

Castrol India Limited
Annual Report 2019

Journey to

BRILLIANCE

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



>>CORPORATE INFORMATION

BOARD OF DIRECTORS

R Gopalakrishnan

Independent Director, Chairman
(Chariman w.e.f 1 October 2019)

S M Datta

Independent Director, Chairman
(up to and including 30 September 2019)

Uday Khanna

Independent Director

Sangeeta Talwar

Independent Director

Rakesh Makhija

Independent Director
(w.e.f. 1 October 2019)

Sashi Mukundan

Nominee Director

A S Ramchander

Nominee Director
(w.e.f. 29 April 2019)

Mark Josceline Sclater

Nominee Director
(w.e.f. 16 May up to and including
6 December 2019)

Peter Weidner

Nominee Director
(up to and including 31 January 2019)

Omer Dorman

Managing Director
(up to and including 31 December 2019)

Sandeep Sangwan

Managing Director
(w.e.f. 1 January 2020)

Rashmi Joshi

Chief Financial Officer & Wholetime Director

Jayanta Chatterjee

Wholetime Director - Supply Chain

COMPANY SECRETARY & COMPLIANCE OFFICER

Chandana Dhar

AUDITORS

Deloitte Haskins & Sells LLP.

Chartered Accountants

BANKERS

Deutsche Bank

HDFC Bank Ltd.

The Hong Kong & Shanghai Banking
Corporation Ltd.

State Bank of India

Citibank N.A.

DBS Bank Ltd.

J P Morgan Chase Bank N.A.

Standard Chartered Bank

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>> MESSAGE FROM MANAGING DIRECTOR



Dear shareholders,

I would like to begin by saying how privileged and honoured I am to write to you as Managing Director of the Castrol India business. I am aware of the enormous responsibility it brings as the Castrol brand enjoys the deep trust of Indian customers and consumers, having spanned a legacy of over a century in this country. Every day, each member of our team, be it in the offices, plants or on the frontline, strives to strengthen this trust - through our best in class safety standards, pioneering and innovative technology, superior quality products and premium customer experience.

All this in a volatile, uncertain, ambiguous and complex business environment. While this offers us challenges, it also pushes us to set new benchmarks and standards not only for ourselves, but also for the industry. Our BS VI ready lubricants across a range of categories, our carbon neutral offerings for customers, and Castrol Fast Scan, a unique incentive platform to drive financial and digital inclusion at grassroots aimed at mechanics and retailers, are some strong examples of this leadership.

These challenges also spur us to be resilient. During the economic slowdown of 2019, we clocked revenue growth in personal mobility, which is a strategic priority, and delivered strong operating performance and earnings. Profit from operations grew 7% year on year at INR 1,083 crore while cash

generated from operations increased by 25% to INR 1,188 crore, driven by robust working capital management.

This year also saw us explore new business models beyond lubricants. These included vehicle care co-branded products like bike and car shampoos, glass cleaners, cream waxes, dashboard and tyre dressers. Similarly, we experimented with advanced mobility solutions such as improved internal combustion engine technology, hybridization and e-fluids, including for diesel engines, to decarbonize transport now, and in the future. We also found new channels to enhance our visibility and reach, with the proposed fuels and mobility alliance between BP and Reliance Industries. This gives us the opportunity to market lubricants across its retailing network.

While we grow and transform as a business, our responsibility towards society continues. Our programmes aimed at building sustainable livelihoods and pride among truck drivers and mechanics, have positively impacted their lives and their families.

Through all these efforts, we are committed to prepare your company for the future and deliver sustainable value for our various stakeholders, including yourselves. We continue to rely on your whole-hearted support as we pledge to drive your company to a bigger tomorrow of performance and success.

A handwritten signature in black ink, appearing to be 'Sandeep Sangwan'.

Sandeep Sangwan
Managing Director

>> BOARD OF DIRECTORS



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Independent Director
& Chairman



Uday Khanna
Independent Director



Sangeeta Talwar
Independent Director



Rakesh Makhija
Independent Director



Sashi Mukundan
Nominee Director



A S Ramchander
Nominee Director



Sandeep Sangwan
Managing Director



Rashmi Joshi
Chief Financial Officer &
Wholetime Director



Jayanta Chatterjee
Wholetime Director -
Supply Chain

>> LEADERSHIP TEAM



Sandeep Sangwan
Managing Director



Maria P Valles
Vice President - Human Resources



Rajeev Govil
Vice President - Workshop & OEM Sales



M A Mubeenuddin
Vice President - Indirect Sales



Rashmi Joshi
Chief Financial Officer & Wholetime Director



Sagar Vira
Vice President - Heavy Duty and Industrial Sales



Ramesh Srinivasan
Vice President - HSSE



Bhairavi Popat
Vice President - Customer Excellence and Operations



Jayanta Chatterjee
Wholetime Director - Supply Chain



Bindu Jayraj
Head - Communications



Kedar Apte
Vice President - Marketing



Rajesh Madathingal
Head - Technology



Siddharth Shetty
Managing Counsel

>> STRONG BRANDS



Castrol Activ extended the brand proposition of 'protecting what you love' to India's general elections. The campaign appealed to youth to protect democracy by ferrying voters on their two-wheelers to polling booths.



