

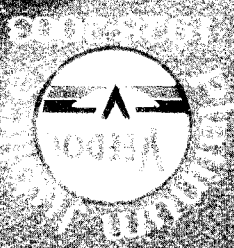
Tide Water Oil Co. (India) Ltd.

75

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miles to go...

Seventy five years crossed,





Celebrating the Platinum Year

Tide Water Oil Company has crossed a new milestone this year. Starting its journey in India in 1928 under the aegis of the industrial giant, Andrew Yule, it has now completed 75 glorious years. These years have witnessed great progress in Tide Water Oil. Offices have been set up in major metropolitan hubs. Five state-of-the-art plants have come up and hi-tech R&D facilities have been developed. Keeping pace with our expansion and successes, our dealers are now 2500 strong while we can boast of over 10000 retailers. Brand loyalty too has reached a new high in these years with more and more customers opting for the Veedol range of premium engine oils.

The merger of Nippon Oil and Mitsubishi Oil, our collaborators, now brings 'Eneos' - Japan's No. 1 lubricant brand - to the Indian market. On the completion of 75 years, we are confident that we will continue to surge ahead, build new partnerships and cross many other significant milestones in the years to come.



75 years of path-breaking success

During the last 75 years the company has met with phenomenal success in a number of areas. In the last year itself, sales increased marginally in spite of adverse conditions and the company actually made a commendable profit before tax. A praiseworthy feat indeed! The earnings per share were also quite high, enabling a 100% dividend recommendation by the Directors. The secret behind all this was the company's mission of enhancing customer satisfaction while simultaneously increasing shareholder value.

The products in the petrol engine oil segment, Turbostar and Take Off 4T, were upgraded to meet higher specifications and met with great success in the market. The sale of products manufactured with Nippon Oil Corporation, Japan (with which Mitsubishi Oil has merged) has shown a phenomenal growth of 34%, especially that of motorcycle engine oils. Value-added distribution strategies have resulted in financial discipline in the primary and secondary trade through an attractive channel-financing scheme.

What's more, the focused marketing strategy to communicate the enhanced product quality, increasing distribution reach and brand building improved the performance, availability and visibility of our products. The dedication and preparedness of the Company's leadership and employees kept the business flourishing in an extremely competitive and dynamic environment.

All in all, the future's looking bright for us in the years ahead. Together, we are sure we will take our company to greater heights in the days to come.



TIDE WATER OIL CO. (INDIA), LTD.

Board of Directors

ARINDOM MUKHERJEE

S.K. CHATURVEDI

ASOK BASU

H.N. SENGUPTA

Secretary

S. BASU

Auditors

DELOITTE HASKINS & SELLS

Registered Office

'YULE HOUSE'

8, DR. RAJENDRA PRASAD SARANI

KOLKATA 700 001

MUMBAI OFFICE

CTS No. 90, Kachvadi
Govandi
Deonar
Mumbai 400 088

DELHI OFFICE

Bhardwaj Bhavan
1497, Wazir Nagar
Bhisma Pitamah Marg
New Delhi 110 003

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, Kolkata 700 001 on Friday, the 18th day of June, 2004 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, 2004, 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, 2004.
- (3) To appoint a Director in place of Shri H.N. Sengupta 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."

The Register of the Members and the Transfer Register of the Company will remain closed from 14th to 17th June, 2004 both days inclusive.

Registered Office :

8 Dr. Rajendra Prasad Sarani

Kolkata 700 001

Dated : 20th May, 2004

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) 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.
 - (3) Messrs. Deloitte Haskins & Sells, the retiring Auditors have offered themselves for re-appointment as auditors of the Company 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 17th June, 2004.
 - (5) Messrs. MCS Limited, 77/2A Hazra Road, Kolkata 700 029, has been appointed as Registrars and Share Transfer Agents for both physical and dematerialised shares of the Company.
 - (6) Instructions regarding change of address and/or mandate should be sent so as to reach the Registrar or Registered

TIDE WATER OIL CO. (INDIA), LTD.

