

# Castrol India Analyst Meeting - 2014



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IT'S LIQUID ENGINEERING.



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In India for more than 100 years

A division of BP Group



The largest lubricants player in India



Operates 3 manufacturing plants

The largest distribution network of 380 distributors, servicing over 105,000 retail sites



1917



1929



1946



1958



1968



Current



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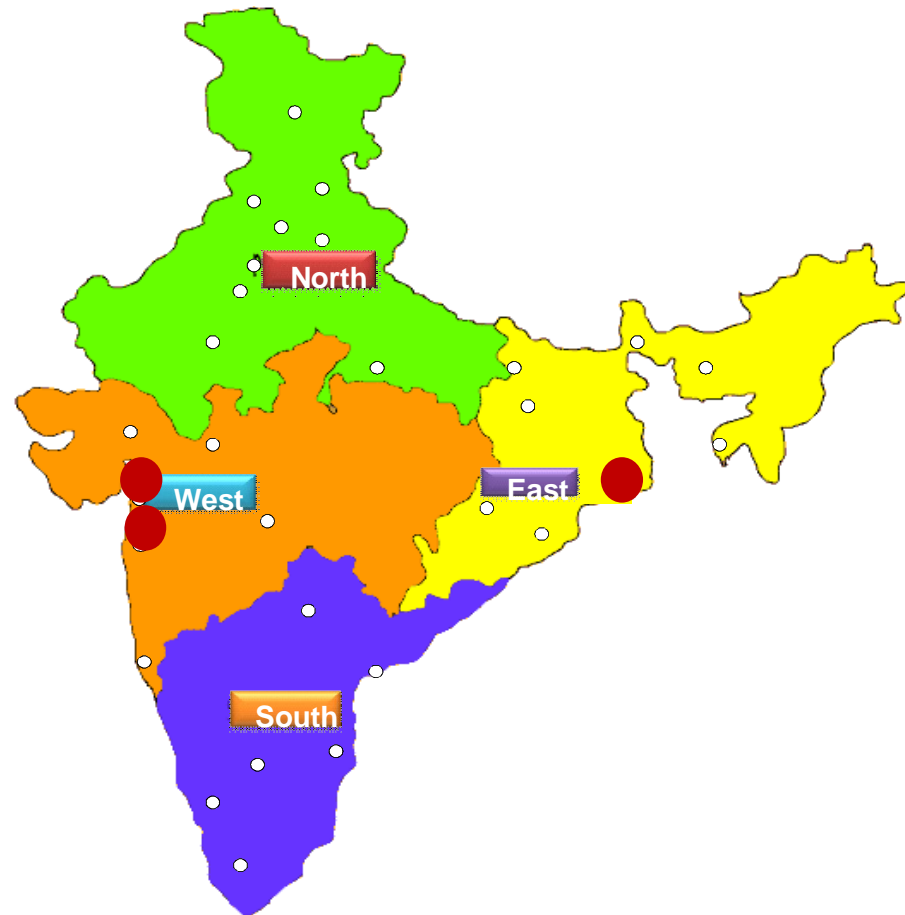
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# Castrol India – Distribution network

- Plants – 3
- Warehouses – 25
- DCs -2
- Distributors 380 in 550 town locations
- Dealers -105000



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# Our Strategy & Strengths



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## Our Products & Brands



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



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



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



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# Our Growth Strategy- Winning in India



## Enablers

1. New RTM
2. Build People capability
3. Build Process capability
4. Technology Leadership
5. Agile and Efficient Supply Chain

## How do we win

1. Lead charge in personal mobility
2. Drive premiumization
3. Develop superior franchise workshop offers
4. Win with key global OEMs
5. Accelerate IWS agenda



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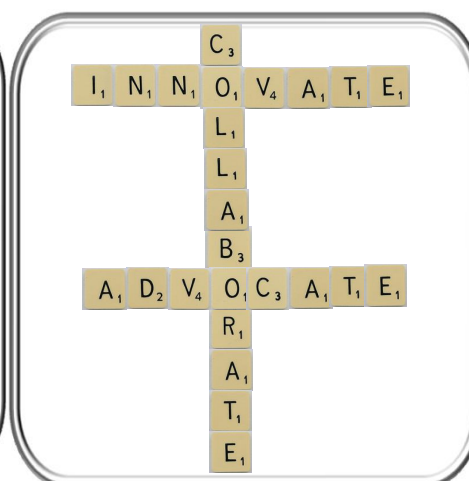
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# Winning with OEM's

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



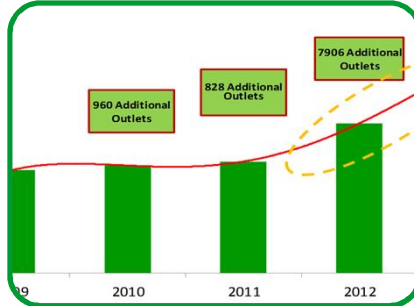
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# Focus on the 4 As



**Affordability**

**Middle Kingdom**

**Availability**

**Distribution Expansion**

**Rural**

**Advantage**

**Focus Brands**

**Advocacy**

**Certified Engine Expert Club (CEEC)  
Bike Points**



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# Enduring Relationships - Consumers



