4. To consider and if thought fit, to pass with or without modification, the following as an ORDINARY RESOLUTION:
RESOLVED THAT S.R. Batliboi & Co Chartered Accountants, be and are hereby appointed Auditors of the Company in place of the retiring auditors Price Waterhouse, Chartered Accountants to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.
RESOLVED FURTHER THAT the remuneration payable together with the out-of-pocket expenses, if any, and the installments in which the remuneration is payable to the Auditors shall be such as shall be mutually agreed upon between the Board of Directors and the Auditors.

AS SPECIAL BUSINESS

5. To appoint a Director in place of Mr. U. Desousa who vacates office at this Annual General Meeting and being eligible, offers himself for re-appointment.

6. To appoint a Director in place of Mr. R. Elston-Green who vacates office at this Annual General Meeting and being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Mr. R.A. Savoor who vacates office at this Annual General Meeting and being eligible, offers himself for re-appointment.
8. To consider and if thought fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:

"RESOLVED THAT subject to the approval of the Central Government and pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions (if any) of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, the appointment of Mr. Naveen Kumar Kshatriya as Wholtime Director of the Company designated as Managing Director for a period of 5 years with effect from 1st May 2002 to 30th April 2007 or the normal date of retirement as in force whichever is earlier upon the terms and conditions including remuneration and minimum remuneration as set out in the Agreement entered into by the Company with Mr. Kshatriya be and is hereby approved."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as specified in the Agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with any provision under the Act, for the time being in force or any statutory modification or re-enactment thereof and/or any Rules or Regulations framed thereunder and the terms of the aforesaid agreement between the Company and Mr. Kshatriya shall be suitably modified to give effect to such variation or increase as the case may be."

9. To consider and if thought fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable

provisions (if any) of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, the appointment of Mr. U. Desousa as a Wholtime Director of the Company designated as Operations Director for a period of 5 years with effect from 18th June, 2002 to 17th June 2007 upon the terms and conditions including remuneration and minimum remuneration as set out in the Agreement proposed to be entered into by the Company with Mr. Desousa be and is hereby approved."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with any provision under the Act, for the time being in force or any statutory modification or re-enactment thereof and/or any Rules or Regulations framed thereunder and the terms of the aforesaid agreement between the Company and Mr. Desousa shall be suitably modified to give effect to such variation or increase as the case may be."

10. To consider and if thought fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions (if any) of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, the appointment of Mr. R. Elston-Green as a Wholtime Director of the Company designated as Finance Director for a period of 5 years with effect from 18th June, 2002 to 17th June, 2007 upon the terms and conditions including remuneration and minimum remuneration as set out in the Agreement proposed to be entered into by the Company with Mr. Elston-Green be and is hereby approved."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may

consider appropriate, as may be permitted or authorised in accordance with any provision under the Act, for the time being in force or any statutory modification or re-enactment thereof and/or any Rules or Regulations framed thereunder and the terms of the aforesaid agreement between the Company and Mr. Elston-Green shall be suitably modified to give effect to such variation or increase as the case may be."

11. To consider and if thought fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions (if any) of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, the appointment of Mr. R. Pisharody as a Wholtime Director of the Company designated as Marketing Director for a period of 5 years with effect from 18th June, 2002 to 17th June 2007 upon the terms and conditions including remuneration and minimum remuneration as set out in the Agreement proposed to be entered into by the Company with Mr. Pisharody be and is hereby approved."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with any provision under the Act, for the time being in force or any statutory modification or re-enactment thereof and/or any Rules or Regulations framed thereunder and the terms of the aforesaid agreement between the Company and Mr. Pisharody shall be suitably modified to give effect to such variation or increase as the case may be."

12. To consider and if thought fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of

the Companies Act, 1956, the existing Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below:

(a) Article 2 (1) of the Articles of Association shall include the following definitions at the appropriate places:

"Abridged Prospectus" "Abridged Prospectus" means a memorandum containing such salient features of a prospectus as may be prescribed.

"Derivative" "Derivative" has the same meaning as in clause (aa) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

"Hybrid" "Hybrid" means any security which has the character of more than one type of security, including their derivatives.

"Information Memorandum" "Information Memorandum" means a process undertaken prior to the filing of a prospectus by which a demand for the securities proposed to be issued by the Company is elicited, and the price and the terms of issue for such securities is assessed, by means of a notice, circular, advertisement or document.

