

HELD AT Birla Matushri Sabhagar  
19, Marine Lines, Mumbai 400 020ON  
16/4/2012TIME  
3.30 p.m.

**MINUTES OF THE THIRTY FOURTH ANNUAL GENERAL MEETING  
OF THE MEMBERS OF CASTROL INDIA LIMITED HELD AT BIRLA  
MATUSHRI SABHAGAR, 19, MARINE LINES, MUMBAI 400020 ON  
MONDAY, 16<sup>TH</sup> APRIL, 2012 AT 3.30 P.M..**

**PRESENT**

Mr. S.M. Datta	Chairman & Shareholder
Mr. R. Kirpalani	Director – Automotive & Chief Operating Officer
Mr. S. Vaidya	Director - Finance
Mr. S. Malekar	Director – Supply Chain
Mr. R. Gopalakrishnan	Director
Mr. R. Hewins	Director representing Castrol Ltd., U.K.
Mr. U. Khanna	Director & Shareholder
Mr. P. Weidner	Director representing Castrol Ltd. U.K
Mr. A.H. Mody	Company Secretary
Other Shareholders	- 241

1. The Chairman informed the shareholders that in terms of BP's policy on Health, Safety, Security and Environment (HSSE) an HSSE announcement would have to be made. Accordingly an HSSE announcement was made to the shareholders by Mr. Mahesh Mankar.
2. The Chairman declared that the quorum was present and stated that the Auditors' Report duly signed by the Auditors, Register of Proxies and Directors' Shareholdings were open for inspection to the shareholders of the Company.
3. The Chairman welcomed the Shareholders to the 34<sup>th</sup> Annual General Meeting of the Company

The Chairman appraised the members of the Board of the recent changes in the composition of the Board. He informed the members that Mr. Deepak Parekh had resigned as a Director of the Company and Mr. Kshatriya had on attaining the age of Superannuation retired from the services of BP and therefore ceased to be a Nominee Director of the Parent Company.

The Chairman then stated that Mr. Uday Khanna had been co-opted on the Board in place of Mr. Parekh. The Chairman welcomed Mr. Khanna and hoped that he would have a long and fruitful association with the Company.

He then informed the shareholders that Mr. Peter Weidner who had taken over from Mr. Kshatriya had been nominated by the Parent Company as a Director of the Company in place of Mr. Kshatriya.

The Chairman then went on to introduce the Directors and the Company Secretary.

  
CHAIRMAN'S INITIALS

HELD AT Birla Matushri Sabhagar ON 16/4/2012 TIME 3.30 p.m  
19, Marine Lines, Mumbai 400 020

4. The Chairman stated that 47 proxies had been received in respect of 168,25,978 Equity shares (6.80% of the paid up capital). He further stated that Resolutions under Section 187 of the Companies Act, 1956 had been received from Castrol Ltd. U.K. and BP Mauritius Limited for 17,56,45,858 Equity shares (71.03% of the paid-up capital).
5. The Chairman, with the permission of the shareholders, took the Notice as read and then asked the Company Secretary to read the Auditors' Report. Accordingly, the Company Secretary read out the Auditors' Report.
6. The Chairman then addressed the shareholders as follows:

“Ladies & Gentlemen,

Last year, Castrol's sponsorship of the World Cup gave a big boost to our business in India. But this promise was soon overshadowed by the deteriorating economic situation in India as well as in the entire world. Crude oil prices increased sharply as a result of the adverse developments in the Middle East and our principal raw material, Base Oil, also had a rapid price escalation. This inflationary effect was further enhanced by the drop in the value of the Rupee in relation to international currencies. Therefore, control on material costs as well as operating costs became a major activity for the Company.

The effect of the slowing growth rate of our economy upon the commercial vehicles market, which was very important for us, was very noticeable. The growth of freight volumes slowed down to a trickle and the rising prices for spares, tyres, and other ancillaries exerted pressure on engine oil consumption. The rising interest rates and gradual tightening of credit affected the finances of our channel partners. The adverse effect upon our sales volumes in this sector was, therefore, quite noticeable.