## Castrol Index



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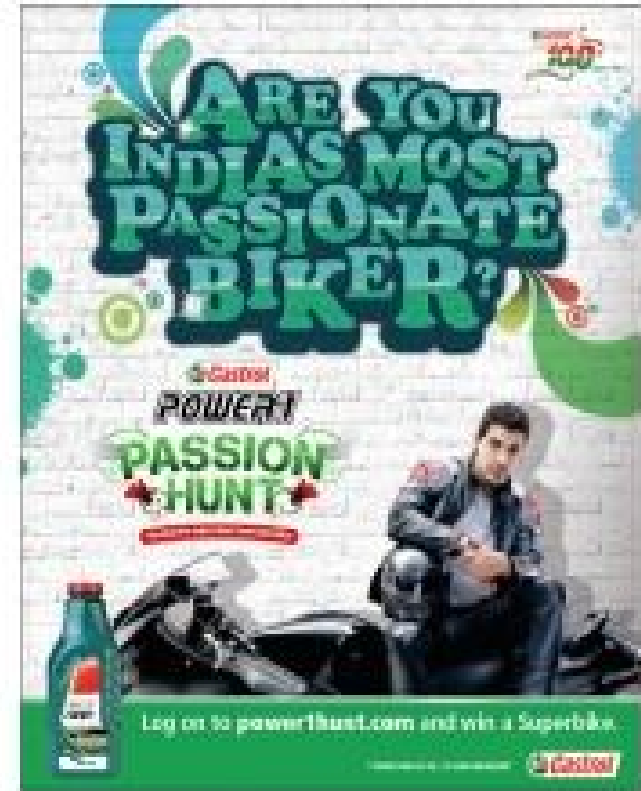
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# Enduring Relationships - Consumers

The **Castrol** Awards  
For Cricketing Excellence



आपके ट्रैक्टर की लम्बी उम्र के लिए



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# Enduring Relationships - Customers



**Customer Care**  
Orders • Queries • Complaints • Feedback



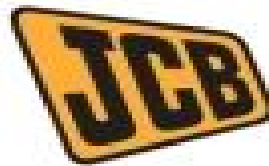
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# Enduring Relationships - OEMs



JOHN DEERE



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# Enduring Relationships – OEMs



Liquid Engineering Centre Inauguration  
At Maruti Suzuki – Gurgaon Plant  
July'2014

Co-sponsored by **Castrol**



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# 2013 Key Highlights

**Aggressive Account Acquisition**



Geostructure  
Shipbuilding



**OEM's**



Audi



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# Continuous Innovation - Products



1<sup>st</sup>  
Multigrade  
Diesel engine  
oil

1<sup>st</sup>  
API CF-4  
Diesel engine  
oil

1<sup>st</sup>  
dedicated 2-  
stroke Motor  
cycle oil

1<sup>st</sup>  
Diesel engine  
oil with  
Synthetic  
technology

1<sup>st</sup>  
Gel grease



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# Continuous Innovation – Products



Increased fuel efficiency of TATA trucks by 1.5%

First diesel engine oil to be recommended for fuel efficiency by an OEM



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# Continuous Innovation - Packaging

Blister pack



Rolla pack



Unique anti-counterfeit features



Award winning standee pouch



Pouch pack



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# Strong Brands



प्लेन को सुरक्षा  
देनेवाली  
सिंथेटिक टेक्नोलॉजी



ऑयल से कार्टी बचकर है फट, यह है सिंथेटिक इंजीनियरिंग™



TRAFFIC MEIN ALL-ROUND PROTECTION



NEW CASTROL ACTIV  
WITH  
SYNTHETIC TECHNOLOGY

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UP TO 75% OF ENGINE WEAR  
HAPPENS DURING WARM-UP.

PROTECT YOUR  
ENGINE WITH  
CASTROL  
MAGNATEC.



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# New Product Launch



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# Continuous Innovation – Route to Market



Creation of “Bazaar”  
Trade



Retail  
Transformation



Castrol  
Point



Castrol Authorized  
Service Associate  
(CASA)



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# Digital Campaign




India's **Biggest** Football Hangout

- 120K Live tune ins
- 20 Million Impressions
- 1.5 Million Projected post views
- 3 Million Views on John Abraham's invitation to fans




Castrol MAGNATEC India

Page Activity 10 Insights Settings Build Audience



DO YOU THINK YOU KNOW YOUR CAR WELL?

Prove it by taking the AOP quiz and win a GPS car navigator among other exciting prizes.



Castrol MAGNATEC India

Cars

+ Follow Share ...

Timeline About Photos Academy of Protection More



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# Awards & Recognition



- Castrol CEO ranked amongst Top 100 CEOs by Business Today-PWC - 2013
- Won the top Indian company award under the sector Specialty Oils and Lubricants at the D & B Corporate Awards - 2014.
- *Good Road* safety project won Black Elephant Kyoorius Advertising & Digital Awards - 2014
- Paharpur Plant awarded 14th Annual Greentech Environment Award in Silver Category in Petrochemical Sector - 2013
- Patalganga Plant won Certificate of Merit from the National Safety Council Maharashtra Chapter for Zero Accident Frequency Rate - 2013



