

CASTROL INDIA

Analyst Meeting - 2016

24 February 2016

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





In India for more than 100 years

A division of BP Group



The largest private lubricants player in India



Operates 3 manufacturing plants

The largest distribution network of 420+ distributors, servicing over 105,000 retail sites



1917



1929



1946



1958



1968

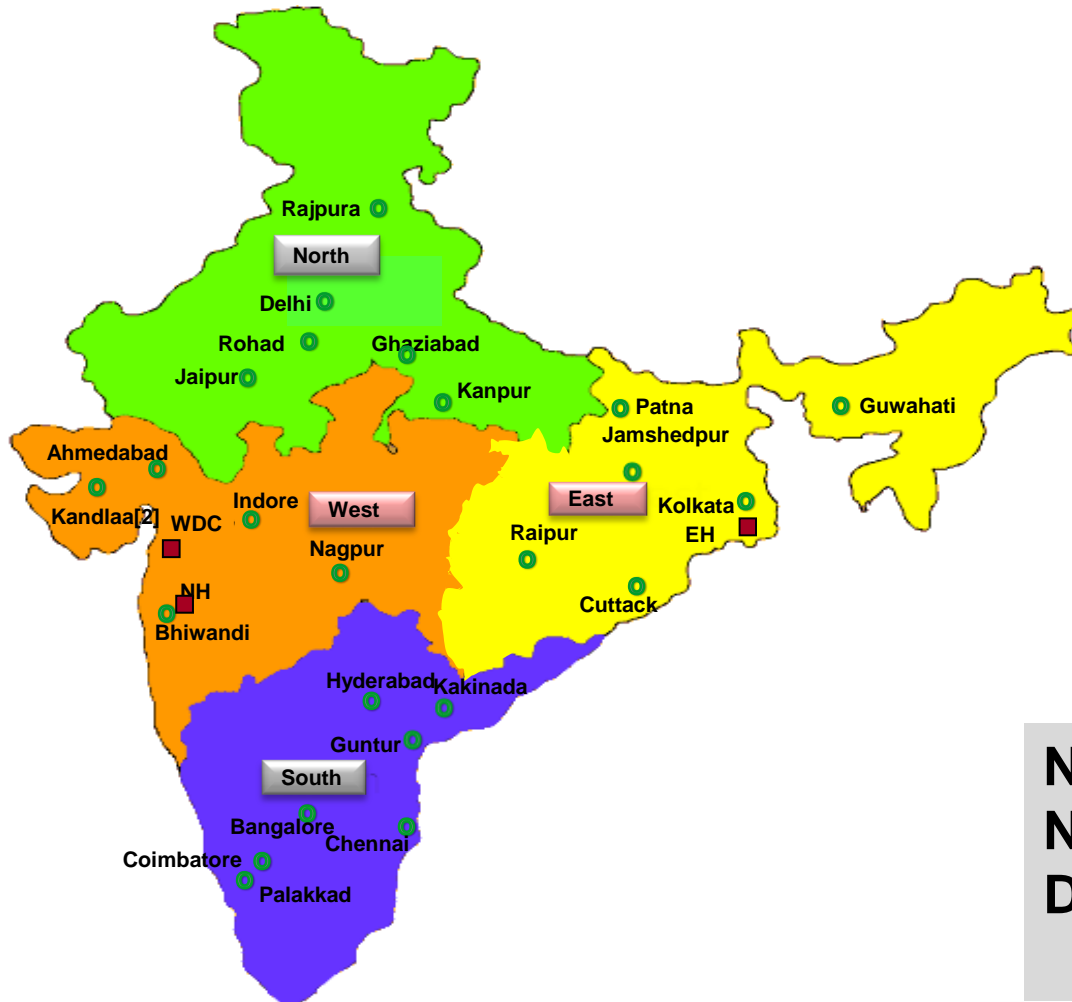


Current

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



Castrol India – distribution network



No of Plants : 3
No. of Warehouses: 23
DCs : 3

Our strategy & strengths

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



Our products & brands



Castrol Activ is the largest selling brand in the two wheeler oil segment



CRB Plus is the largest selling diesel engine oil in the country

Castrol GTX is the largest selling engine oil brand in the car segment



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



Strategy aspiration & enablers



Enablers

New Rural RTM/Must Win Markets

Build People capability

Standardization/Simplification

Efficiency

Technology Leadership

Agile and Reliable Supply Chain

How do we win

Lead the charge in personal mobility

Drive premiumization

Category creation – Scooter/MLCV

Win with key OEMs

Accelerate IWS agenda

Middle Kingdom

We will achieve our aspiration while ensuring that *'Everyone goes home safely every day'*

Key enablers – Shopper & Trade

Key Activations - Shopper



Castrol Engine Experts Club



Insurance and Kits for Castrol Engine Experts



Key Dealer Family Meets



Shop-in-Shop Retail Transformation



Anmol Ratn Grand Master Quiz on Brand-1-2-3

Key Activations - Trade

Enduring Relationships - OEMs



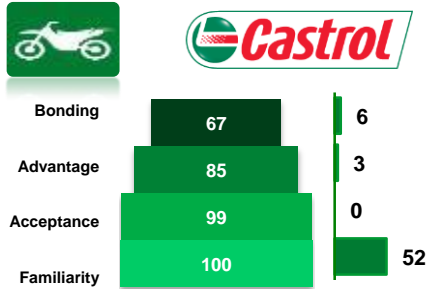
JOHN DEERE



Continued focus on 4As



Advantage



Strong brand health



Digital



TV ad for Activ Scooter
Radio for CRB Minitruck

Advocacy



Dealer
Advocacy

Mechanic
Advocacy

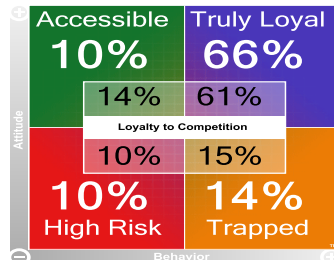


Service Advisor
Advocacy

Metro
Accelerator



Customer Heartbeat Survey



Affordability



IPP guided price
premiums



Middle Kingdom

Availability



Disproportionate
distribution expansion



Rural

amazon
E-Commerce



Key Markets



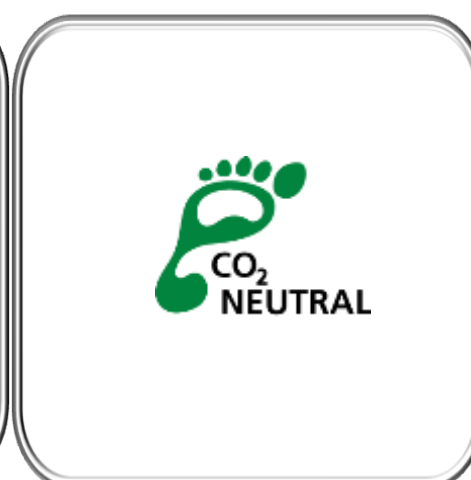
We want to be the profitable growth engine leading the drive to synthetisation and ensure protection to every third engine sold in India.



