

Castrol India Limited
Technopolis Knowledge Park
Mahakali Caves Road
Chakala, Andheri (East)
Mumbai 400 093

Tel: (022) 6698 4100
Fax: (022) 6698 4101
www.castrol.co.in



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Castrol India delivers strong Q1 results

Net up 46% at Rs. 147 crores

[Unaudited Financial Results for the Quarter ended March 31, 2015 \(xlsx 22.4 KB\)](#)

	Q1 Jan - Mar 2015	Q1 Jan - Mar 2014	Q1 % Inc/ (Dec)
Net Sales / Income from Operations	795.8	815.1	(2.4)
Profit Before Tax	222.8	153.0	45.6
Profit After Tax	146.7	100.2	46.4

Castrol India Limited today announced its results for the first quarter of 2015. The company delivered a record performance during January – March 2015, continuing to build on operational momentum in the personal mobility area and driven by a more favourable Cost of Goods environment.

Profit from operations before Other Income, during the quarter under review, was significantly up by 30 % at Rs. 179.6 crores whilst Profit after Tax was up by 46 % at Rs. 146.7 crores during the quarter under review as compared to the same period last year. Other Income was higher on account of write back of provisions no longer required.



Commenting on the results, Ravi Kirpalani, Managing Director, Castrol India Limited, said: “This is indeed a strong overall performance and the momentum gained during the first quarter of 2015 sets up the business well for rest of the year. Although the environment continues to be challenging for Commercial trucks, Business to Business (B2B) and Marine businesses, the performance continues to be driven by the personal mobility segment where underlying volumes and margins have grown over previous year.”

Commenting on the activities undertaken during the quarter, Mr. Kirpalani said: “The Castrol Activ campaign run during the ICC Cricket World Cup 2015 held in Australia and New Zealand was a huge success. The campaign was driven by a strong social media activation which had a record 8.7 million engagements and reached almost 62 million people. On the other hand, Castrol Activ also made a further foray in rural markets through a rural outreach programme aimed at building brand advantage and advocacy for the brand amongst key stakeholder groups including consumers and mechanics.

In the commercial vehicle segment, we launched Castrol Vecton – a high performance diesel engine oil for modern trucks. Incorporating Castrol’s pioneering ‘system 5’ technology, Castrol Vecton is designed to deliver superior performance resulting in business profitability especially for fleet owners.

Commenting on the Industrial business, Mr. Kirpalani said: “Despite the challenging environment in this segment, the Industrial business continued its growth trajectory, showing double digit growth in Gross Margin as well as Operating Profit. Castrol Almaredge 51F - a highly advanced Aluminium Machining Fluid for Automotive and Aerospace industries which was produced locally at our state of the art manufacturing plant in Silvassa, was launched during the quarter.”



Outlook: Looking ahead, although the drop in crude oil price will translate into lower base oil cost, we are likely to experience volatility in the cost of goods due to volatile Rupee exchange rate. We expect demand to start improving during the second half of the year. In the longer run, we continue to remain optimistic about the Indian lubricant market and our business growth. The company is in a strong position to benefit from growth prospects on account of its strong brands, enduring relationships with key stakeholders and continued commitment of its staff.