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# People Our Strength

Winning for investors



Winning vs competition



Winning for our people



Win with Customers



Winning in the market



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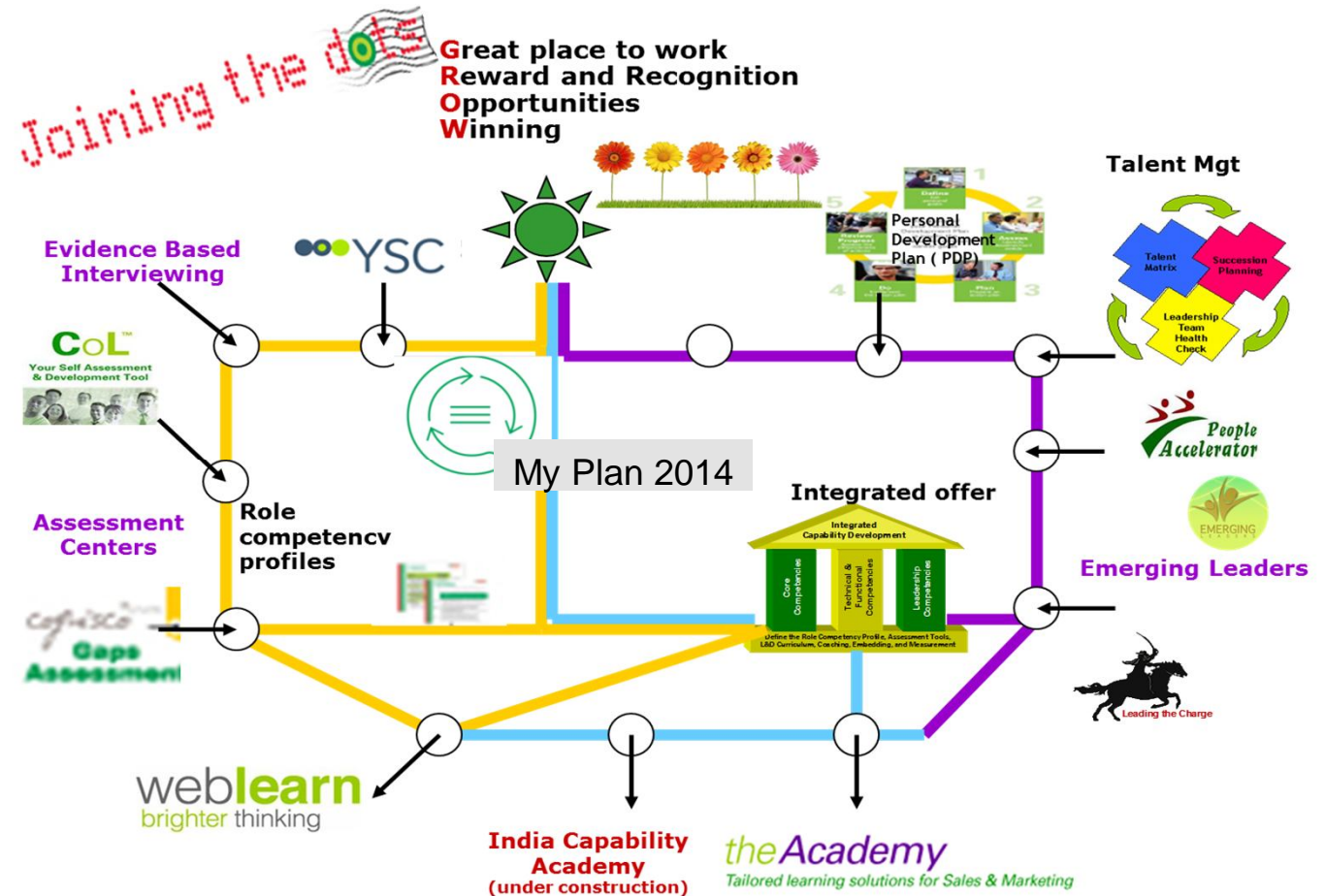
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# Castrol India - People Development Philosophy

Committed to assisting people to develop themselves

Development is a partnership between the employee, the team leader and the organization

Diversity & Inclusion



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# Market Environment

## 1 Vehicle Sales



### Vehicle Growth

Domestic Sales from SIAM, PARC and Growths Internal Estimates

	PARC (Mn)	Annual Sales (Mn)	2014-13 Growth Estimate
Two Wheelers	80	12	3-4%
Cars	20	1.8	0%
Tractors	4.5	0.5	11%
New Gen Trucks	5.2	0.65	0 to 2%

## 2 Lubricants Market



### Lubricant market Growth

Internal Estimates  
\*Market shares in Urban from AC Nielsen

Space	Market Size (ML)	CIL market share*	2014-13 Growth Estimate
Lubricants	1144	22.3%	2-3%
MCO	265	19.6%	8%
PCO	155	41.9%	4%
CVO	706	19.6%	0%

## 3 Evolving Consumers



8 Million First Time Users in Personal Mobility every year  
51% of Two Wheeler Consumers Young (<30 years of age)  
More than 2 Million Women Riders for Gearless Scooters  
In PCO, Synthetic contribution up from 5% in 2009 to 14 % in 2012