"Employees Stock Option" "Employees Stock Option" means the option given to the Wholtime Directors, officers or Employees of the Company, which gives such directors, officers or employees the benefit or right to purchase or subscribe at a future date Securities offered by the company at a pre-determined price.

"Listed Public Company" "Listed Public Company" means a Public Company which has any of its securities listed in any recognized Stock Exchange.

"Officer"

"Officer" includes any Director, Manager, or Secretary or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act.

"Option in Securities"

"Option in Securities" has the same meaning as in clause (d) of section 2 of the Securities Contracts (Regulation) Act, 1956.

"Postal Ballot"

"Postal Ballot" has the same meaning as defined under Section 192A of the Act.

"Securities"

"Securities" means securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 and includes hybrids.

"Share with Differential Rights"

"Share with Differential Rights" means a share that is issued with differential rights in accordance with the provisions of Section 86.

(b) In Article 2(1) of the Articles of Association of the Company, the definition of "dividend" shall be altered as follows:

"Dividend"

"Dividend" includes Interim Dividend and Bonus.

(c) After Article 3, the following Article will be introduced as Article 3A and shall read as follows:

"Share Capital" The Share Capital of the Company shall be of two types viz.,

(a) Equity share capital

(i) with voting rights or

(ii) with differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such

conditions as may be prescribed from time to time under the Act.

(b) Preference share capital

- (d) After Article 58, the following Articles will be inserted as Article 58A and 58B and shall read as follows:

"Nomination" 58(A) (1) Every holder of share(s) in, or holder of debenture(s) of the Company may, under the Act at any time, nominate, in the prescribed manner, a person to whom his share(s) in, or debenture(s) of, the Company shall vest in the event of his death.

- (2) Where the share(s) in, or debenture(s) of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the share(s) in, or debenture(s) of the Company shall vest in the event of death of all the joint holders.

- (3) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, or debenture(s) of, the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the share(s) in, or debenture(s) of the

Company, the nominee shall, on the death of the shareholder or holder of the debentures of the Company or as the case may be, on the death of the joint holders become entitled to all the rights in the share(s) or debenture(s) of the Company or as the case may be, all the joint holders, in relation to such share(s) in or debenture(s) of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

- (4) Where the nominee is a minor, it shall be lawful for the holder of the share(s) or holder of debenture(s) to make a nomination to appoint, in the prescribed manner, any person to become entitled to share(s) in or debenture(s) of the Company, in the event of his death, during the minority.

"Transmission through Nomination" 58(B) (1) Notwithstanding anything contained in these Articles any person who becomes a nominee by virtue of the provisions of Article 58A, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, either elect -

- (a) To be registered himself as holder of the share(s) or debenture(s) as the case may be; or

(b) to make such transfer of the share(s) or debenture(s) as the case may be as the deceased shareholder or debenture holder as the case may be could have made.

(2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) or debenture(s) himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied by the death certificate of the deceased shareholder or debenture holder as the case may be.

(3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder as the case may be.

(4) A person, being a nominee becoming entitled to a share(s) or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he

would be entitled if he were the registered holder of the share(s) or debenture(s) except that he shall not before being registered a member in respect of his share(s) or debenture(s) be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company :

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) or debenture(s), and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share(s) or debenture(s), until the requirements of the notice have been complied with.

(e) After Article 98 the following Article will be inserted as Article 98A and shall read as follows:

"Postal Ballot" The Company may pursuant to the provision of Section 192A of the Companies Act, 1956 and in terms of the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, including any statutory modification for the time being in force or re-enactment thereof or any amendments made thereto from time to time and in case of Resolutions as the Central Government may notify

from time to time to be conducted only by Postal Ballot shall get the said Resolution passed by means of a Postal Ballot instead of transacting the business in the General Meeting of the Company.

- (f) In Article 119 after the clause (l) the following clause (m) be inserted:

(m) he is a director of a public company which :

- (i) has not filed the annual accounts and annual returns for continuous three financial years commencing on and after the first day of April 1999; or
- (ii) has failed to repay its deposits or interest thereon on the due date or redeem its debentures on the due date or pay dividend and such failure continues for one year or more;

- (g) In the existing Article 166(a) wherever the word "forty-two" appears to be substituted by the word "thirty".

