

ANNUAL REPORT | 2007-2008



Tide Water Oil Co. (India) Ltd.

TIDE WATER OIL CO. (INDIA), LTD.

Board of Directors

KALLOL DATTA
S. MURALIDHARAN
I. SENGUPTA
SUBIR DAS
R. MANOHAR
ASHIM MUKHERJEE

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 400 008

DELHI OFFICE

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

CHENNAI OFFICE

JVL Plaza
626, 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 Wednesday, the 10th day of September, 2008 at 10.30 a.m. to transact the following business :-

- 1) To consider and adopt the Profit & Loss Account for the year ended 31st March, 2008, 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, 2008.
- 3) To appoint a Director in place of Sri K. Datta 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 resolutions :

As Ordinary Resolutions :

- 5) "Resolved that Shri S. Das be and is hereby appointed a Director of the Company."
- 6) "Resolved that Shri R. Manohar be and is hereby appointed a Director of the Company."
- 7) "Resolved that Shri A. Mukherjee be and is hereby appointed a Director of the Company."

As Special Resolution :

- 8) "RESOLVED that pursuant to the provision of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below :-

a) A new Article 44 A of the Articles of Association shall be inserted as follows :-

- Nomination 44A
- (1) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.
 - (2) When the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be, shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.

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- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholder or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other person unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
- (4) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death during the minority.

b) A new Article 44B of the Articles of Association shall be inserted as follows :-

- Transmission of Securities in case of Nomination.
- 44B (1) A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either :-
- (a) to register himself as holder of the share or debenture, as the case may be, or
 - (b) to make such transfer of the share or debenture, as the deceased shareholder or debenture holder, as the case may be, could have made.

- (2) If the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.

- (3) A nominee shall be entitled to the dividend on shares and other advantages to which he would be entitled if he were the registered holder of the share or debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to register himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

c) A new Article 50A of the Articles of Association shall be inserted as follows :-

- Buy Back of Shares
- 50A Subject to and in full compliance of the requirements of Sections 77 A, 77 AA and 77B of the Companies Act 1956, or any corresponding provisions of or any re-enactment thereof and any rules and regulations that may be prescribed by the Central Government, the Securities & Exchange Board of India (SEBI) or any other appropriate authority in this regard, the Company may out of its free reserves or Share Premium Account or proceeds of any shares or other securities, buy-back any part of the share capital of the Company fully paid up on that date.

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- d) A new Article 63 A of the Articles of Association shall be inserted as follows :-

Copies to 63 A
member
and others

A copy of every Balance Sheet (including every document required by law to be annexed or attached thereto) which is to be laid by the Company at an Annual General Meeting shall be sent by the Company to the members and other persons entitled thereto in accordance with sub-section (1) of Section 219 of the Act provided that when proviso (iv) to sub-section (1) of section 219 of the Act comes into force it shall be sufficient if the copies of the aforesaid documents are made available by the Company for inspection at the Office during working hours for a period of 21 days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the said documents, as the Company may deem fit, is sent to every member and other person entitled thereto not less than 21 days before the date of the meeting provided that when sub-section (2) of Section 219 of the Act comes into force any member or other person therein mentioned shall on demand be entitled to be furnished free of cost with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto.”

The Register of the Members and the Transfer Register of the Company will remain closed from 4th September, 2008 to 10th September, 2008 both days inclusive.

Registered Office :

8 Dr. Rajendra Prasad Sarani,
Kolkata - 700 001

Dated : 27th June, 2008

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 forty-eight 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 224 A 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 10th September, 2008.
- (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 Office of the Company latest by 10th September, 2008.
- (7) Members holding shares in more than one account are requested to intimate to the Registrar of the Company the ledger folios to enable the Company to consolidate the same into one account.
- (8) Members are encouraged to claim payment of dividend through Electronic Clearing Service (ECS) . Members holding shares in dematerialized form should approach the Depository participant with whom they are maintaining account for change in address, bank mandate, nomination, if any. Other members who have not furnished the details and / or

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whose details have since changed, are requested to forward the following details immediately under the signature of the named shareholder :

Folio No	No of shares
Bank Account No	Nature of Bank Account
Bank name & address (with pin code)	Nine digit code no. of the bank & Branch as appearing in the cheque book (with photocopy of a cheque)

- (9) Pursuant to the provision of Section 205 A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 2000, which remained 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, 2001 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.

