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Dear Shareholders,

On the heels of an impressive year on year growth in each of the years 2006 to 2008, your Company delivered a Profit Before Tax of Rs. 581 crores, a growth of 41%, in 2009. The result was indeed heart warming as it was in the centenary year of brand Castrol in India.

Back in 2006, Team Castrol India had made a resolve to change the future of your Company, by aspiring to and achieving ambitious goals. The team had declared an intent to double profits to over Rs. 500 crores by 2011. This was underpinned by a clearly articulated Winning Strategy. I am delighted to inform you that the goal has been significantly exceeded, two years ahead of schedule. In addition to the in year bottom-line achievement, key performance indicators like return on sales, return on capital employed, productivity and business health measures show strong improvement as well. This suggests sustainability of growth. I believe the prime reason for our strong performance is the faithful execution of our winning strategy: targeted segment participation and distinctive brand and customer offers, whilst continuously driving cost effectiveness and efficiency. All this has been possible by the Right people and the Right organization.

The 2009 results feel extraordinary in face of a very difficult external environment during the year and we made this possible by defending margins and attacking inefficiencies but remaining committed to our core values, especially personal and operational safety. Key features of the 2009 performance included significant enhancement in brand investment, customer relationships and people. Your Company increased efforts in building organization capability and enhancing engagement with staff. It is heartening to note that we have been recognized externally for our excellence in HR practices and value creation for all stakeholders.

Not many brands survive, let alone remain successful or grow for a century. We have celebrated 100 years of brand Castrol in India with our best performance to date. We have achieved this by envisioning a bright future, setting bold goals for ourselves and working at achieving these diligently. Your Company is blessed with a passionate team which revels in the success of all stakeholders: Customers, Shareholders, Partners and our People. Your Company's 2009 Winning Performance was celebrated with a record dividend and a bonus issue in the ratio of 1:1.

Our success over the past hundred years in India has given us the confidence to plan audaciously for the future and we hope to go from strength to strength. The team at Castrol India refers to your Company's rise to the next level as their 'Udaan' - a flight to greater heights. On behalf of the management team and the Board of Directors, I am happy to share with you that we are already on the way. I am confident that the best is yet to come because today we have built a stronger brand, stronger partnerships and a stronger team.

All this has been possible because of your unflinching faith in our teams of yesterday and today who have tirelessly given their best to Castrol.

Naveen Kshatriya
Vice Chairman

Board of Directors**Non-Executive Directors****Chairman**

S. M. Datta

Vice-Chairman

N. K. Kshatriya

Directors

R. Gopalakrishnan

R. Hewins

S. Mukundan

D. S. Parekh

H. McCabe – *Alternate to R. Hewins***Executive Directors****Chief Operating Officer**

R. Kirpalani

Directors

A. P. Mehta

S. Malekar

General Manager – Legal & Company Secretary

A. H. Mody

Bankers

Deutsche Bank

HDFC Bank Ltd.

The Hongkong & Shanghai Banking Corporation Ltd.

State Bank of India

Bank of America

Solicitors & Advocates

Crawford Bayley & Co.

Dhru & Co.

Udwadia & Udeshi

Auditors

S. R. Batliboi & Co.

Registered Office

Technopolis Knowledge Park

Mahakali Caves Road, Andheri (East)

Mumbai 400 093.

Share Department

TSR Darashaw Limited

(formerly known as Tata Share Registry Limited)

6-10, Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road,

Mahalaxmi,

Mumbai 400 011.

WINNING PERFORMANCES

Strong Brands



Top racing teams in the world rely on Castrol Edge to provide them superior performance even under extreme conditions



Castrol Activ, India's largest selling 4T motorcycle oil was relaunched with synthetic technology



Castrol GTX – the flagship brand in the passenger car engine oil segment was relaunched with new 'sludge buster' proposition





Power1 Passion Hunt – a nationwide hunt for India's most passionate biker, drew large participation and positively impacted the Power1 brand



Sanjeevani – a consumer contact program reached out to over three lakh tractor owners across the country

உங்கள் டிராக்டர் நீடித்துழைக்க



Winners of the Golden Spanner Mechanic Contest with Anuradha Bambawale – Brand Manager for passenger cars (on extreme left)

Mahindra Tractors, the largest manufacturer of tractors in the world, specially recommends Castrol CRB Prima



bp vanellus tractor – a diesel engine oil launched for Swaraj tractors

WINNING PERFORMANCES

Reaching out



Premium retail lubricant outlets have been transformed with Castrol signalization – promoting our high performance brands and giving the outlets a distinctive look.



Castrol GTX and Castrol CRB Turbo mobile vans reach out to customers in the market place



Castrol Authorized Service Associates (CASAs) ensure distribution of Castrol brands to mechanics and small workshops across the country



Top performing Industrial Distributors seen here with Jitin Munjal – General Manager (fifth from left) and Uday Kumar – Area Director (seventh from left), help extend the distribution of Castrol Industrial products across the country



Enduring Relationships



In 2009 Castrol celebrated 25 years of its association with Maruti Suzuki. Picture shows senior leaders from Maruti and Castrol at the event held to celebrate the occasion

A print advertisement celebrating Castrol's partnership philosophy



**Our partners trust us with their vehicles.
Sometimes, even before they're on the road.**

We were the recommended oil when the Maruti 800 redefined travel in India. We are the recommended oil as the Tata Nano is set to change the automotive industry forever.

For a century, Castrol has been associated with visionaries and pioneers—the ones who are always asking, "What's next?"