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# Value to Shareholders



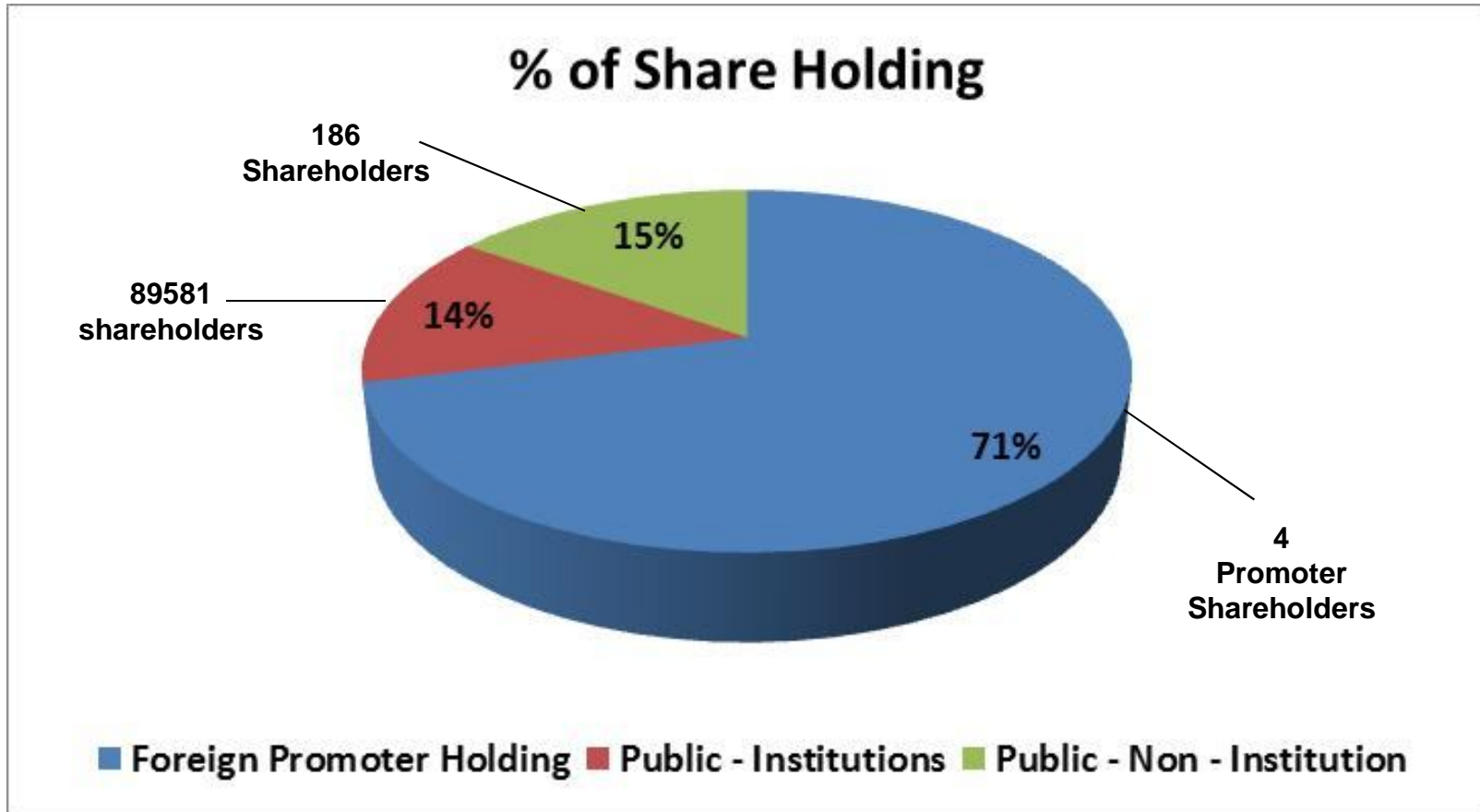
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# Shareholding Pattern



Listed on BSE & NSE



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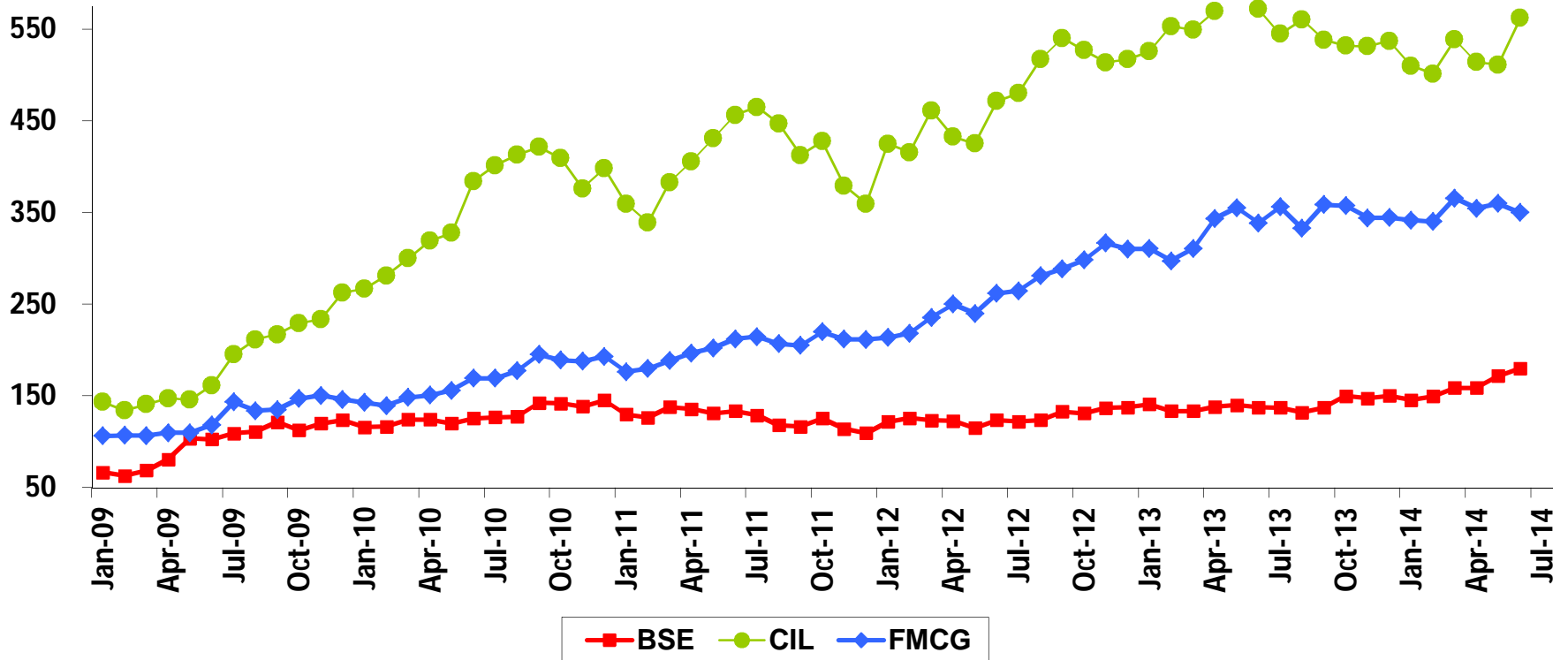
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# CIL Stock Price performance (indexed)

