



Report  junction.com

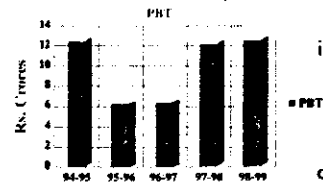
TIDE WATER OIL CO. (INDIA) LTD.



The grit and determination of the people at Tide Water

has prevailed yet again over intensely competitive

market conditions in 1998-99. Inspite of the recession



in the automobile industry

and the aggressive forces of

the oil majors, the company has consolidated its position

in the lubricant industry. Profit before tax has been the

highest ever at Rs. 12.53 crores with a growth in

turnover. The Silvassa plant has been awarded the

ISO 9002: 1994 certificate for the manufacture and

marketing of lubricating oils by DNV Netherlands. As

Tide Water continues on its road to success, a 'Millenium

Dividend' of 100% for shareholders has been proposed

as a reward. At the threshold of a new millenium, all

stakeholders can look forward to a bright future

with Tide Water.

94-95 95-96 96-97 97-98 98-99



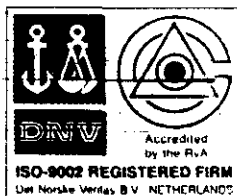
Our newest plant at Faridabad.



The plant at Silvassa, the largest of them all.



The Conipail filling line operating at our plant in Silvassa.



DNV of the Netherlands;
our accreditors for the
ISO 9002: 1994
certification.

WATER OIL CO. (INDIA), LTD.

Board of Directors

SUJIT CHAKRAVORTI
C.B. BAMBAWALE
R.L. MALHOTRA
A.K. ROY CHOWDHURY
BRIG. (RETD.) R.K. KASHYAP
A.P. SARWAN
SUNDERESH M., Executive Director
ASOK BASU
A. MUKHERJEE

Secretary

S. BASU

Auditors

PRICE WATERHOUSE

Registered Office

'YULE HOUSE'
8, DR. RAJENDRA PRASAD SARANI
CALCUTTA 700 001

MUMBAI OFFICE

CTS No. 90, Kachvadi
Govandi
Deonar
Mumbai 400 088

DELHI OFFICE

Atma Ram House
Flat 6A
1, Tolstoy Marg
New Delhi 110 001

CHENNAI OFFICE

JVL Plaza
501, Anna Salai
Teynampet
Chennai 600 018

TIDE WATER OIL CO. (INDIA), LTD.

NOTICE TO MEMBERS

Notice is hereby given that the Annual General Meeting of the members of Tide Water Oil Company (India) Limited will be held at the Williamson Magor Hall of the Bengal Chamber of Commerce & Industry, Royal Exchange, 6 Netaji Subhas Road, Calcutta 700 001 on Friday the 13th day of August, 1999 at 11.00 a.m. to transact the following business :-

- (1) To consider and adopt the Profit & Loss Account for the year ended 31st March, 1999, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
- (2) To declare a dividend for the financial year ended 31st March, 1999.
- (3) To appoint a Director in place of Shri C.B. Bambawale who retires by rotation and being eligible offers himself for re-appointment.
- (4) To appoint a Director in place of Brig. (Retd.) R.K. Kashyap who retires by rotation and being eligible offers himself for re-appointment.
- (5) To appoint a Director in place of Shri A.P. Sarwan who retires by rotation and being eligible offers himself for re-appointment.
- (6) To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

'RESOLVED that Messrs. Price Waterhouse, the retiring Auditors, who have offered their services and who are not disqualified under Section 224(1-B) of the Companies Act, 1956, be re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a fee to be negotiated between the Company and the Auditors and that the Chairman be and is hereby authorised to conclude the matter with the Auditors on behalf of the Company.'

SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modification the following as an Ordinary Resolution :

- (7) "RESOLVED that subject to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals, if and as may be required, the consent and approval of the Company be and is hereby accorded to the following modifications in the terms and conditions of appointment as set out in the letter of appointment dated 12th May, 1997 of Shri Sunderesh M., Wholetime Director, designated as Executive Director of the Company :
 - a) In addition to the consolidated salary an adjustable interim relief @ 10% of such consolidated salary will be paid every month with effect from 1st August, 1997.
 - b) The Company's contribution towards Provident Fund and Pension Fund with effect from 22nd September, 1997 shall be to the extent these either singly or together are not taxable under the Income-tax Act, 1961."

