







Onwards on the wings of trust

Poised on the threshold of a new era, we strive to soar to ever higher and unconquered heights. Carrying on our onward flight the hopes and dreams of our customers. Across the length and breadth of the country. Spanning both the Automotive and the Industrial segments.

Board of Directors

Board of Directors

ARINDOM MUKHERJEE

ASOK BASU

S.K. CHATURVEDI

A.K. ROY CHOWDHURY

H.N. SENGUPTA

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Secretary

S. BASU

Auditors

PRICE WATERHOUSE

Registered Office

'YULE HOUSE'

8, DR. RAJENDRA PRASAD SARANI

KOLKATA 700 001

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, Kolkata 700 001 on Friday, the 23rd day of August, 2002 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, 2002, 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, 2002.
- (3) To appoint a Director in place of Shri A. Mukherjee who retires by rotation and being eligible offers himself for re-appointment.
- (4) To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution :

"RESOLVED that Messrs. Deloitte Haskins & Sells, Chartered Accountants who have offered their services and who are not disqualified under Section 224(1-B) of the Companies Act, 1956, be 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 resolution :

As an Ordinary Resolution :

- (5) "RESOLVED that Shri S.K. Chaturvedi be and is hereby appointed a Director of the Company."

The Register of the Members and the Transfer Register of the Company will remain closed from 14th to 20th August, 2002 both days inclusive.

Registered Office :
8 Dr. Rajendra Prasad Sarani,
Kolkata 700 001
Dated : 26th July, 2002

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.

Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at 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.

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- (3) Messrs. Price Waterhouse, the retiring Auditors have decided not to offer themselves for re-appointment as auditors of the Company. Messrs. Deloitte Haskins & Sells, Chartered Accountants have consented to act as Auditors, if appointed and accordingly, their name has been proposed for appointment. 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 20th August, 2002.
- (5) Instructions regarding change of address and/or mandate should be sent so as to reach the Share Department of the Company latest by 20th August, 2002.
- (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 Registrar of Companies, West Bengal, Nizam Palace, II MSO Building, 234/4, A.J.C. Bose Road, Kolkata 700 020.
- (8) Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrants so far for the financial year ended 31st March, 1996 or any subsequent financial years are requested to make their claim to the Registered Office of the Company. It may be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
- (9) KINDLY BRING YOUR COPY OF THE ANNUAL REPORT TO THE MEETING.
- (10) Shri A. Mukherjee is a Director of the Company since 7th June, 1998. He is B.Tech (Mech.) from IIT (Kharagpur) and PGDBA from IIM, Ahmedabad. He has wide experience in financial and Corporate Management. He is the Chairman & Managing Director of Andrew Yule & Company Limited and also part-time Director of the following Companies :
Phoenix Yule Ltd.
Hooghly Printing Co. Ltd.
Bengal Coal Co. Ltd.
New Beerbhoom Coal Co. Ltd.
Katras Jheriah Coal Co. Ltd.
Yule Agro Industries Ltd.
Webfil Ltd.

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

Item No. 5

Shri S.K. Chaturvedi was appointed as Additional Director of the Company with effect from 12th September, 2001. Accordingly, he will hold office up to the date of this Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing the appointment of Shri Chaturvedi as Director of the Company at this Annual General Meeting and Shri Chaturvedi has consented to act as such, if appointed.

Shri S.K. Chaturvedi is a Chartered Accountant and also an I.A.S. officer and Director in the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises. He has considerable experience in administrative and management functions.

The Board recommends appointment of Shri Chaturvedi as a Director.

No Director other than Shri Chaturvedi has any interest or concern in the proposed resolution.

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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, 2002.

	(Rupees in lacs)	
The Accounts before charging depreciation show a profit of		1312.97
From which has been deducted : Depreciation (net)	216.71	
Provision for Taxation	94.24	310.95
		1002.02
To which is added the balance brought forward from the last accounts of		188.26
		1190.28
The Directors have transferred to General Reserve		100.20
Leaving a balance of		1090.08
And the Directors now recommend a dividend @ 50% on the Ordinary Shares amounting to		43.56
Leaving a balance to be carried forward of		1046.52

Your Company has completed another year of satisfactory performance by achieving the turnover of Rs. 186.63 crores compared to Rs. 179.89 crores in the previous year. The marginal decline in sales volume was due to slowdown in market demand, recessionary trends in the economy and severe competition from major oil companies and multinational corporations in the industry. The profit before tax at Rs. 10.96 crores was substantially higher than that recorded in the previous year of Rs. 5.34 crores primarily on account of the rationalisation of the pricing structure, focus on the premium segment, adoption of austerity measures and optimum procurement of raw materials.

In view of the improved working results your Directors are happy to recommend a dividend at the rate of 50% on the equity shares of the Company.

While the Silvassa Plant of the Company has already obtained accreditation of ISO 9001 quality standards and ISO 14001 for environmental standards. Efforts are continuing to obtain accreditation under ISO 9001 in respect of other

Plants also.