Market Cap \$ 2.7 bln

Outperformed BSE and FMCG Index



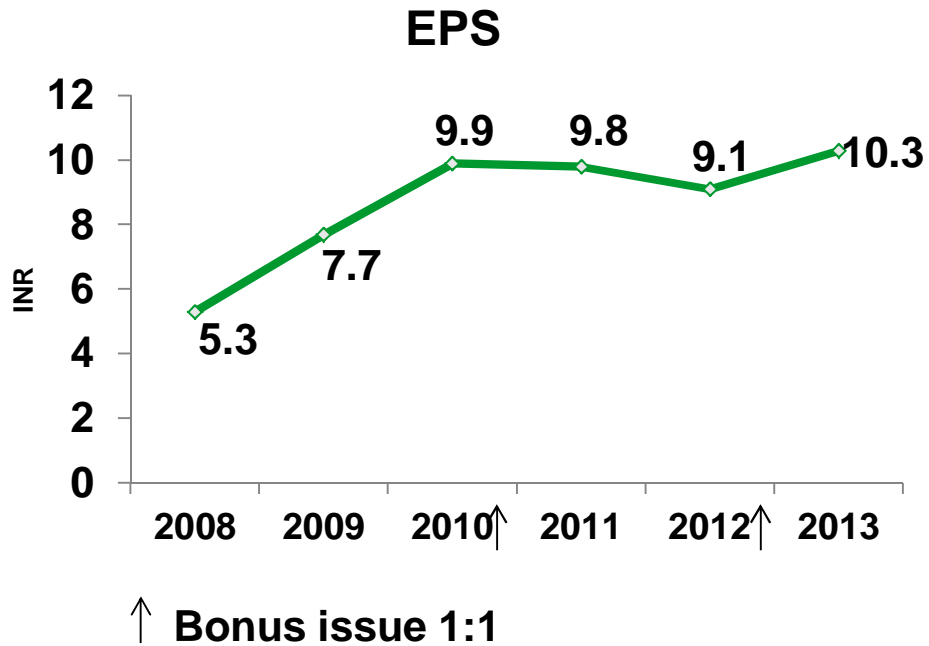
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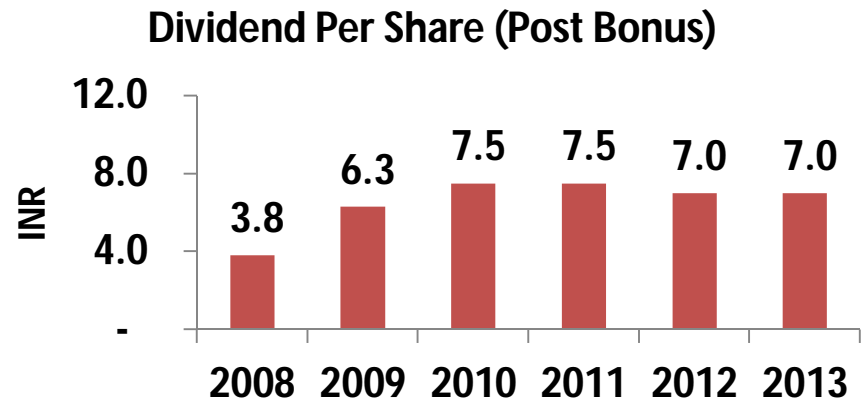
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# Returns to Stakeholders