Our long-standing partnership with the likes of Tata Motors, Mahindra & Mahindra, JCB, Maruti, Volvo, Audi, Telcom, Ford, Suzuki, BMW, Volkswagen and others is based on more than just the supply of oil. Together, we've co-engineered products,

set up unique lube-management systems, modernized fleets, and conducted driving and environment safety workshops.

Together, we know there will always be something new to applaud. As a glorious Centenary comes to pass, we assure you—the best is yet to come.



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A Tata Nano car on display at the Castrol International Technology Centre in Pangbourne, UK, where the special oil for the car was co-engineered by Castrol and Tata Motors.

Mr. Bishwambhar Mishra – CEO, Swaraj Tractor Division, M&M (on right) and Ravi Kirpalani – Automotive Director & COO, CIL, signing an agreement recommending Castrol Engine Oils for Swaraj Tractors



WINNING PERFORMANCES

Sports & Sponsorships

Discover the new stars of Twenty20

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Castrolcricket.com, an online website offers unique insights into the performances of cricketers and teams and is the preferred destination for discerning cricket fans

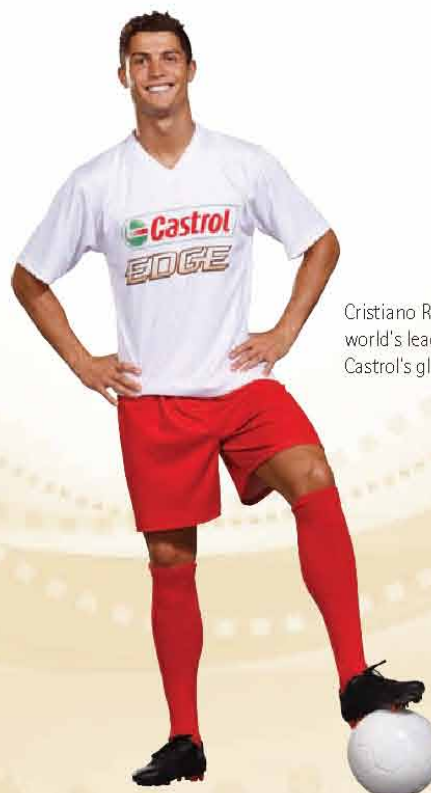
The Castrol Awards for Cricketing Excellence are India's premier Awards which recognize Indian cricketers – past, present and future. Picture shows Ravi Kirpalani – Automotive Director and COO, CIL, handing over the trophy for the Castrol Indian Cricketer of the Year 2008, to Gautam Gambhir



Giriraj Bagri – Vice President Marketing, CIL, handing over the Castrol Indian Test Player of the Year Award to Virender Sehwag



Ace footballer Baichung Bhutia, Actor and Castrol Brand Ambassador – John Abraham, Giriraj Bagri and Ravi Kirpalani (from left to right) at a Press Conference to announce the launch of a Castrol consumer promotion in India



Cristiano Ronaldo – one of the world's leading footballers is Castrol's global brand ambassador



Focus on Safety



Castrol India employees participated in a Castrol T20 Road Safety Challenge to spread the message of road safety to family and friends.

Picture shows Naveen Kshatriya – Vice Chairman, CIL and Regional Vice President, BP Lubricants, Asia & Pacific Region, handing over an Award to recognize the program and Castrol India's overall initiatives in Road Safety. Others in picture include (from left to right): Soren Malekar, Director – Supply Chain, C Prasanth – National OEM Account Manager and O A Vijayakumar – General Manager, HSSE

Castrol's Tondiarpet (Chennai) Plant received a State level Safety Appreciation Award from the National Safety Council (Tamil Nadu Chapter).

Picture shows Mr. Raghunathan – Chief Inspector of Factories (second from left) handing over the Award to the CIL Tondiarpet team (from left to right): M. Balaji – HSSE Co-ordinator, A.S.R.S.Mani – HR Manager, Joseph Varghese – Manufacturing Manager and A. G. Balasubramanian – QC In-charge



Ushwin Desousa – VC400 Work Stream Director; LBM & Manufacturing, BP Lubricants (on left), handing over an Award to Byram Dhalla for the Best Transport Contractor of 2009



A driver undergoes counseling on driving behavior and journey management at one of Castrol's Driver Management Centres before embarking on a journey. This initiative has significantly improved safe driving skills of truck drivers transporting Castrol products



WINNING PERFORMANCES

Awards & Accolades

Castrol India was awarded the Outlook Money NDTV Award in the mid-cap category for being one of the top two value creators.

Picture shows Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India (centre), handing over the Award to Ravi Kirpalani - Automotive Director & COO, CIL (on extreme left) and Amish Mehta - Finance Director, CIL (on right).



Castrol India received the SAIL HR Excellence Award for path breaking contribution in the field of People Management Processes.

Picture shows Naveen Kshatriya - Vice Chairman, CIL and Regional Vice President, BP Lubricants, Asia & Pacific Region (extreme right) and Keith Hales - Regional Director, ASEAN, BP Lubricants (extreme left) handing over an Award to the India HR team (from left to right): Matangi Gowrishankar - VP HR, V V Narayanan - GM HR, Maria Valles - GM HR and Bhavana Issar - GM HR

Castrol India's Patalganga Plant won the Maharashtra State Energy Conservation Award - First Prize in the Petroleum Sector. Picture shows Ramdas Kamath - Head, Corporate Manufacturing Services receiving the Award from the then Governor of Maharashtra - His Excellency Shri S C Jamir (on left)