**Great
Participation
Choices**



**Differentiated
Marketing**



**Pioneering
Technology**



People

Continuous innovation – Route to Market



Creation of “Bazaar”
Trade



Retail
Transformation



Castrol
Point



Castrol Authorized
Service Associate
(CASA)



Key marketing initiatives - 2015

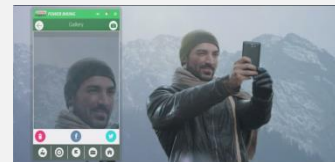
Q1

Q2

Q3

Q4

MCO



Power1 – Why do I ride campaign

Scooter Attack and TVC

PCO/OEM



Magnatec Stop-Start

ATL & Outdoor

Magnatec Stop-Start
ATL & Outdoor

Magnatec Mobile Units

CVO/ HD



Mobile Activation

CRB Turbo+

CRB Multi

Radio for CRB MiniTruck

Sponsorships
+ Digital



ICC 2015



Edge OEM
Recommendation Campaign



Magnatec Stop-Start
Campaign



RIDE ON WITH THE POWER BIKING APP

Castrol Biking
Product/Service

Watch Video | Liked | Message

Timeline About Photos Likes More +

1m likes +923 this week
Haranya Bhagwati and 9 other friends

Status Photo / Video Offer, Event +

TAKING ALL OF INDIA TO THE WORLD CUP!

#ClingOnToTheCup

Castrol Cricket

T&C apply

Castrol Activ ZONE



ASTON MARTIN MOTORSPORTS CHOOSES CASTROL EDGE OUR STRONGEST OIL

TITANIUM FST

It's more than just oil. It's liquid engineering.

Castrol EDGE

Aston Martin

3,237 views



Castrol POWER1

POWER BIKING

Mumbai, India Bajaj Pulsar 220

TRIPS	SUBJECT NUMBER FOR	ON THE ROAD FOR	CLUBS
11	Kms	1	Hrs 0 2

Devendranath Bange joined trip 'Mumbai - Kolkata'

Badges: CLUBS TRIPS REMOVE BUDDY

Castrol Magnatec

MAGNATEC STOP-START: Elevator Pitch

- The Problem Set-up**
Today even a normal driver can stop-start as many as 150 times a year. All that idling in traffic causes microscopic wear in your engine.
- The RTB**
Intelligent molecules cling and form a self-healing layer of protection, so it is always ready to protect at each of the critical stages of stop-start driving.
- The USP**
Instant Protection From The Moment You Start. Everytime You Start.

Castrol Activ

@SREEHAR 001: PLAY SPORT AS A SPORT & FOR PRIDE. ONLY PRIDE. #CLINGON

Castrol Act

Recognition



EFFIE AWARDS

Castrol Activ Scooter Zip Factor
Online / Mobile Communication



Cling on to football

Best video & digital display

Castrol ACTIV

Best media innovation digital

Castrol MAGNATEC

Best media innovation radio



Indian Digital media awards

Castrol Power 1

Strongest community engagement

Best App developed



Foxglove awards

Cling on to Football

Best Online Integrated Campaign



Recognized as the 12th
most valuable brand in India

Silver Shield under the **Category ‘Manufacturing Sector – (Turnover equal to or more than Rs.500 crore)’**

54 nominations competing for three awards in this category. Rigorous review of 1000 hour’s by a team having a combined experience of 500 years at three levels:

- Shortlisting by **Technical committee** of the Institute
- Review and recommendation by **Shield Panel** comprising of Institute President, Research Committee and Independent experts
- Final selection by **Jury** consisting of past Presidents of the Institute, Member of Parliament and Ex Union Minister, former Dy. Comptroller and Auditor General of India, MDs, and CFOs

The 6 C’s selection criteria:

- ✓ Compliance with Accounting standards, Guidance notes and SEBI rules.
- ✓ Comprehensiveness of the reporting including adequate disclosure of information.
- ✓ Content of the Annual Report and quarterly results including Management Discussion and Analysis, Corporate Governance Report, Chairman’s speech and other non-financial information.
- ✓ Clean Audit Report
- ✓ Clarity in accounting policies and other information
- ✓ Correctness of information and consistency in all parts of the report.