**Paid back Rs. 5 per share to share holders in Mar' 14 as part of Capital Reduction Scheme**

**Most equitable method of rewarding share holders**



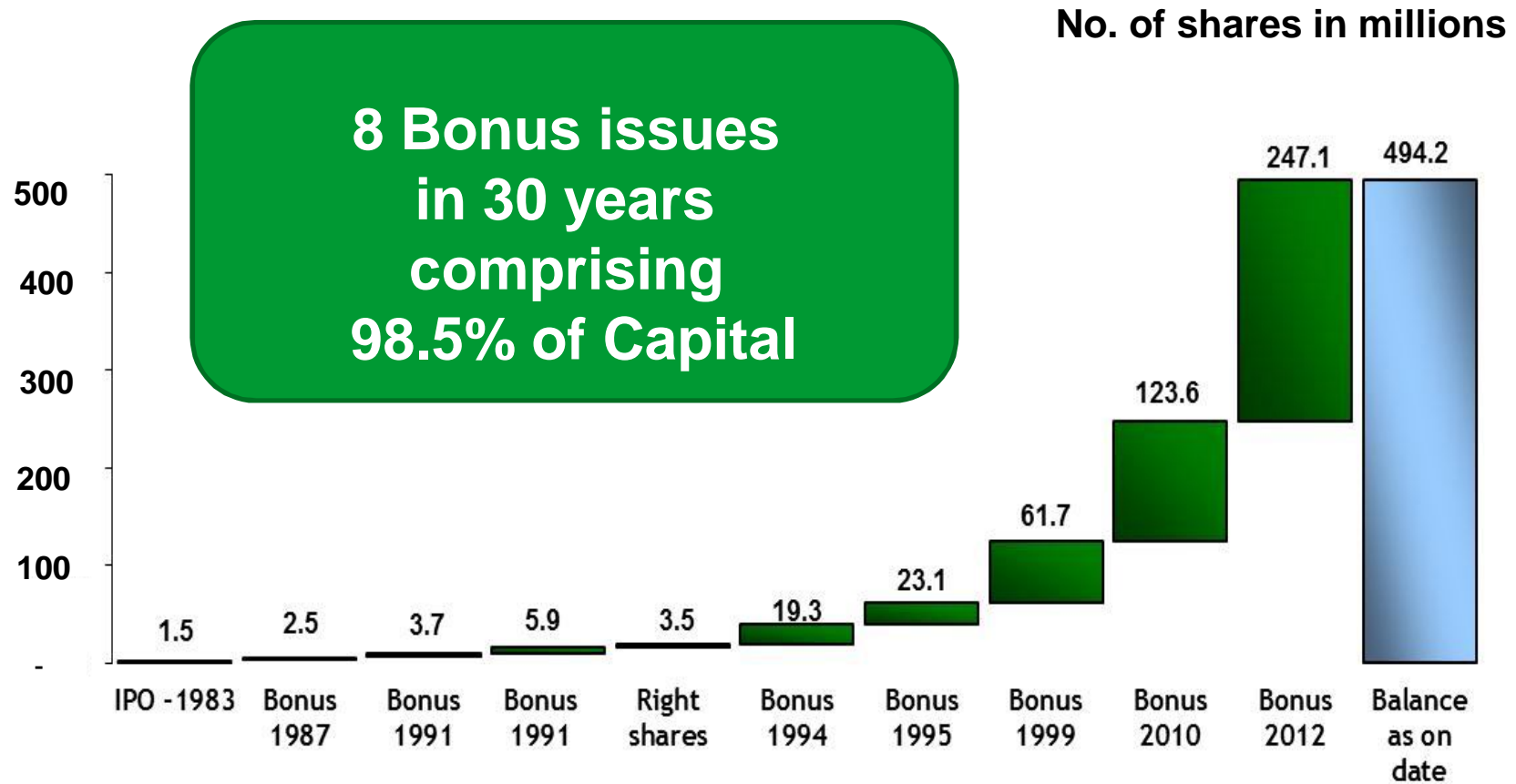
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# Bonus Shares – Track Record



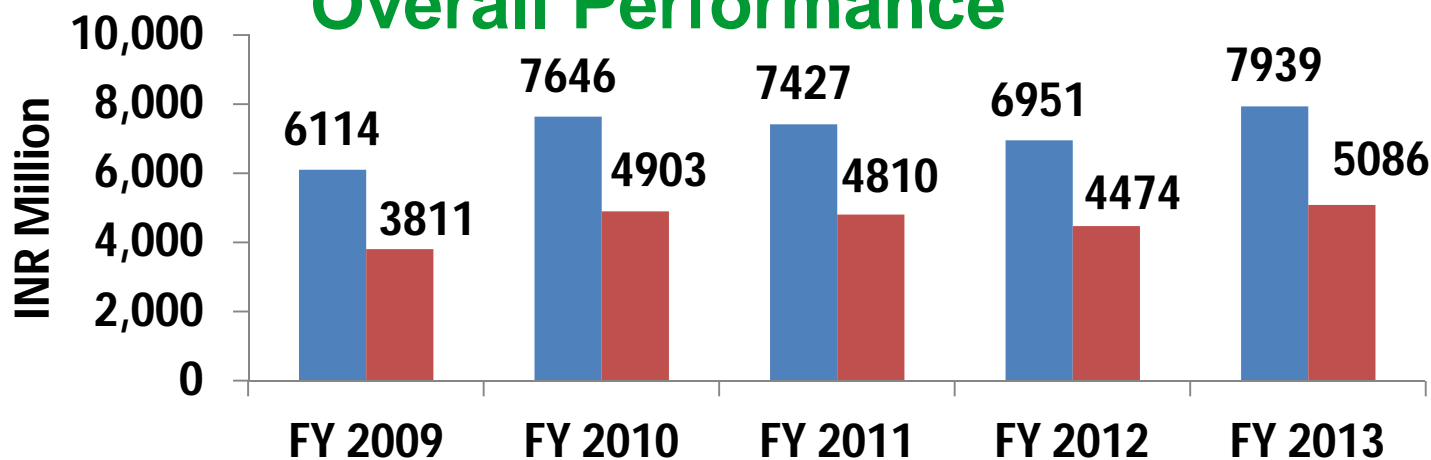
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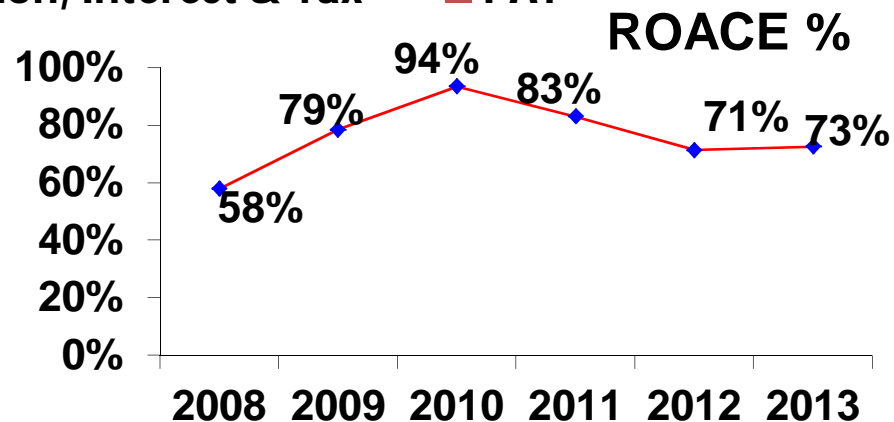
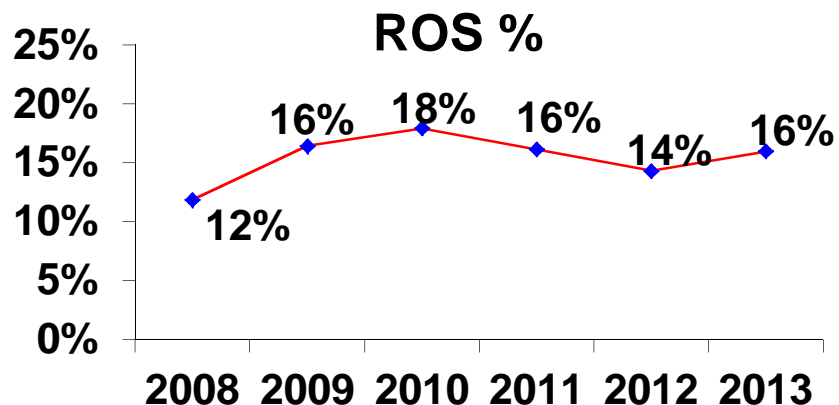