The good brand equity of the Company's products has helped the Company in achieving brand loyalty in relevant market segments even in a fiercely competitive market. The efforts of the accredited R&D Centres at Mumbai and Chennai have been successful in upgrading product formulations, launching of new products, introducing cost effective formulation and the process of absorption of modern technology from Nippon Mitsubishi Oil Corporation, Japan.

The Company's products primarily marketed under the "VEEDOL" brand name are accepted and acknowledged in the industry for their quality and range. The products manufactured and sold in accordance with the technology transferred from Nippon Mitsubishi Oil Corporation, Japan (formerly Mitsubishi Oil Co. Ltd.) are being successfully marketed all over the country.

Fixed Deposits from the Public outstanding with the Company at the end of financial year stood at Rs. 14.47 lacs. Deposits totalling Rs. 2.49 lacs due for repayment on or before 31st March, 2002 were not claimed by the depositors.

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the

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provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) That the Directors have prepared the Accounts for the financial year ended 31st March, 2002 on a 'going concern' basis.

Measures relating to conservation of energy and the benefits derived from R&D and other related details have been furnished in the statement annexed to this report pursuant to Section 217(1)(e) of the Companies Act, 1956.

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

Shri C.B. Bambawale, A.K. Gupta and Brig. (Retd.) R.K. Kashyap resigned from the Board with effect from 12th September 2001, 24th September 2001 and 25th January 2002 respectively. The members of the Board place on record their appreciation of the valued guidance received from Shri C.B. Bambawale, A.K. Gupta and Brig. (Retd.) R.K. Kashyap during their tenure as Director. Shri S.K. Chaturvedi, Director, Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Govt. of India was appointed as Additional Director with effect from 12th September, 2001. Shri Chaturvedi will hold office upto the date of ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his appointment as a Director.

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

Shri A. Mukherjee and Shri A.K. Roychowdhury retire from the Board by rotation, Sri Mukherjee offers himself for re-appointment.

Messrs. Price Waterhouse the retiring Auditors have decided not to offer themselves for re-appointment for the current year. Messrs. Deloitte Haskins & Sells, Chartered Accountants have offered their services for appointment as Auditors.

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/Shareholders/all other Stakeholders and the esteemed customers for their continued support.

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

On behalf of the Board

A. Mukherjee
Chairman

Kolkata
26th July, 2002

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 at its plants which has resulted in substantial 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) The R&D 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. 47.04 lakhs
c) Total	Rs. 47.04 lakhs

d) Total R&D Expenditure
as percentage of total
turnover 0.25 %

2. Technology Absorption, Adaptation and Innovation :

- (i) The Company had entered into a technical collaboration agreement with Nippon Mitsubishi Oil Corporation (formerly Mitsubishi Oil Co. Ltd.), Japan, for manufacture of hi-tech lubricants. The product formulations received from 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 Rs. 18.75 lakhs while Foreign exchange outgo was Rs. 2138.68 lakhs.

On behalf of the Board

Kolkata
26th July, 2002

A. Mukherjee
Chairman

TIDE WATER OIL CO. (INDIA), LTD.

ANNEXURE TO DIRECTORS' REPORT MANAGEMENT DISCUSSION & ANALYSIS

Industry Structure & Development

The growth of the lubricant industry depends on the transport sector and the industrial sector. Both these are dependent on the performance of the economy. During the year under review there was a slowdown in the economy, increased competition from railroads and drought conditions in several states which adversely affected the industry. According to various press reports the industry experienced a de-growth of around 5%. This was primarily due to sluggishness in the transport and tractor segment where the Company has a good presence.

Opportunities & Threats

The Company has a range of well-accepted products and a well-known brand "VEEDOL" which has helped the Company perform reasonably well even in trying times. This is backed by a countrywide network of distributors and dealers and consignment depots necessary to cater to the Company's customers.

While the industry is at present passing through a crisis, a shake-out is inevitable and signs of the same are visible as many companies including MNCs have rationalized or curtailed their operations over the years. The threat from the PSEs is also expected to reduce with the dismantling of the APM w.e.f. 1.4.2002.

Segmentwise performance

The Company is a single segment Company as mentioned in Schedule 21 of the Accounts.

Outlook

With regard to the current year your Directors expect the Company to continue its performance as in the previous year. However the recent rise in crude oil prices and the consequent increase in price of raw materials could result in a pressure on margins of the Company. Also the general forecast for economic growth being not too optimistic, the possibilities of topline growth remain limited.

Risk & concerns

Apart from normal risks applicable to an industrial undertaking, the Company does not foresee any serious area of concern.

Internal Control System

The Company has proper and adequate systems of internal control.

Financial performance

The details of financial performance of the Company are appearing in the Balance Sheet and the Profit & Loss Account for the year. During the year despite a marginal drop in volume the profitability of the company increased substantially.

Human Resources

During the year employer/employee relationships remained cordial. Settlements, wherever due were completed satisfactorily.

On behalf of the Board

A. Mukherjee
Chairman