



PASSION
FOR PERFORMANCE

Castrol India Limited
Annual Report 2010

IT'S MORE THAN JUST OIL. IT'S LIQUID ENGINEERING.™

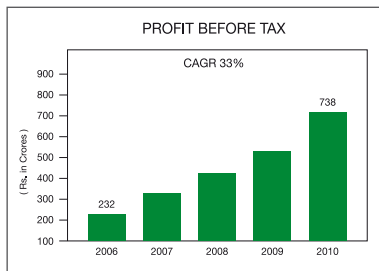




Dear Shareholders,

The most striking thing about our brand ambassador Sachin Tendulkar is his enduring 'Passion for Performance'. Sachin has consistently delivered for many years, especially under extreme pressure situations. I see a great parallel in Castrol India, which is also driven by a passion to perform. Your Company has delivered consistently even in challenging environments.

Castrol's sponsorship of the ICC (International Cricket Council) is a logical next step in its ongoing association with cricket. This association started with the Castrol Awards for Cricketing Excellence about 12 years ago. We believe that our strong association with cricket will help us engage and build an even deeper bond with millions of new vehicle owners coming into the Indian market year after year.



Despite the multifold increase in raw material costs in recent years and increased competition, your Company has grown handsomely, through its strategic focus on the profitable and growing segments of the Automotive and Industrial Lubricants. We have achieved this by delivering continuous innovation in products, distribution and customer relationships. This has required unflinching investment in the brand, technology and our people. I am pleased to say that in the last five years, your Company has nearly quadrupled its Profit Before Tax to Rs.738 crores in 2010, clocking a CAGR of 33.5%.

Your Company continues to deliver relative best-in-class performance compared to its peers in the industry and beyond, in consumable categories. I attribute this entirely to the passion of our employees and partners. Today Castrol India is by far the leading BP lubricant operation in Asia & Pacific, the largest Region in the world. It is also the second largest country in the BP lubricants business worldwide. A centre of excellence, Castrol India has contributed significantly to BP's global lubricant business with best practices, unique insights and a pool of talent.

In recent years, Castrol India's market capitalization has leap-frogged, rewarding its stakeholders with attractive total returns, in a sustained manner. Simultaneously, your Company has also successfully worked towards making the business accident-free and a great place to work.

Although your Company's success is rooted in being proactive in the fast changing world of automotive technology and customer needs, the pace of change is accelerating faster. Going forward, we will need to anticipate the future and be ready with solutions, even before the customer asks for them. To keep winning in tomorrow's world, we will need to be even more proactive, customer centric, contemporary and innovative. Innovation is in your Company's DNA and I am confident that this will keep us ahead and winning.

As the great Indian opportunity continues to unfold, Castrol India will be ready to seize the possibilities in the lubricant category. In doing so, we will draw on Castrol's global scale, technology and knowledge base and our proven skill of doing what is right for our local market and consumers.

Our success has been singularly possible because of our people who are passionate about your Company's success and more importantly, the success of our customers – that is our winning mantra!

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

S. Malekar

S. Vaidya

General Manager – Legal & Company Secretary

A. H. Mody

Bankers

Deutsche Bank

HDFC Bank Ltd.

The Hongkong & Shanghai Banking Corporation Ltd.

State Bank of India

Citibank N.A.

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)

Unit: Castrol India Limited

6-10, Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road,

Mahalaxmi, Mumbai 400 011.



Castrol Activ, India's largest selling 4T motorcycle oil was relaunched with 'improved protection' formula in a new 'secure seal' pack



Riding on the passion and excitement created by Castrol's global sponsorship of the FIFA 2010 World Cup™, a consumer promotion campaign for Castrol Power1 offered consumers the opportunity to meet Cristiano Ronaldo, one of the world's leading footballers, in Spain



Sanjeevani, an intensive consumer contact program has reached out to over one million tractor owners to bring alive the benefits of Castrol CRB

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A consumer promotion for Castrol Edge, a premium synthetic engine oil created to perform under extreme conditions, enabled select consumers to win a 'Castrol Edge Experience' at Nurburgring - the toughest racing circuit in the world



Castrol Golden Edge Club - a special initiative for high performing dealers promoting synthetic brands like Castrol Edge and Castrol Magnatec, has been launched across major cities in India