**Resourcing
& Talent
Management**

**Performance
Management
& Reward**

**Capability
Development**

**Efficiency &
Effectiveness**

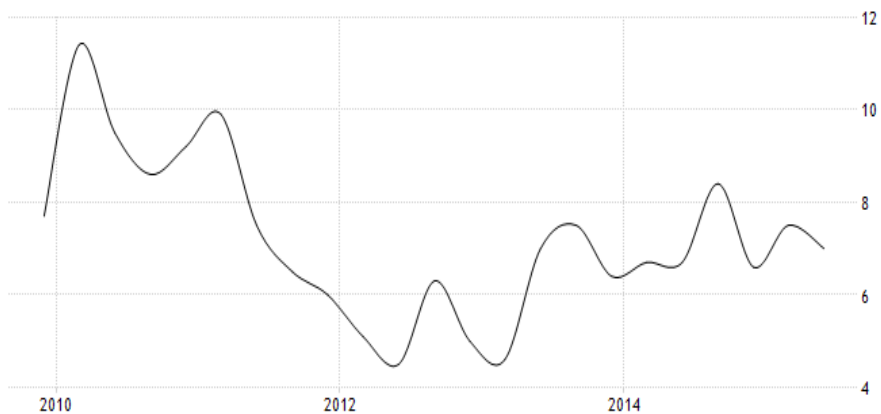
**Winning
Culture**



Challenges

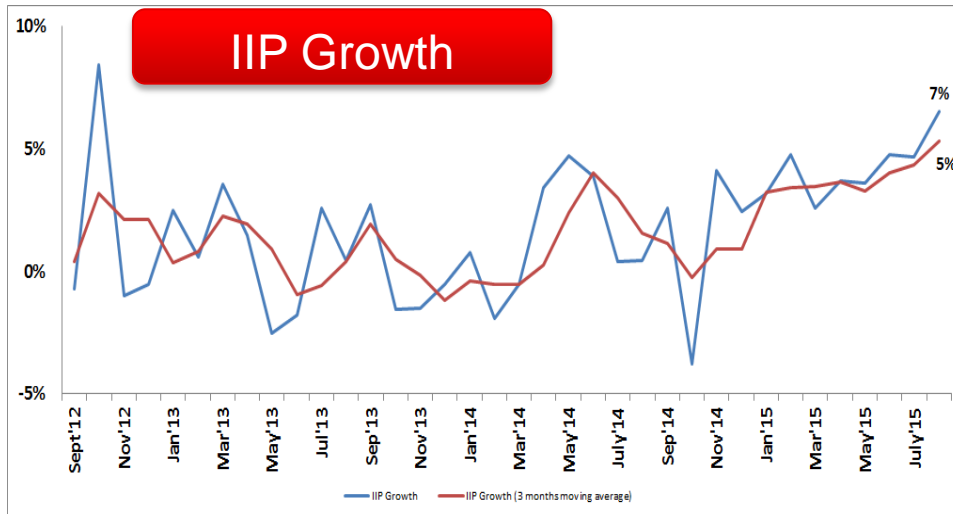
Annual GDP Growth rate

INDIA GDP ANNUAL GROWTH RATE

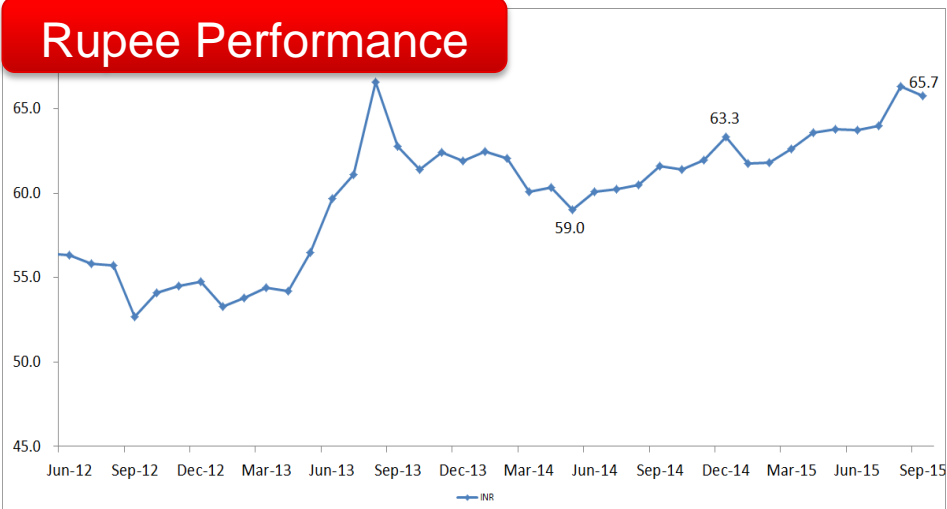


SOURCE: WWW.TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

IIP Growth