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# Overall Performance



■ Profit before Depreciation, Interest & Tax ■ PAT



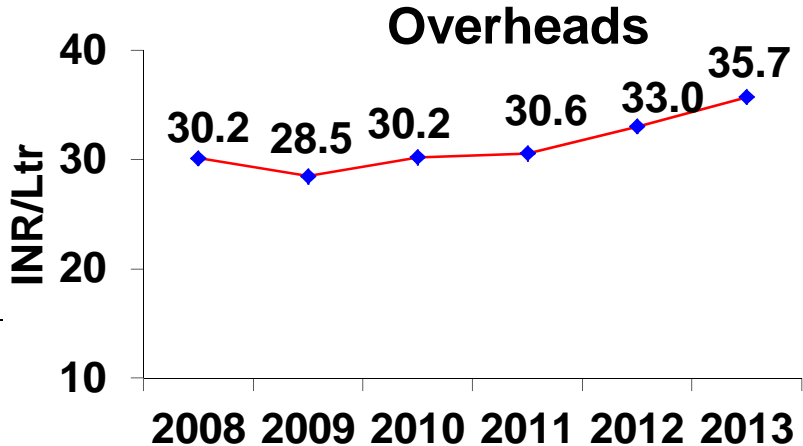
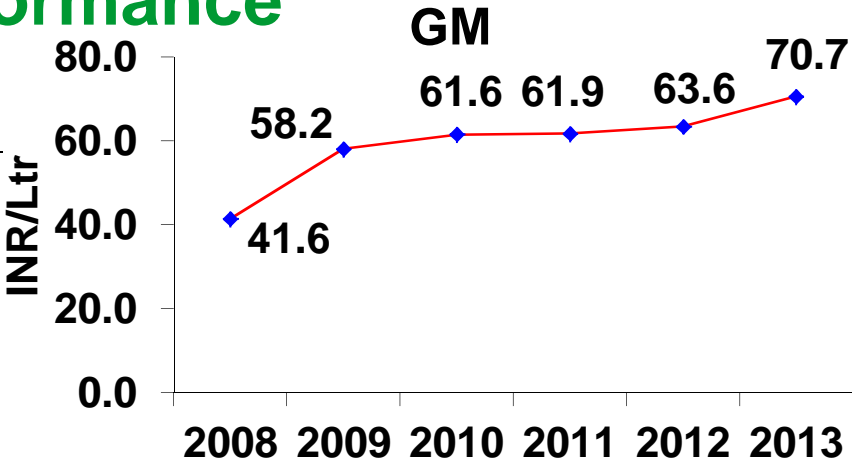
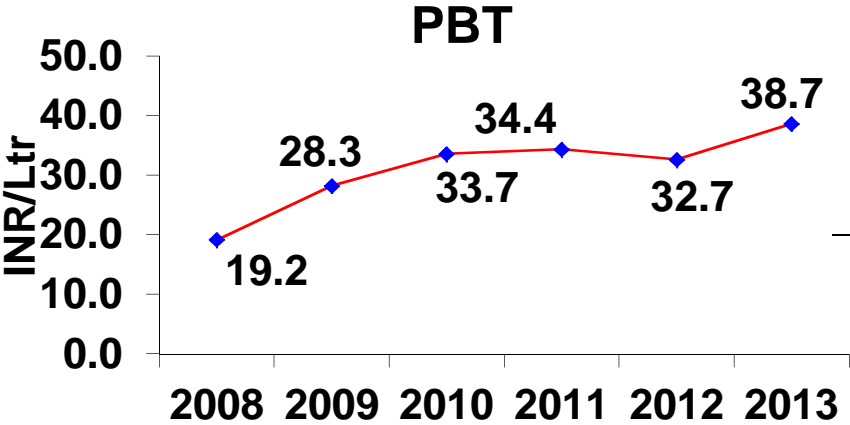
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# Overall Performance