A delighted Castrol consumer poses with his Nano car which was driven to Khardungla - the highest motorable road in the world, on Castrol Compact, a high performance engine oil, co-engineered for Tata Nano



Castrol's high performance range of Specialty Products was redesigned globally and relaunched in India to offer consumers high performance products and ease of choice





A major retail signalization program was undertaken to announce Castrol's partnership with ICC (International Cricket Council) and to promote the Castrol 'World Cup ka Hero' consumer program



Castrol Pitstops are multi-brand car workshops trained and equipped by Castrol



Castrol offers small and mid-size motorcycle service centres the opportunity to upgrade their workshops through offer of equipment and mechanic training. Castrol now has a vast network of Castrol BikePoints which offer convenience of multi-brand bike service to consumers



CASAs (Castrol Authorised Service Associates) enable Castrol to reach out to smaller independent mechanics mainly in remote locations and rural markets

ENDURING RELATIONSHIPS

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Castrol has a strong global partnership with Volkswagen Group which continues in India as well. Picture shows Castrol branded car participating in the VW Polo Cup Racing championship



Continuing to build on its strong global relationships with Volkswagen Group, Castrol signed a new three year partnership agreement with Skoda Auto in India. Picture shows Thomas Kueh (Member of the board, Sales & Marketing, Skoda Auto India (on left) with Ravi Kirpalani, Automotive Director & COO, Castrol India



Tata Motors and Castrol enjoy a strong and enduring relationship built over a decade. Picture shows senior leaders of the two teams after signing a five year renewal agreement



Castrol CRB Prima is specially recommended by Mahindra Tractors. The longer drain intervals of Castrol CRB Prima were extensively communicated to tractor owners through Mahindra Service Camps and Workshops



'Progress with Prima' is an innovative workshop program designed for Mahindra dealers aimed at enhancing their productivity, service quality and customer satisfaction levels. Picture shows a Mahindra dealer signing up for the initiative





Peter McConnon, VP, Global Supply Chain, BP Lubricants, hands over a Safety Award to a contractor driver for Zero Violation driving



Road Safety is a key priority for Castrol India. Inset pictures on right display Visual Journey Risk Management equipment which aids driving safety and monitoring of driver behavior



Soren Malekar, Supply Chain Director, Castrol India (extreme left), presenting the Castrol India Safety Rolling trophy to the Tondiarpet Plant team for its outstanding safety record



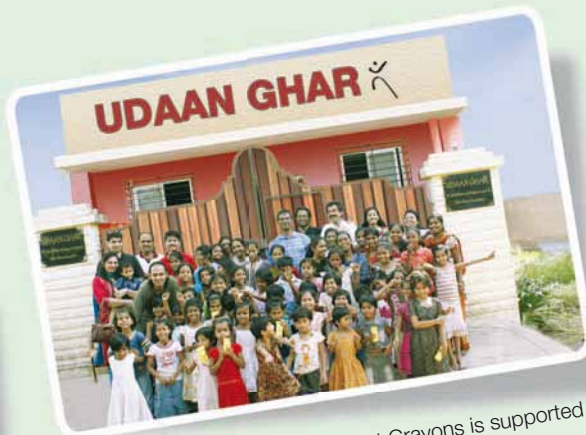
Dennis Henry, Asia & Pacific Regional Director HSSE, BP Lubricants (on right), presents a Safety Award to Kashish Bhandari, Production Executive at Castrol's Silvassa plant



Over 100 Castrol staff participated in the Mumbai Marathon to raise funds for two NGOs supporting the 'girl child' - Nanhi Kali and Project Crayons. Picture above shows Castrol staff who participated in the Marathon



As part of its ongoing Eklavya Social Investment initiative aimed at upgrading technical skills of independent two wheeler mechanics, Castrol India trained around 18,000 mechanics during 2010



Udaan Ghar - an initiative of Project Crayons is supported through funds raised by Castrol staff at the Mumbai Marathon as well as other activities





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Passion for Cricket

As the Official Performance Partner of the ICC, Castrol India strengthened its association with cricket through exciting and innovative consumer promotions, digital activation and advertising driven by an impressive array of Brand Ambassadors