Castrol GTX ULTRACLEAN with 50% superior sludge protection compared to tough industry standards* was launched across 20 markets.

**50% cleaner than the industry standard as measured in the Seq. VG Sludge test*



New Castrol Activ ESSENTIAL was launched, extending the Castrol Activ range to new price segments.



Castrol Super Mechanic contest aimed at skill building and recognition for the mechanic community, saw over 1.28 lakh mechanic participants and was televised in a game show format.

➤ STRONG BRANDS



A new category of lubricants, Castrol MAGNATEC SUV was launched, catering to the fast increasing SUV population.



Castrol POWER1 lubricants teamed up with California Superbike School, a renowned motorcycle training school, to demonstrate the high performance of Castrol lubricants on gruelling race track conditions.



Castrol POWER1 tied up with Team xBhp to power their engines for an Asian Odyssey. The odyssey saw 12 riders cross 11 countries, covering 11,000 kilometres over 90 days.



Deep engagements were conducted with over one lakh truck owners, mechanics and retailers across the country educating them on latest technology engine oils and specialty offerings.

>> STRONG BRANDS



Building on the Castrol CRB TURBOMAX brand proposition of a long and healthy engine life, Transform Truckers Abhiyaan, in association with a media house, was launched and ran across 13 states in India focusing on truckers' health.



A specially curated set of yoga postures - Castrol CRB PLUS Khet Aasana was introduced for the well-being of farmers across India, following the success of Castrol CRB TURBOMAX Truck Aasana for truckers.



Continuing the Castrol CRB PLUS brand engagement in the hinterlands, over 1,30,000 tractor owners in villages, small local markets and retail outlets across key agricultural states were engaged.



Extending the C14 offering to a new price segment, Castrol RX ESSENTIAL 15W-40 commercial vehicle oil suitable for all OEMs who recommend API C14, was introduced.

CASTROL RADICOOOL RANGE OF COOLANTS

For Protection against Overheating,
Freezing and Corrosion



Castrol RADICOOOL ESSENTIAL range of coolants, which provide protection against overheating and corrosion to engines in warmer climates, was unveiled.

>> ENDURING PARTNERSHIPS



Castrol India Limited inked a partnership with Honda Motorcycle & Scooter India Private Limited to launch Castrol Activ Honda range of lubricants exclusively for their two-wheelers.



Castrol India Limited signed a strategic agreement with Renault India Private Limited for supply of exclusive aftersales engine oil lubricants across Renault India's countrywide network.



Castrol India unveiled carbon neutral sustainability solutions with Pratham Motors in Bengaluru making it the first 'Castrol certified carbon neutral' car dealership for this industry-leading initiative in India.



Customized development training sessions for franchise workshop dealers and their teams to build managerial, technical and soft skills capabilities were conducted.



Castrol Power1 held brand building programmes in association with leading two-wheeler OEM partners, including Triumph and Jawa Motorcycles India, to strengthen consumer connect.



Castrol India Limited signed a strategic collaboration with 3M India Limited. With this development, the Company progressed beyond lubricants into vehicle care products.

➤ AWARDS AND ACCOLADES



Castrol India's manufacturing plants won several recognitions for their exemplary safety performance. The Patalganga plant was the winner of National Safety Council of India Award, the Paharpur plant received the Indian Chamber of Commerce National Occupational Health & Safety Gold Award (image on left) and the Silvassa plant received the GreenTech Safety Award for the fifth consecutive year (image on right).



Rashmi Joshi, Chief Financial Officer and Wholtime Director, Castrol India was awarded the overall winner of the Treasury Today Asia Woman of the Year Award at the Adam Smith Awards Asia 2019. She was recognised for demonstrating exceptional innovation in the corporate treasury domain.



Castrol CONNEKT digital tool won two awards at the ACEF Global Customer Engagement Awards in the category of Mobile Marketing for successful use of technology and marketing effectiveness.



Castrol CRB TURBOMAX Truck Aasana campaign was recognized across several national and international platforms, including a gold in the prestigious APAC Effie Awards 2019 in Automotive category (image on left), gold at the India Effie Award in the Automobiles and Experiential Marketing categories and at ACEF Global Customer Engagement Awards 2019 for PR effectiveness (image on right).



Castrol Sarathi Mitra, one of Castrol India's flagship programmes for CSR, was recognized with the Grant Thornton SABERA Award 2019 for its positive impact towards the trucker community.



Kedar Apte, Vice President - Marketing, Castrol India was acknowledged as the CMO of the year for social responsibility at the Pitch CMO Awards 2020 for leadership in purpose-led marketing.