- (h) After Article 166(b) the following Article will be inserted as Article 166(c) and shall read as follows:

"Investor Education & Protection Fund"	Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the "Investor Education and Protection Fund.
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- (i) A new Article 167 to be included which shall read as follows and thereafter the existing Article 167 to be renumbered as 167A :

"Payment of Dividend"	The amount of Dividend including interim Dividend shall be deposited in a separate bank account within five days from the date of declaration of such dividend.
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13. To consider and if thought fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:

RESOLVED THAT in supersession of the Special Resolution No.8 passed at the 23rd Annual General Meeting of the Company held on 8th June, 2001 and pursuant to sub-section (1) of Section 163 of the Companies Act, 1956 (the Act) the Company hereby approves that the records relating to (i) Registers and Indexes of Members and Debentureholders (ii) Returns prepared under Section 159 of the Act together with copies of Certificates and documents required to be annexed thereto under Section 161 of the said Act or any one or more be kept with effect from 6th August, 2002 at the office of the Company's Share Registrars & Transfer Agents, Tata Share Registry Limited situate at Army & Navy Building, 148, M.G. Road, Mumbai 400 001 and/or at their record station situate at Kurla Road Station Shreeji Krupa Warehouse, 2nd floor, opposite Bhandari Dari Metals, Near Buntara Bhavan, Quereshi Nagar, Kurla (East), Mumbai 400 070 and/or at P.N. Writer & Co. Ltd. D/506 Shivane, MIDC, TTC Industrial Area, Behind London Pilsner, Navi Mumbai 400 613 and/or at the present Registered Office of the Company and/or at Castrol India Limited situate at White House Annexe, 91, Walkeshwar Road, Mumbai 400 006 till such time the same are shifted to the new Registered Office of the Company to be located at Technopolis Knowledge Park, Mahakali Caves Road, Andheri (East), Mumbai 400 093.

RESOLVED FURTHER THAT the Registers, Indexes, Returns, Books, Certificates and Documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956 be kept open for such inspection at the place where they are kept, by the persons entitled thereto to the extent and in the manner and on payment of fees, if any, specified in the aforesaid Act between 10.00 a.m. and 12.00 noon on any working day of the Company except when the Registers and Books are closed under the provisions of the Companies Act, 1956 or the Articles of Association of the Company provided however that the Register required to be

maintained under Section 307 of the said Act shall be open for inspection of the Members and holders of the Debentures of the Company, if any, as aforesaid between the hours abovementioned during the period prescribed by sub-section 5(a) of Section 307.

NOTES:

1. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business under Item Nos. 5 to 13 is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
3. The Register of Members and Share Transfer Books will remain closed from 2nd August, 2002 to 5th August, 2002 (both days inclusive).
4. In view of Tata Share Registry Limited (TSRL) being appointed with effect from 6th August, 2002 as the Registrars & Share Transfer Agents of the Company, shareholders are requested to address all correspondence to them from the said date at the following address.

Tata Share Registry Limited
Unit : Castrol India Limited
Army & Navy Building
148, M.G. Road
MUMBAI 400 001
Tel. No. 287 3831/3832/3834
Fax No. 284 4160/202 0072
5. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund. The final dividend for the year ended 31st December, 1995 will be transferred to the Investor Education and Protection Fund on or before 30th May 2003. Shareholders who have not encashed the dividend warrants for the said year and thereafter are requested to do so on or before 30th April, 2003.

6. Shareholders who hold shares in demat form may please note that the Company/TSRL will be mandatorily printing on the dividend warrants as advised by the Securities and Exchange Board of India the shareholders' bank details as furnished by the respective Depositories to the Company. Members holding shares in demat form must therefore give instructions regarding their Bank account details to their Depository Participants. The Company/TSRL will not act on any request received directly from shareholders for changes in their bank account details.

Further, instructions given by shareholders for shares held in physical mode would not be applicable to the dividend paid on shares held also in demat mode.

7. As required under clause 49 VI A of the Listing Agreement executed with the Stock Exchange, Mumbai a brief profile of the new Directors or Directors retiring by rotation and eligible for re-appointment is given in Annexure A to the Directors Report.
8. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the Meeting.
9. Members are requested to affix their signatures at the place provided on the attendance sheet annexed to the proxy form and hand over the slip at the entrance to the place of the Meeting.
10. Members are requested to inform the Company the PAN/GIR allotted by the Income tax authorities to them and the income tax ward/range/district where assessed/assessable as the same is required to be mentioned in the certificate of tax in respect of tax if any, from dividend as and when declared in future.