TIDE WATER OIL CO. (INDIA), LTD.

The Register of the Members and the Transfer Register of the Company will remain closed from 6th to 13th August, 1999 both days inclusive.

Registered Office :
8 Dr. Rajendra Prasad Sarani,
Calcutta 700 001
Dated : 7th June, 1999

By Order of the Board
S. Basu
Secretary

- Notes : (1) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than fortyeight hours before the meeting.
- (2) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the items of Special Business is annexed.
- (3) Section 224A of the Companies Act, 1956 is applicable to the Company and therefore it is necessary to pass a Special Resolution for appointment of the Auditors.
- (4) Dividend that may be declared by the Company will be paid to those members whose names will appear on the Register of Members of the Company on 13th August, 1999.
- (5) Instructions regarding change of address and/or mandate should be sent so as to reach the Share Department of the Company latest by 13th August, 1999.
- (6) Members holding shares in more than one account are requested to intimate to the Share Department of the Company the ledger folios to enable the Company to consolidate the same into one account.
- (7) Pursuant to Section 205A (5) of the Companies Act, 1956, all dividends upto the financial year ended 31st March, 1995 which remained unclaimed/unpaid have been transferred to the General Revenue Account of the Central Government. Members concerned are requested to claim such dividend from the Register of Companies, West Bengal, Nizam Palace, II MSO Building, 234/4, A.J.C. Bose Road, Calcutta 700 020.
- (8) KINDLY BRING YOUR COPY OF THE ANNUAL REPORT AT THE MEETING.

Report  Junction.com

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF
THE COMPANIES ACT, 1956**

Item No. 7

At the Annual General Meeting of the Company held on 22nd August, 1997 the shareholders had approved the appointment and the terms of remuneration of Shri Sunderesh M., Wholetime Director designated as Executive Director.

The revision in the pay scales for the employees of the Company including Shri Sunderesh had fallen due with effect from 1st August, 1997 and pending finalisation thereof which would take sometime the Board of Directors had decided to pay interim relief @ 10% of the existing basic pay to every employee with effect from 1st August, 1997 to be adjusted against the revised pay. As the payment of such interim relief to Shri Sunderesh M. is in addition to his existing terms of remuneration, the approval of the shareholders to the same is necessary.

The terms of remuneration of Shri Sunderesh M. as approved on 22nd August, 1997 include inter alia that the Company's contribution towards Pension Fund together with contribution to Provident Fund shall not exceed 25% of the salary. Following the Statutory amendment with effect from 22nd September, 1997 the rate of Employer's contribution to the Provident Fund has been enhanced from 10% to 12% of the salary. Consequently, it is felt that instead of specifying the limit of 25%, the Company's contributions to the aforesaid Funds either singly or together should be upto the limit non-taxable under the Income-tax Act, 1961.

The Board considers that the aforesaid alterations in the remuneration payable to Shri Sunderesh M. to be in the best interest of the Company and therefore recommends that the resolution be adopted by the members.

None of the directors excepting Shri Sunderesh M. has any concern or interest in the resolution.

Report Junction.com

TIDE WATER OIL CO. (INDIA), LTD.

DIRECTORS' REPORT

Your Directors are pleased to present their Annual Report on the operations of the Company together with audited accounts for the year ended 31st March, 1999.

	(Rupees in thousands)	
The Accounts before charging depreciation show a profit of		1,56,817
From which has been deducted :		
Depreciation	31,479	
Provision for Taxation	25,000	56,479
		<u>1,00,338</u>
To which is added the balance brought forward from the last accounts of		199
		<u>1,00,537</u>
The Directors have transferred to General Reserve		80,700
Leaving a balance of		<u>19,837</u>
And the Directors now recommend a dividend @ 100% on the Ordinary Shares amounting to		8,712
and also provide for additional tax on dividend		958
Leaving a balance to be carried forward of		<u><u>10,167</u></u>

Your Company has completed another year of excellent performance by achieving the impressive turnover of Rs. 215 crores compared to Rs. 211 crores in the previous year. It is indeed a matter of pride that the profit before tax at Rs. 12.53 crores was the highest so far recorded by the Company. Notwithstanding the slowdown in the economy and continued fierce competition from the various players in the industry the growth in sales and substantial increase in profit could be possible through adoption of aggressive marketing strategies, introduction of new products and total cost management. The profit after tax has also been satisfactory in view of the continuing tax benefit under the provisions of Section 80 IA of the Income Tax Act, 1961 following the commencement of commercial production at the modern lube blending plant of the Company at Silvassa. Your Company, with the rationalisation of its marketing policy and streamlined selling and distribution network is fully geared to cater to the needs of wider segments of customers throughout the country more efficiently.