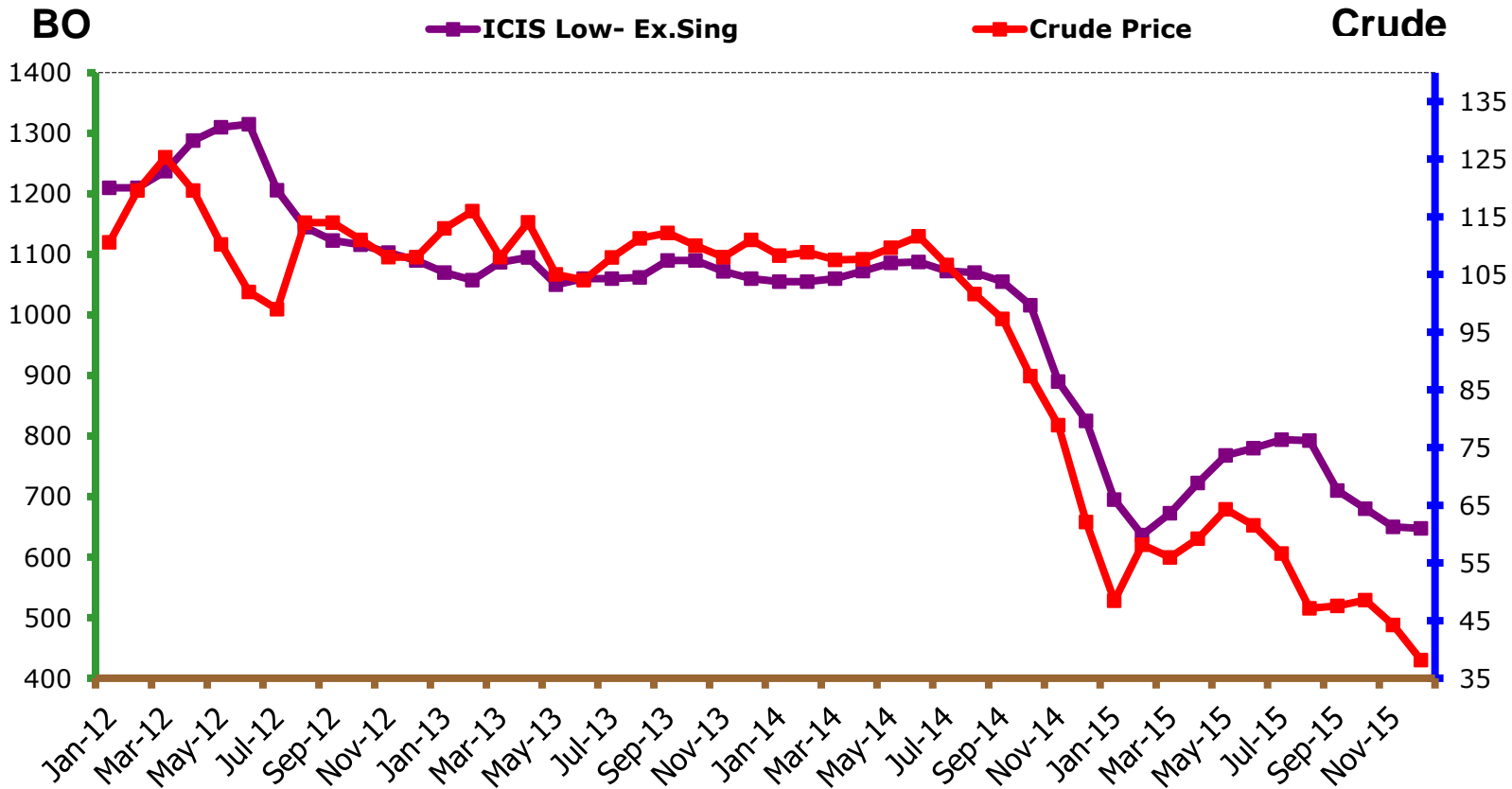
Rupee Performance



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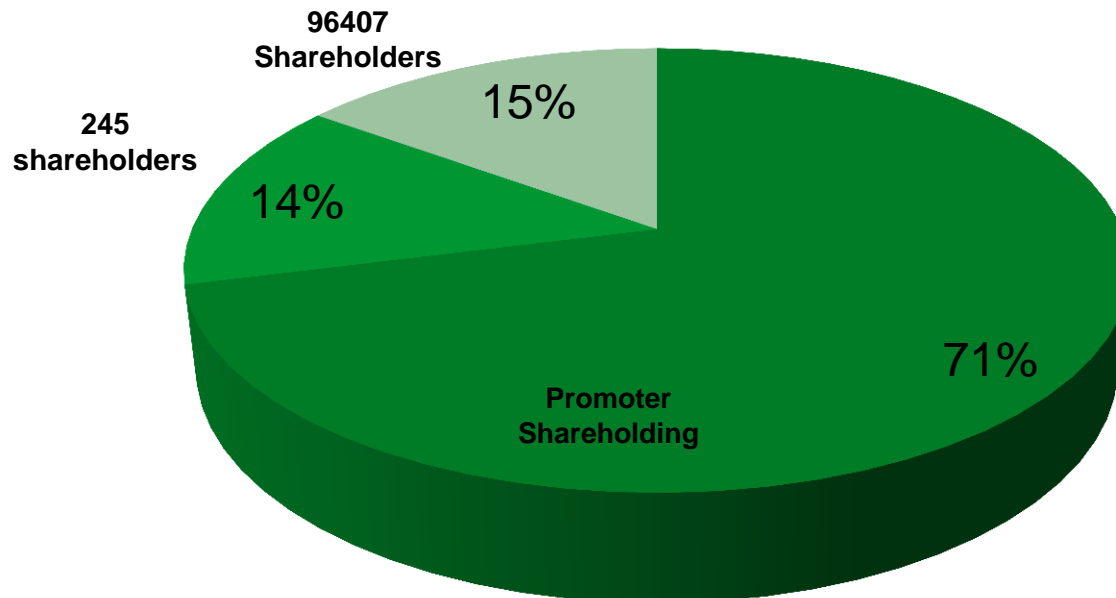


Base oil and crude graph



Value to shareholders

% of Share Holding



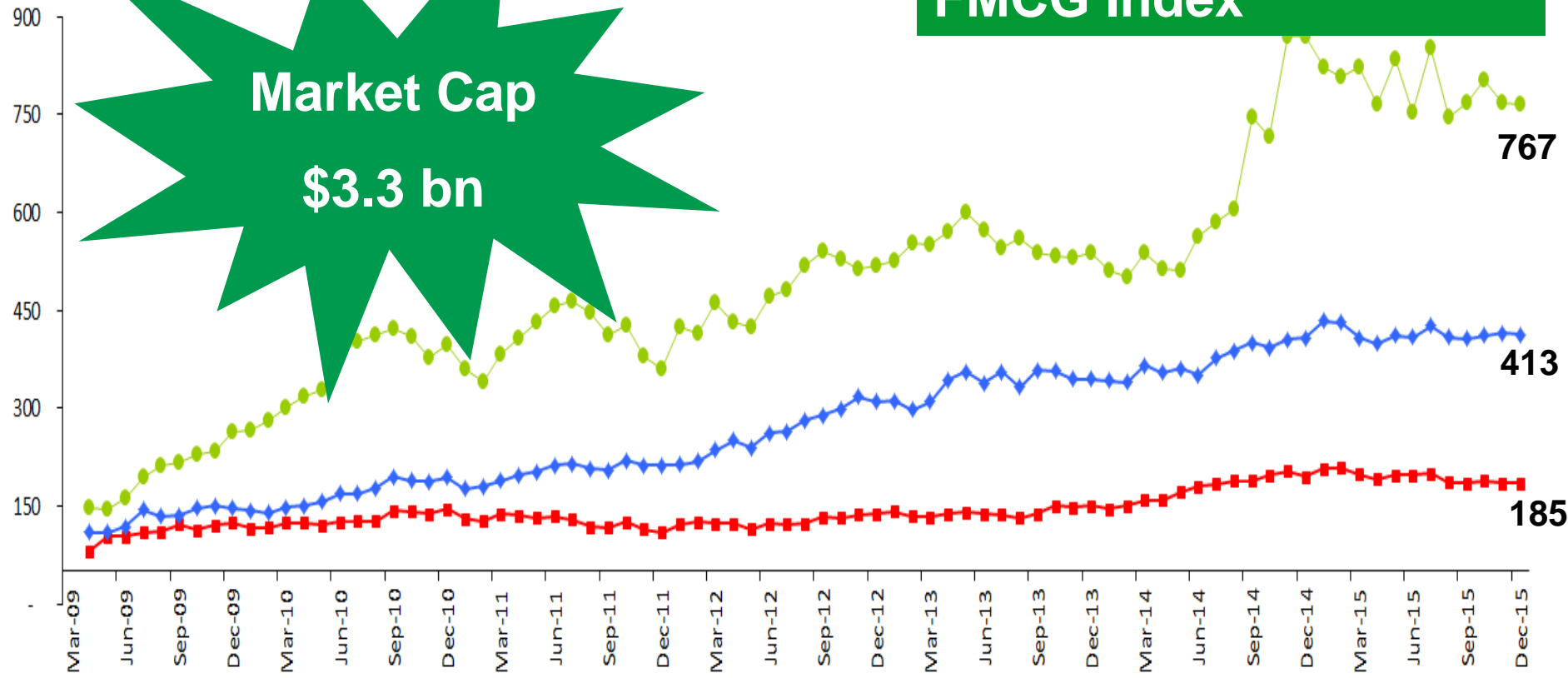
- Foreign Promoter Holding
- Public - Institutions
- Public - Non - Institution

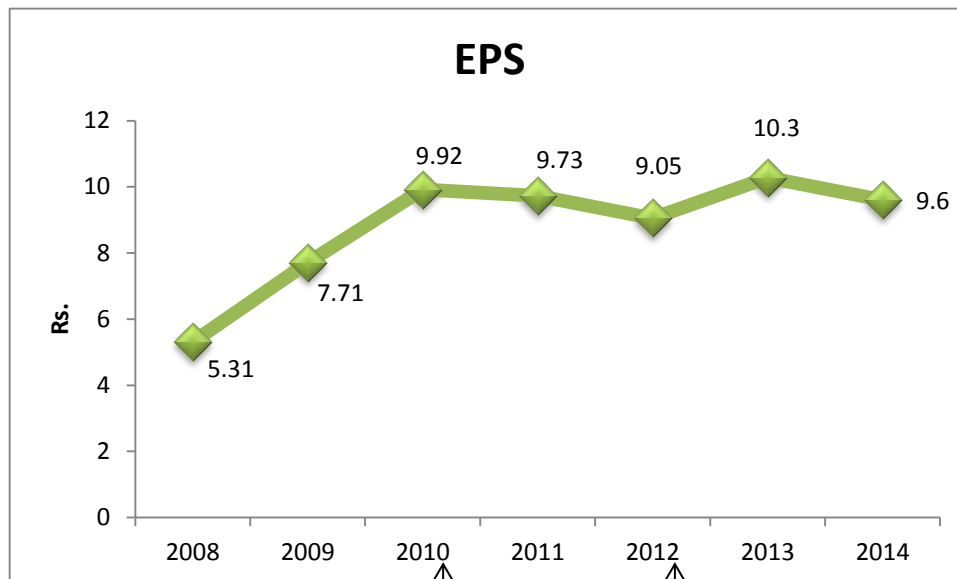
Listed on BSE & NSE

CIL Stock Price performance (indexed)