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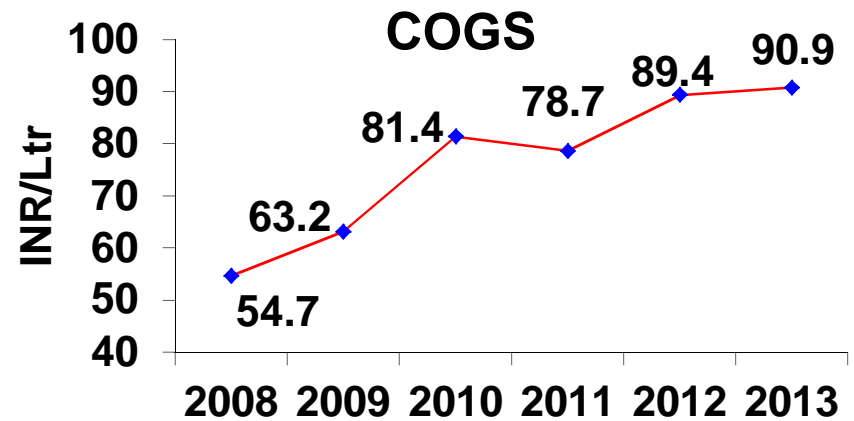
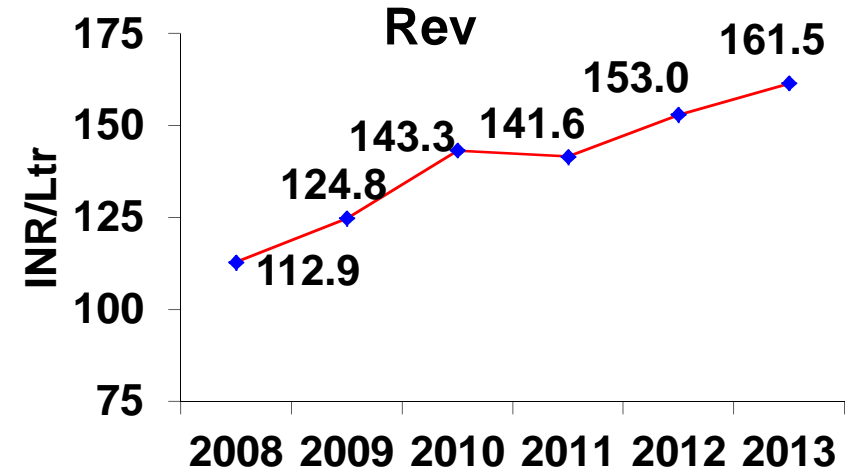
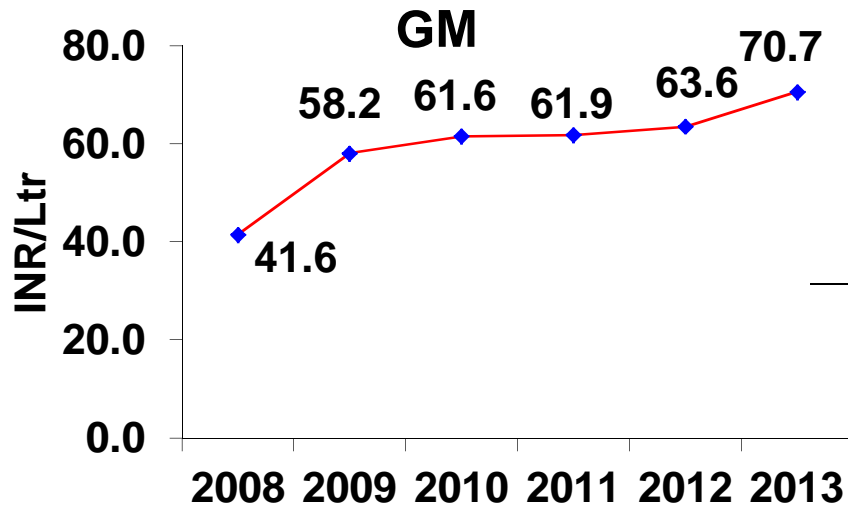
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# Overall Performance



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## CIL – 2013

INR Million	2013 Act	2012 Act	Vs LY %
Volume (ml)	196.8	204.0	-3%
Gross profit	13,912	12,966	7%
Total Cost (Incl Depn)	(7,342)	(7,006)	5%
<b>Operating Profit</b>	<b>6,570</b>	<b>5,960</b>	<b>10%</b>
Other Income	1,048	703	49%
<b>PBT</b>	<b>7,618</b>	<b>6,663</b>	<b>14%</b>



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## Key Financial Ratios

Particulars	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008
<b>PBT (INR Million)</b>	7618	6663	7159	7378	5808	4122
<b>Ratios</b>						
<b>Volume ( Mln Litres )</b>	197	204	208	219	205	215
<b>GP Ratio</b>	44%	42%	43%	49%	52%	40%
<b>EBDIT of % NSV</b>	22%	20%	22%	27%	25%	18%
<b>ROS - PAT/NSV</b>	16%	14%	16%	18%	16%	12%
<b>Overheads as % of GP</b>	51%	52%	49%	46%	52%	55%
<b>RONW %</b>	73%	71%	83%	94%	79%	58%
<b>EPS (INR) - Post Bonus Issue</b>	10.3	9.0	19.5	19.8	15.4	10.6
<b>Dividend Payout Ratio (incl. Div tax)</b>	80%	90%	89%	88%	95%	83%



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# CSR Initiatives

**Education support –  
Differently Abled children**



**Partnering with NGOs  
to support tribals - Silvassa**



**Over 1,65,000 mechanics  
trained**



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# The journey so far



The best is yet to come...



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