In response to these unforeseen problems, we accelerated the development of our service relationship with the small workshops. We also started an active programme of rural outreach. The existing links with the OEMs were reinforced and greater attention is also being given to the needs of the distribution channels. These efforts have now restored volume growths in a gradual manner.

The overall market scenario continues to be quite challenging but the company is quite confident of maintaining the growth impetus during the current year.”

7. Thereafter, the following Resolution was proposed by Mr. P.A. Vijayakar as an ORDINARY RESOLUTION and seconded by Mr. Vinitkumar Parekh.

RESOLUTION NO.1: RESOLVED THAT the Audited Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> December, 2011 and the Reports of the Directors' and Auditors' as circulated to the Members of the Company be and are hereby adopted.

  
CHAIRMAN'S INITIALS



HELD AT Birla Matushri Sabhagar ON 16/4/2012 TIME 3.30 p.m  
19, Marine Lines, Mumbai 400 020

Lastly he expressed his satisfaction on the services of the Registrar & Share Transfer Agents TSR Darashaw Ltd.

4. **Mr. Joseph Martins ( Client ID: 1302590001333302)**

He noted that though in the year 2011 the net worth of the Company had increased the Earnings Per Share (EPS) had fallen. He inquired as to who the competitors of the Company were. He stated that he was not in favour of having filmstars and cricketers advertising the products of the Company. He then inquired about the nature of sales promotion fees being paid by the Company.

Lastly he stated that he had not received a copy of the Annual Report - 2011 and requested the management to look into the matter. He also stated that in future he would like to have a physical copy of the Annual Report.

5. **Mr. Babulal I. Parekh**

He complimented the management for publishing an informative Annual Report and hoped the Company would continue to do so. He wanted to know the sales of the flagship brands of the Company. He inquired as to the nature of deductions under fixed assets appearing under 'Schedule-C' of the Balance Sheet. He also wanted to know the difference between expenses accounted under advertising and sales promotions and sales promotion fees. He noted that the staff welfare costs had increased and wanted to know if the same was due to additional benefits being provided to the staff members. He also wanted to note if any payments had been made under Voluntary Retirement Scheme in the current year.

Lastly he inquired the period for which Royalty would be payable to the Parent Company.


6. **Mr. Michael Martins (Client ID: 1302590001261386)**

At the outset, he complimented the Management on maintaining the rate of dividend. He noted that the Earnings Per Share (EPS) of the Company was good.

He requested the management to send him a physical copy of the annual report in the future.

7. **Mr. Sharadkumar Jivraj Shah (Client ID: CRS0014468)**

At the outset, he noted that though the sales had increased in value, the Profit before Tax had declined. He noted that the personnel cost had increased and wanted to know the reasons for the same. He inquired about the total value of the Lubricants business in India. He suggested that since the Company had 3 plants all over India, the batch numbers should be mentioned on each product so that the customer could easily identify the plant at which the product was manufactured. He also suggested to the management that they should consider investment in wind energy in the future.

  
CHAIRMAN'S INITIALS

HELD AT Birla Matushri Sabhagar

19, Marine Lines, Mumbai 400 020

ON 16/7/2012

TIME 3.30 p.m

He inquired about the location of the Company's plant. He wanted to know what the average price of crude oil was in the year 2011. He also inquired of the management as to how they proposed to deal with the Tondiarpet plant which had been closed down. He inquired as to who the third party manufacturers of the Company were and where were they located.

Lastly he wanted to know the names of the suppliers of base oil to the Company and whether there was any difference in the quality of base oil supplied by indigenous and imported suppliers.

Lastly he requested that the telephones and fax number of the Company be given in the Annual Report.