Outperformed BSE and FMCG Index

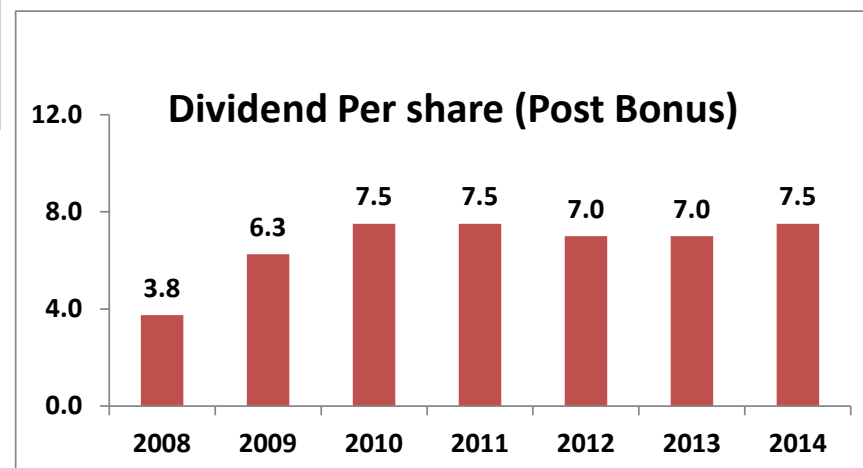
**Market Cap
\$3.3 bn**





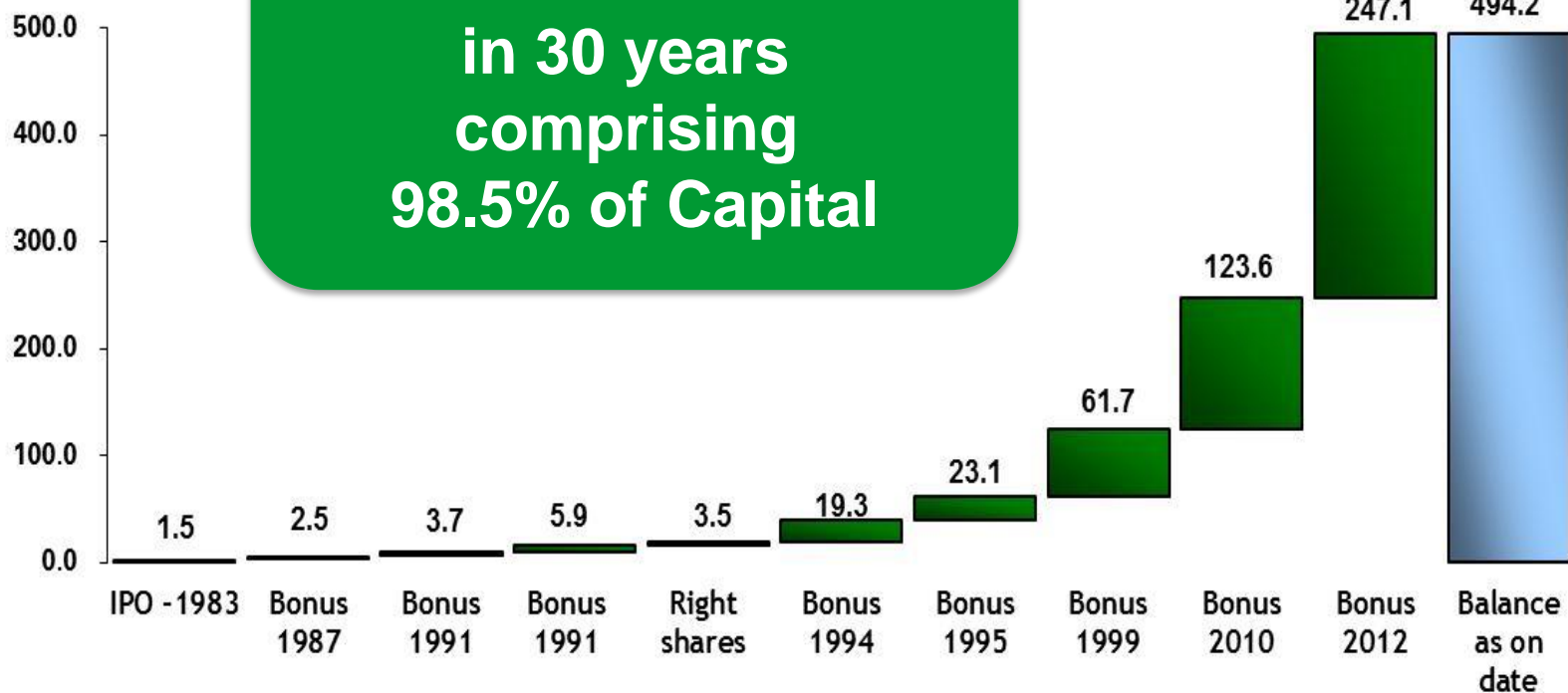
↑ Bonus issue 1:1

Paid back Rs. 5 per share to share holders in Mar' 14 as part of Capital Reduction Scheme
Most equitable method of rewarding shareholders