Office of the Company latest by 17th June, 2004.

- (7) Members holding shares in more than one account are requested to intimate the Registrar or the Company the ledger folios to enable the Company to consolidate the same into one account.
- (8) Pursuant to the erstwhile provisions of 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 as required under Section 205B of the Companies Act, 1956.
- (9) Pursuant to the provision of Section 205A(5) of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 1996, which remain unpaid or unclaimed have been 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, 1997 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.



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, 2004.

	Amount	
	(Rupees in lacs)	
The Accounts before charging depreciation show a profit of	1206.10	
From which has been deducted : Depreciation (net)	191.79	
Provision for Taxation (net)	247.02	438.81
		767.29
To which is added the balance brought forward from the last accounts of	1855.52	
		2622.81
The Directors have transferred to General Reserve	76.73	
Leaving a balance of	2546.08	
And the Directors now recommend a dividend @ 100% (including interim dividend) on the Ordinary Shares amounting to	87.12	
Tax on Dividend	10.89	
Leaving a balance to be carried forward of	2448.07	

The performance of your Company during the year under review was noteworthy. The turnover had increased substantially to Rs. 218 crores compared to Rs. 189 crores in the previous year. The volume of sales recorded a satisfactory increase partially due to procurement of bulk industrial orders. However, the overall lubricant industry sales volumes remained stagnant due to use of better quality fuels, advanced engine design and long drain lubes. This led to intense competition among existing market players for a greater share. On the other hand, cost of inputs continued to rise during the year due to sharp rise of crude oil prices in international markets, which led to greater pressure on margins. Notwithstanding the adverse factors the Company achieved a Profit Before Tax of Rs. 10.1 crores primarily due to continued focus on niche segments and successful launching of new products for the petrol segment.

In view of the satisfactory working results of the Company your Directors have the pleasure in recommending a dividend at the rate of 100% (including the interim dividend of 75% already paid) on the ordinary shares.

The Company's Plants at Silvassa and Royapuram have obtained accreditation of ISO 9001 : 2000 Quality Standards. The Silvassa Plant has obtained accreditation under ISO 14001 standards also.

The Company continued its efforts at building its brand equity primarily through promotional activity targeted at mechanics and fleet owners during the course of the year. The launch of products in the petrol segment helped in extending the product line of the Company and increase its presence in new markets.

The Company's products primarily marketed under the "VEEDOL" brand name are well accepted and acknowledged in the industry for their quality and range. The technical collaboration agreement with Nippon Oil Corporation (formerly Mitsubishi Oil Co. Ltd.) was renewed with effect from 28th October, 2003 for a further period of three years. The "ENEOS" range of products manufactured under the collaboration agreement were launched in May 2004.

There were no Fixed Deposits from the public outstanding with the Company at the end of the financial year. Deposits totalling Rs. 2.18 lacs due for repayment on or before 31st March, 2004 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 preparation of the accounts for the financial year ended 31st March, 2004, 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

TIDE WATER OIL CO. (INDIA), LTD.

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 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, 2004 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.

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

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

Shri H.N. Sengupta retires from the Board by

rotation and being eligible offers himself for re-appointment.

The retiring Auditors, 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, esteemed customers, trade fraternity and all other stake holders for their continued support.

The Board deeply appreciates the commitment and the invaluable contribution of all the employees towards yet another year of laudable performance of your Company.

On behalf of the Board

Kolkata
20th May, 2004

A. Mukherjee
Chairman

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. 67.41 lacs
c) Total	Rs. 67.41 lacs

d) Total R&D Expenditure as percentage of total turnover 0.31 %

B.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 (agreement renewed in 2003-04 for 3 years).
 - 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. Nil while Foreign exchange outgo was Rs. 54.43 lakhs.

On behalf of the Board

Kolkata
20th May, 2004

A. Mukherjee
Chairman