In view of highly commendable working results your Directors feel it appropriate to share the moment of happiness with the members in a befitting way and hence have pleasure in recommending a "millennium dividend" at the rate of 100% on the equity shares of the Company.

It is gratifying to note that the Plant of the Company at Silvassa has obtained accreditation of ISO 9002 system and efforts are on to obtain similar certification in respect of other plants.

The brand equity of the Company's products in the industry has withstood the test of time and is expected to aid the Company in performing better in the coming years. The support provided by its accredited R&D Centres at Mumbai and Chennai have immensely helped in improving the quality of the products and the process of adoption of latest technology in the field of lubricants.

The Company's products primarily marketed under the "VEEDOL" brand name are well-known in the industry for their quality and diverse range. The product range manufactured and sold in accordance with the technology imported from Mitsubishi Oil Co., Ltd., Japan has gained acceptance in the market.

It is also encouraging to note that the Company has developed and introduced a number of new products and genuine oils and entered into arrangements with a few well known companies in the automotive sector as original equipment manufacturers (OEM) for marketing the same. Efforts for such tie-up with few more manufacturers are also in progress.

Fixed Deposits from the Public outstanding with the Company at the end of financial year stood at Rs. 165.90 lakhs. Deposits totalling Rs. 5.00 lakhs due for repayment on or before 31st March, 1999 were not claimed by the depositors.

Measures relating to conservation of energy and the benefits derived from R&D and other related details have been furnished in the statement

TIDE WATER OIL CO. (INDIA), LTD.

annexed to this report pursuant to Section 217(1)(e) of the Companies Act, 1956.

There was no employee drawing remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956.

Sri Susanta Niyogi, Director left for his heavenly abode on 26th October, 1998 and Sri Udayan Ray, Director resigned from the Board with effect from 28th April, 1999. The members of the Board place on record their appreciation of the valued guidance received from late Niyogi and Sri Ray during their tenure as Directors. Sri A. Mukherjee was appointed as Director on 7th June, 1999 in the casual vacancy caused by the resignation of Sri Udayan Ray.

A statement detailing significant Accounting Policies of the Company is annexed to the Accounts.

Sri C.B. Bambawale, Brig. (Retd.) R.K. Kashyap and Sri A.P. Sarwan retire from the Board by rotation and being eligible, offer themselves for re-appointment.

Auditors have to be appointed for the current year and the retiring Auditors, Messrs. Price Waterhouse offer their services.

The observations made in the Auditors' Report read with the Notes on the Accounts are self-explanatory and do not require any further clarification.

The Board of Directors would like to place on record their appreciation of the support and assistance received from the Government of India and the State Government. The Directors are thankful to the Company's Bankers and the esteemed customers for their continued support.

The Board deeply appreciates the commitment and the invaluable contribution of all the employees towards the remarkable performance and sustained growth of your Company.

Calcutta
7th June, 1999

On behalf of the Board
Sujit Chakravorti
Chairman

Report  Junction.com

TIDE WATER OIL CO. (INDIA), LTD.

ANNEXURE TO DIRECTORS' REPORT

Particulars relating to Conservation of Energy, Technology Absorption and foreign exchange earnings and out-go pursuant to Section 217(1)(a) of the Companies Act, 1956 and Rules made thereunder.

A. Conservation of Energy :

- (a) The Company has installed Thermopac Liquid Heating System which has resulted in considerable saving in the consumption of fuel oil. The heating system is free from explosion hazards and is fully automatic.
- (b) No additional investment was made during the year under review for reduction of consumption of energy.
- (c) Impact of measures taken for conservation of energy as well as reduction of cost of production cannot be accurately measured.