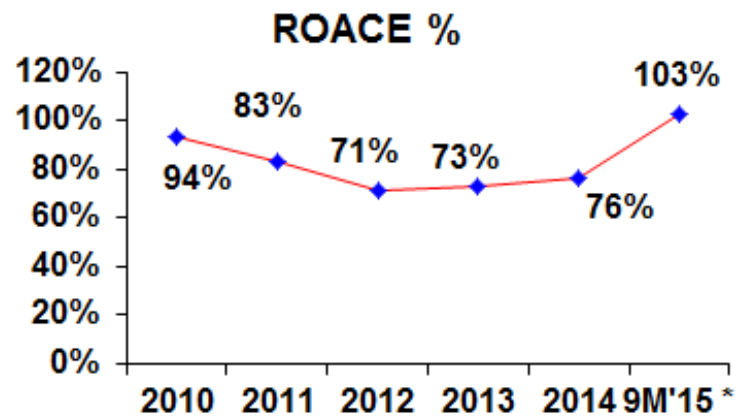
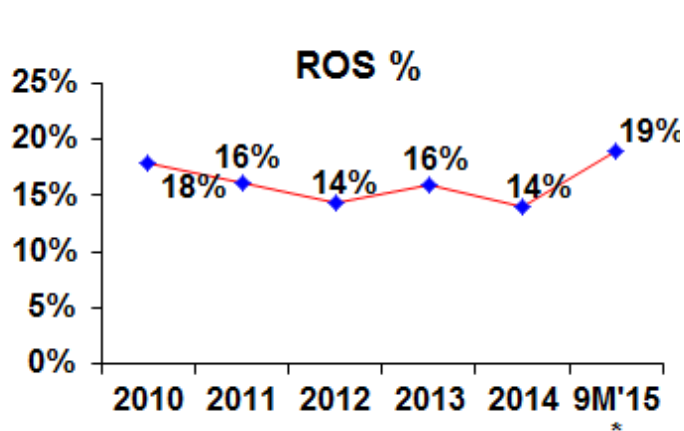
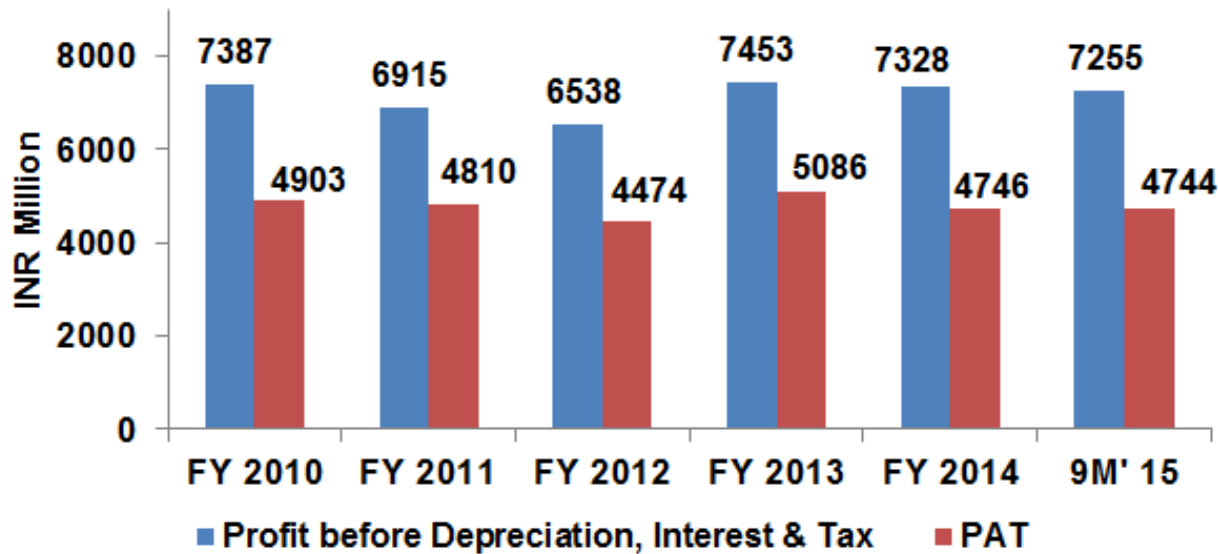


**8 Bonus issues
in 30 years
comprising
98.5% of Capital**

No. of shares in millions

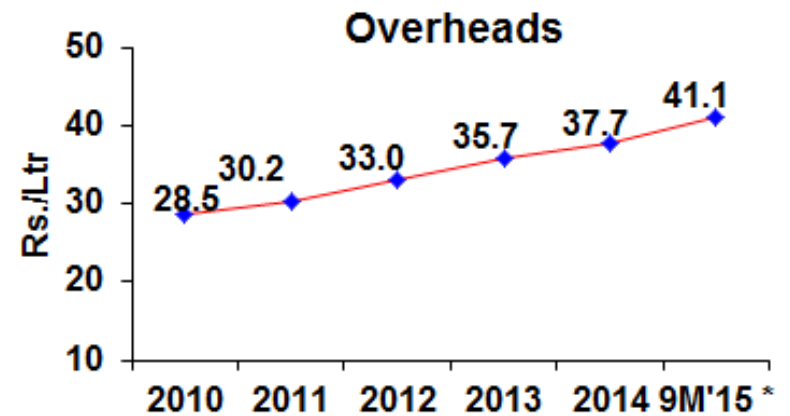
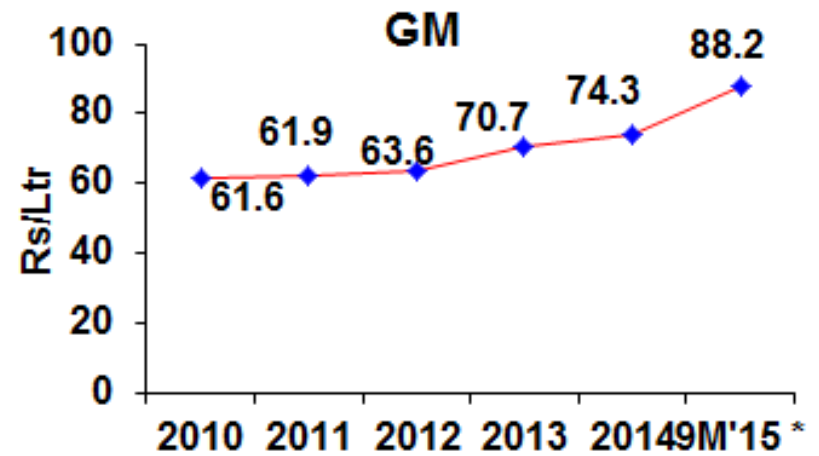
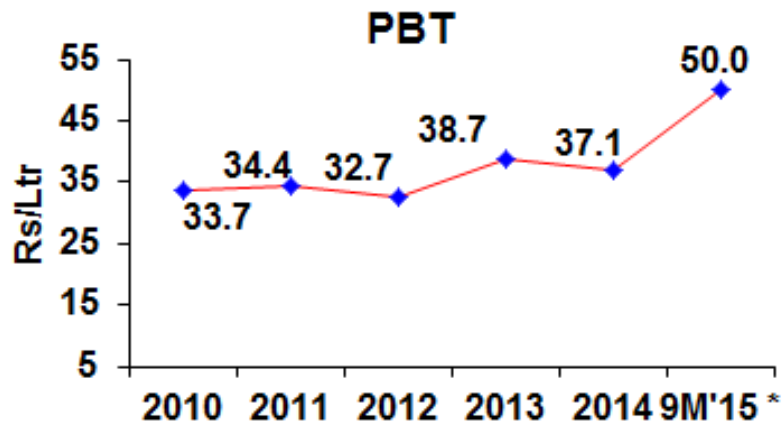