#### 8. Mr. Vinay Veda

He thanked the management of having posted the Annual Report in time. He stated that the same made informative reading. He noted that though the cost of materials had increased and gross profit had declined, it was commendable that the Company had maintained the same rate of dividend. He wanted to know as to whether there was a difference in the nomenclature between advertising & sales promotion and sales promotion fees. He also inquired as to who were the beneficiaries of the sales promotion undertaken. He also wanted to know the BP brands being sold in the market.

He also inquired as why the Company had not entered the Aviation business. He complimented the management on the fact that number of Company's employees had undertaken various assignments during the year 2011.

#### 9. Mr. Seshan Krishnamurthy (Client ID: CRS0013029)

He complimented the management on a good performance during difficult times.

He hoped that the sales volume would also increase in the future.

The Chairman and the Chief Operating Officer replied to the questions asked by the shareholders.

Resolution No. 1 was passed with the requisite majority.

8. Mrs. Asha Lata Maheshwari proposed and Mr. Rangwalla seconded the following as an ORDINARY RESOLUTION and put to vote :-

RESOLUTION NO. 2: RESOLVED THAT a Final Dividend at the rate of Rs.8/- per share be and is hereby declared on 24,72,80,586 fully paid-up Equity Shares of Rs.10/- each of the Company for the year ended 31<sup>st</sup> December, 2011.

HELD AT Birla Matushri Sabhagar  
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ON 16/4/2012

TIME 3.30 p.m.

Resolution No.2 was passed with the requisite majority.

9. As Mr. S.M. Datta was interested in Resolution No. 3 which pertained to his re-appointment as a Non Executive Director of the Company, with the permission of the members present, Mr. Datta handed over the Chair to Mr. R. Kirpalani

Thereafter Mr. Kirpalani read out the resolution.

Mr. S.J. Shah proposed and Mr. Michael Martins seconded the following as an ORDINARY RESOLUTION and put to vote :-

RESOLUTION NO.3 : RESOLVED THAT Mr. S.M. Datta be and is hereby re-appointed as a Director of the Company and his period of office shall be liable to determination by retirement of Directors by rotation.

Resolution No.3 was passed unanimously

With the permission of the members present, Mr. R. Kirpalani handed back the chair to Mr. S.M. Datta.

10. Dr. A.V. Kasker proposed and Mr. Joseph Martins seconded the following as an ORDINARY RESOLUTION and put to vote :-

RESOLUTION NO.4 : RESOLVED THAT Mr. R. Kirpalani be and is hereby re-appointed as a Director of the Company and his period of office shall be liable to determination by retirement of Directors by rotation.

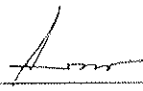
Resolution No.4 was passed unianimously.

11. Mr. Seshan Krishnamurthy proposed and Mr. Vinay Bhide seconded the following as an ORDINARY RESOLUTION and put to vote :-

RESOLUTION NO.5: RESOLVED THAT S.R. Batliboi & Co. Chartered Accountants, be and are hereby appointed Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

RESOLVED FURTHER THAT the remuneration payable together with the out- of-pocket expenses, if any, and the installments in which the remuneration is payable to the Auditors shall be such as shall be mutually agreed upon between the Board of Directors and the Auditors.

Resolution No. 5 was passed unanimously.

  
CHAIRMAN'S INITIALS

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19, Marine Lines, Mumbai 400 020

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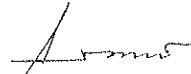
TIME 3.30 p.m.

12. Mr. Babulal I Parekh proposed and Mr. S.J. Shah seconded the following as an ORDINARY RESOLUTION and put to vote :-

RESOLUTION NO.6:RESOLVED THAT Mr. Uday Khanna be and is hereby appointed as a Director of the Company and his period of office would be liable to determination by retirement of Directors by rotation.

Resolution No.6 was passed unanimously.

There being no other business the Meeting terminated with a Vote of Thanks to the Chair.



**CHAIRMAN**

14/05/2012