B.1 Research and Development (R&D) :

- (i) Government of India, Ministry of Science & Technology, Dept. of Scientific and Industrial Research has accorded recognition to the Company's in-house R&D Unit at Royapuram, Chennai and R&D unit at Deonar, Mumbai. Both these units are equipped with modern testing facilities so essential for petroleum industry.
- (ii) These units have developed a number of new products which are required for high-tech industries and upgraded the formulations to suit the requirement of industry.
- (iii) The R&D Units have plans to develop new products in future.
- (iv) Expenditure on R&D :

a) Capital	Rs. Nil
b) Recurring	Rs. 46.12 lakhs
c) Total	Rs. 46.12 lakhs

d) Total R&D Expenditure
as percentage of total
turnover 0.21%

2. Technology Absorption, Adaptation and Innovation :

- (i) The Company had entered into a technical collaboration agreement with Mitsubishi Oil Co. Ltd., Japan, for manufacture of hi-tech lubricants. The product formulations received from the collaborator have been utilised for manufacture of such products.
- (ii) With the absorption and adoption of above technical know-how through collaboration, the Company has been able to produce quality products in India.
- (iii) Information regarding imported technology :
 - a) Technology imported from Mitsubishi Oil Co. Ltd., Japan for manufacture of hi-tech lubricants.
 - b) Year of import : 1993-94.
 - c) Technology has been partially absorbed.
 - d) Absorption of technology is continuing in respect of all grades of lubricants and is expected to be completed over the period of agreement.

C. Foreign Exchange earnings :

Foreign Exchange earnings during the year under review was nil while Foreign exchange outgo was Rs. 2116.42 lakhs.

On behalf of the Board
Sujit Chakravorti
Chairman

Calcutta
7th June, 1999

TIDE WATER OIL CO. (INDIA), LTD.

AUDITORS' REPORT

TO THE MEMBERS OF
TIDE WATER OIL CO. (INDIA), LTD.

1. We report that we have audited the Balance Sheet of Tide Water Oil Company (India), Ltd. as at 31st March, 1999 signed by us under reference to this report, and the relative Profit and Loss Account for the year ended that date, which are in agreement with the books of account.
2. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account together with the notes thereto read in particular with Notes 5 and 7 on Schedule 22 respectively, give, in the prescribed manner the information required by the Companies Act, 1956, and also give respectively, subject to (1) Note on Schedule 6 regarding non-provision of diminution in value of investments estimated at Rs. 54.25 lakhs, (2) Note 6 on Schedule 22 regarding the extent of adjustments, if any, on account of pending reconciliation of sales tax, (3) Note 10 on Schedule 22 regarding the accounting of Rs. 348 lakhs as stated therein and (4) Note 17A(i) on Schedule 22 regarding payment of Rs. 0.45 lakh to Executive Director pending Shareholders' approval, a true and fair view of the state of the Company's affairs as at 31st March, 1999 and its profit for the year ended on that date.
3. Read with Notes 5 and 7 on Schedule 22, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit. In our opinion, proper books of account have been kept as required by law, so far as appears from our examination of those books. These accounts have been prepared in compliance with the applicable Accounting Standards as referred to in Note 18 on Schedule 22 except as indicated in Paragraph 2 above regarding non-provision of diminution in value of investments.
4. Attention is drawn to Note 19 on Schedule 22 with regard to Year 2000 compliance. It may be noted in this connection that the audit is not intended, designed nor performed to identify or detect problems that may result from computer hardware, software or other automated processes' inability to properly process date which include issues, internal and/or external, related to Year

2000. In the opinion of the management, the problem of Year 2000 will not vitiate the assumption of going concern in view of the plans to make the Company Year 2000 compliant as drawn up by the management. However, we have no responsibility with regard to the Company's efforts to make systems, internal and/or external, capable of properly processing dates including the Year 2000 or provide assurance on whether the Company has addressed or will be able to address all of the affected systems on a timely basis. These are responsibilities of the Company's Management.

5. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :-

5.1.1 The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.

5.1.2 As explained to us, the Company has a phased programme for verification of fixed assets designed to cover all the items over a period of 3 years which we consider reasonable and in accordance with such programme, a physical verification was carried out by the management during the year and such verification revealed no material discrepancies.

5.2 The fixed assets of the Company have not been revalued during the year.

5.3 The stocks of finished products, containers and raw materials of the Company at all its locations have been physically verified by the management during the year. In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. The discrepancies between the physical stocks and the book stocks were not material and these have been properly dealt with in the books of account. In our opinion, read with Notes 5 and 16 on Schedule 22, the valuation of the stocks of finished products, containers and raw materials has been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the earlier years.