Overall performance



* 2015 Results updated till YTD Sep

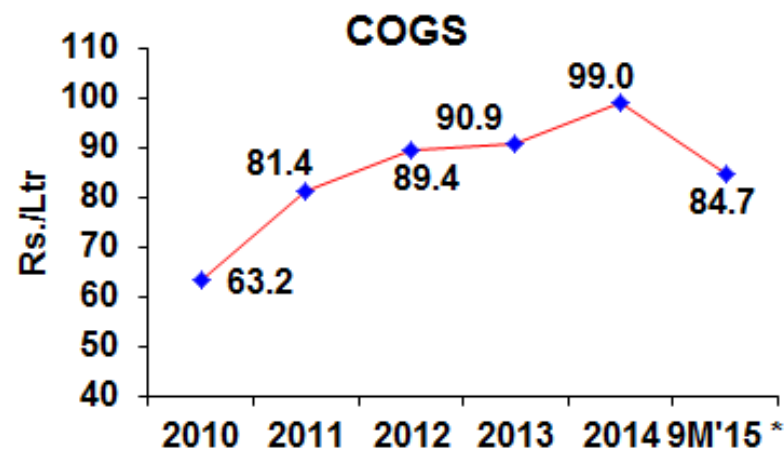
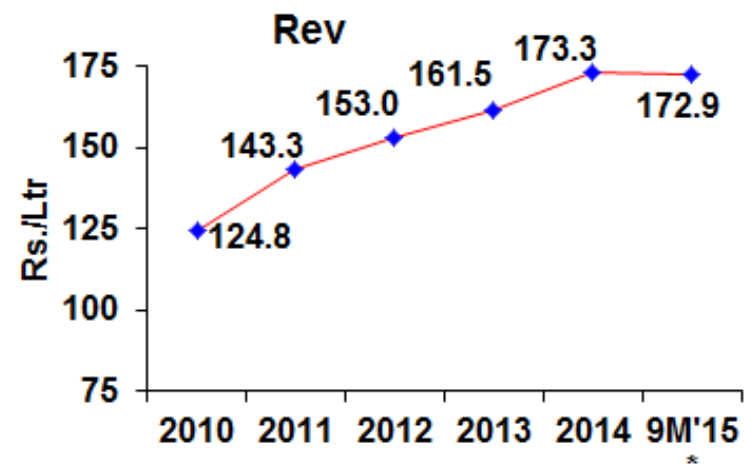
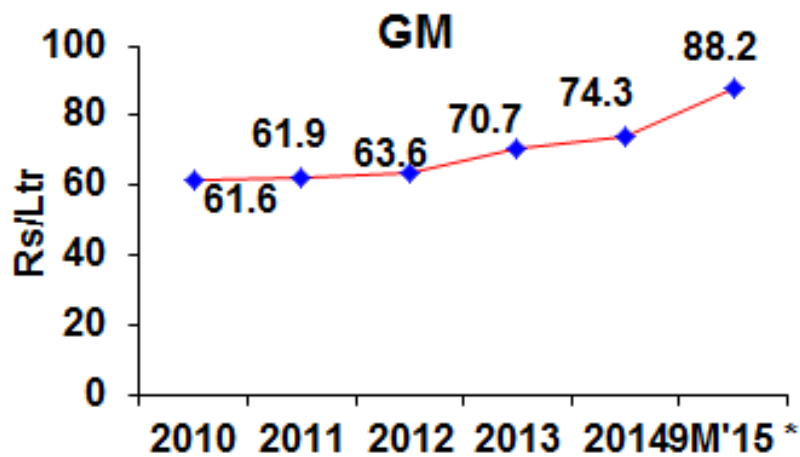




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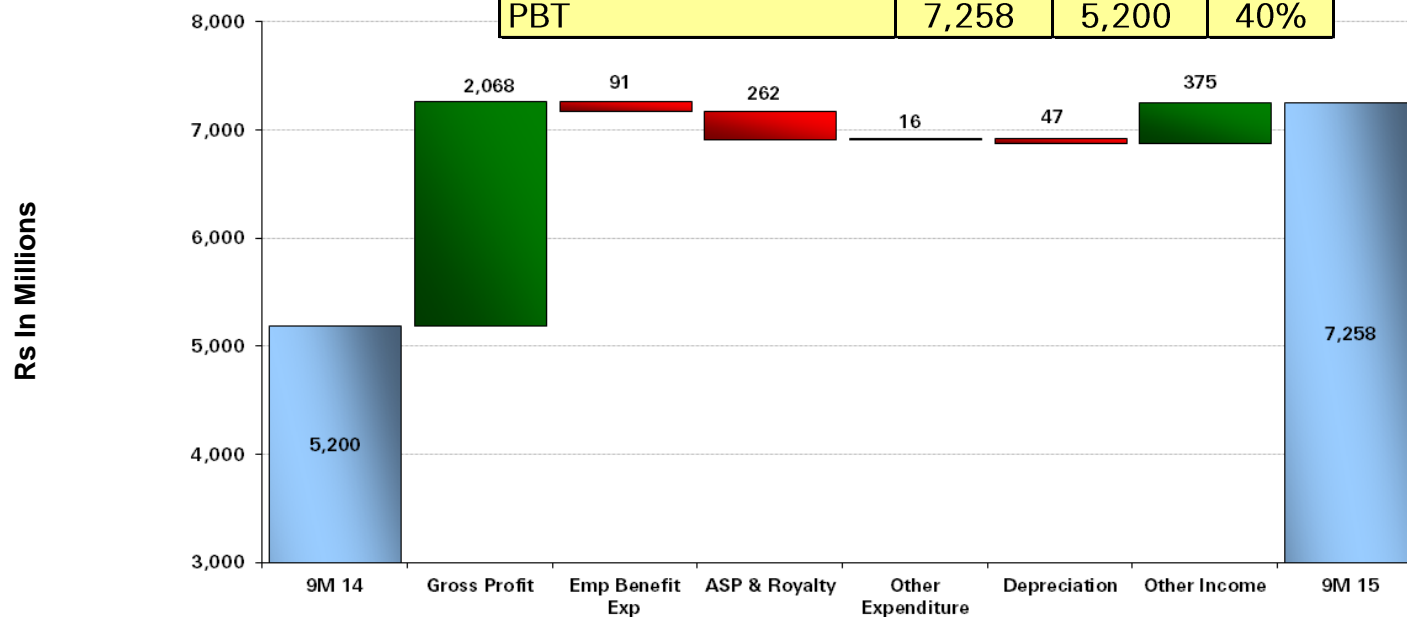
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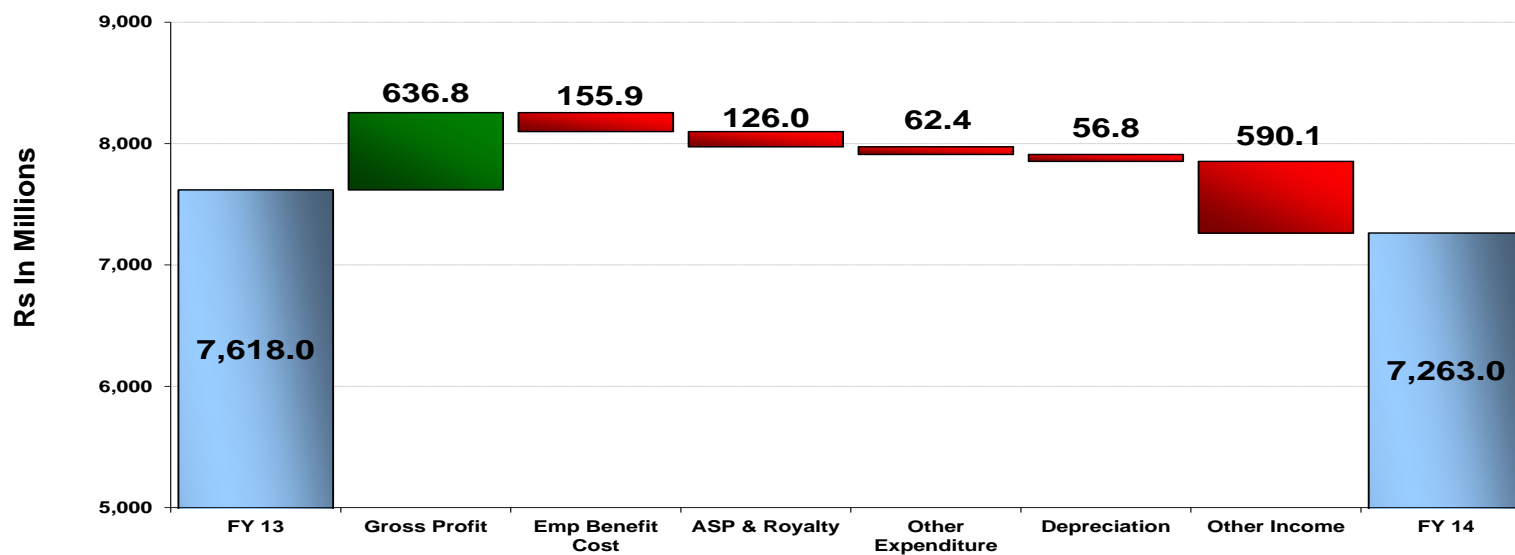