By Order of the Board
A.H. Mody
Company Secretary

Mumbai
Dated: 25th June, 2002.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956

Item Nos. 5 & 6

In the Board Meeting held on 18th June 2002, Mr. Ushwin Desousa and Mr. Roger Elston-Green were appointed with effect from the said date as Additional Directors of the Company pursuant to Article 115(a) of the Articles of Association of the Company. In accordance with Section 260 of the Companies Act, 1956, they will hold office upto the date of the ensuing Annual General Meeting of the Company. In terms of Section 257 of the Companies Act, 1956, the Company has received notices from shareholders along with the requisite deposits signifying their intention to propose Mr. Desousa and Mr. Elston-Green as candidates for the office of Director. Mr. Desousa and Mr. Elston-Green have given their consent to act as Directors of the Company, if appointed, at the forthcoming Annual General Meeting.

The Board of Directors considers that it would be in the interest of the Company to continue to avail of the services of Mr. Desousa and Mr. Elston-Green as Directors of the Company and therefore recommend their appointment.

None of the Directors other than Mr. Desousa and Mr. Elston-Green are concerned or interested in the passing of this Resolution.

Item Nos. 7

In the Board Meeting held on 23rd April 2002, Mr. R.A. Savor was appointed with effect from 1st May 2002 as an Additional Director of the Company pursuant to Article 115(a) of the Articles of Association of the Company. In accordance with Section 260 of the Companies Act, 1956, he will hold office upto the date of the ensuing Annual General Meeting of the Company. In terms of Section 257 of the Companies Act, 1956, the Company has received a notice from a shareholder along with the requisite deposit signifying his intention to propose Mr. Savor as a candidate for the office of Director. Mr. Savor has given his consent to act as Director of the Company, if appointed, at the forthcoming Annual General Meeting.

The Board of Directors consider that it would be in the interest of the Company to continue to avail of the services of Mr. Savor as a Director of the Company and therefore recommend his appointment.

None of the Directors other than Mr. Savor are concerned or interested in the passing of this Resolution.

Item Nos. 8 to 11

The Board of Directors had at their Meeting held on 23rd April, 2002 appointed Mr. Naveen Kumar Kshatriya as the Managing Director of the Company pursuant to Article 130 of the Articles of Association of the Company for a period of 5 years from 1st May, 2002 or the normal date of retirement as in force whichever is earlier.

Further, the Board of Directors have at their Meeting held on 18th June, 2002, appointed Mr. Ushwin Desousa, Mr. Roger Elston-Green and Mr. Ravindra Pisharody as Wholtime Directors of the Company designated as Operations Director, Finance Director and Marketing Director respectively each for a period of 5 years from 18th June, 2002 to 17th June, 2007.

The appointment of Mr. Kshatriya, (who for the sake of brevity is hereinafter referred to as the Managing Director) Mr. Desousa, Mr. Elston-Green and Mr. Pisharody (each of whom for the sake of brevity is hereinafter referred to as "the Wholtime Director") is subject to the provisions of Sections 198, 269, 309 and other applicable provisions, (if any) of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act.

However Mr. Kshatriya's appointment would also be subject to the approval of the Central Government as he is not a resident as defined in clause (e) of Part I of Schedule XIII of the Companies Act.

The terms and conditions as contained in the Agreement dated 11th June, 2002 entered into between Mr. Kshatriya and the Company and the draft Agreements proposed to be entered into with Mr. Desousa, Mr. Elston-Green and Mr. Pisharody are as under –

- (1) The total remuneration payable shall be subject to the overall ceilings laid down in Sections 198 and 309 of the Act.
- (2) **Salary:**
 - Mr. N.K. Kshatriya – Rs. 4,35,700/- per month subject to the Directors reviewing the increase in such salary
 - Mr. U. Desousa – Rs. 1,61,550/- per month subject to the Directors reviewing the increase in such salary in the range of Rs. 1,50,000/- to Rs. 4,00,000
 - Mr. R. Elston-Green- Rs. 5,52,941/- per month subject to the Directors reviewing the increase in such salary in the range of Rs. 5,00,000 to Rs. 7,00,000/-
 - Mr. R. Pisharody – Rs. 1,69,600/- per month subject to the Directors reviewing the increase in such salary in the range of Rs. 1,50,000 to Rs. 4,00,000/-
- (3) **Performance Linked Bonus:** Such percentage of the net profits of the Company or such amount as may be