* 2015 Results updated till YTD Sep

INR Mn	2015 Act	2014 Act	Vs LY %
Volume (ml)	145.0	147.6	-2%
Gross profit	12,789	10,722	19%
Total Cost (Incl Depn)	(6,262)	(5,878)	7%
Operating Profit	6,528	4,844	35%
Other Income	731	356	106%
PBT	7,258	5,200	40%



INR Million	2014 Act	2013 Act	Vs LY %
Volume (ml)	195.8	47.8	-2%
Gross profit	14,548	13,912	3%
Total Cost (incl Dep)	(7,742)	(7,341)	5%
Operating Profit	6,806	6,570	2%
Other Income	457	1,047	83%
PBT	7,263	7,618	8%



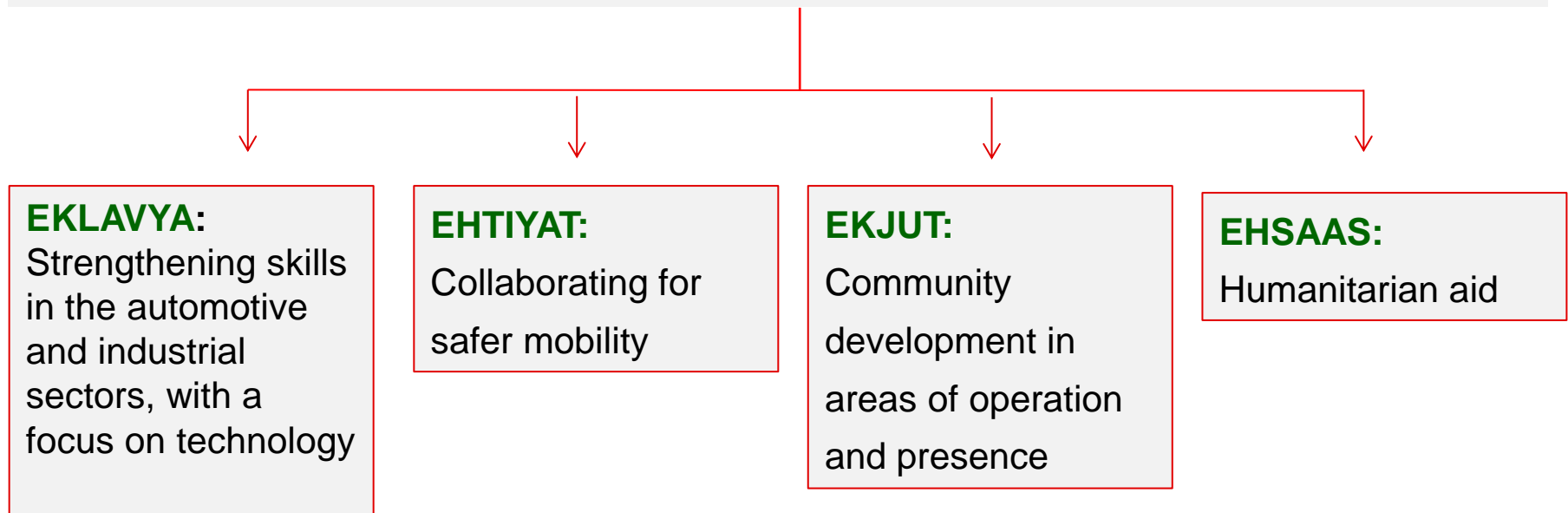
Key financial ratios

Financial KPI's	9M-15	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008
PBT	726	726	762	666	716	738	581	412
Ratios								
Volumes (Mln Ltr)	145	196	197	204	208	219	205	215
GP Ratio	51%	43%	43%	42%	43%	49%	52%	40%
EBDIT % of NSV	27%	21%	21%	20%	22%	27%	25%	18%
ROS -PAT/NSV	19%	14%	16%	14%	16%	18%	16%	12%
Overheads as a % of GP	47%	51%	51%	52%	49%	46%	52%	55%
RONW %	103%	76%	73%	71%	83%	94%	79%	58%
EPS (Rs)	9.6	9.6	10.3	9.0	9.7	9.9	7.7	5.3

* EPS adjusted for Bonus issues pre 2012

Castrol India Limited aspires to be a trusted partner, continuously engaging with our stakeholders.

Through our CSR programmes aimed at skill enhancement, safe mobility community development and humanitarian aid, we strive to contribute to a safer and better quality of life.



The journey so far



The best is yet to come...

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