- (10) Shri K.Datta is a Director of the Company since 23rd July, 2004. He is BE (Mech.) from Kolkata University and M. Tech (Industrial Engineering) from IIT, Kharagpur. He has wide experience in Corporate management. He is Chairman & Managing Director of Andrew Yule & Co. Limited and also holds additional charge of Chairman & Managing Director in Bharat Bhari Udyog Nigam Limited. He is part-time Director of the following Companies :

Phoenix Yule Limited

Hooghly Printing Co. Limited

Yule Agro Industries Limited

Yule Electrical Limited

Yule Engineering Limited

WEBFIL Limited

New Town Telecom Infrastructure Development Co. Ltd.

Burn Standard Company Limited

Braithwaite Wagon & Engineering Co. Ltd.

Bharat Wagon & Engineering Co. Ltd.

Braithwaite Burn Jessop Construction Co. Ltd.

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

Item no. 5

Shri S. Das was appointed as Additional Director of the Company with effect from 2nd August, 2007. 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 Das as Director of the Company at this Annual General meeting and Shri Das has consented to act as such, if appointed.

Shri S. Das is a Chartered Accountant. He has considerable experience in financial, legal and management functions.

The Board recommends appointment of Shri S. Das as a Director.

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

Item no. 6

Shri R. Manohar was appointed as Additional Director of the Company with effect from 27th March, 2008. 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 Manohar as Director of the Company at this Annual General meeting and Shri Manohar has consented to act as such, if appointed.

Shri R. Manohar is an IC & CES 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 R. Manohar as a Director.

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

Item no. 7

Shri A. Mukherjee was appointed as Additional Director of the Company with effect from 27th March, 2008. 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 A. Mukherjee as Director of the Company at this Annual General meeting and Shri A. Mukherjee has consented to act as such, if appointed.

Shri A. Mukherjee is an Industrialist. He has considerable experience in administrative and management functions.

The Board recommends appointment of Shri A. Mukherjee as a Director.

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

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Item No. 8

- a) & b) In view of the insertion of Sections 109 A and 109B in the Companies Act, 1956, the proposed alteration in the Articles of Association of the Company is considered necessary.
- c) In view of the insertion of Section 77A in the Companies Act, 1956, the proposed alteration in the Articles of Association of the Company is considered necessary.
- d) In view of the amendment of Section 219 of the Companies Act, 1956, the proposed alteration in the Articles of Association of the Company is considered necessary.

The Board recommends passing of the resolution.

No Director 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, 2008.

	Amount (Rupees in lakhs)	
The Accounts before charging depreciation show a profit of	3781.62	
From which has been deducted : Depreciation (Net)	250.24	
Provision for Taxation	1213.62	1463.86
		2317.76
To which is added the balance brought forward from the last accounts of		4196.75
		6514.51
The Directors have transferred to General Reserve		231.78
Leaving a balance of		6282.73
And the Directors now recommend a dividend @ 200% on the Ordinary Shares amounting to		174.24
Tax on Dividend		29.61
Leaving a balance to be carried forward of		6078.88

Your Company has completed another successful year. The turnover recorded was the highest-ever in the history of the Company at Rs. 504.83 crores as compared to Rs. 420.58 crores in the previous year.

Notwithstanding the sluggish state of the lubricant industry, due to advent of new engine technology and increased usage of lubricants with longer drain intervals, the volume of sales recorded a reasonable growth of 14% approximately. This was possible due to constant focus on the "Bazaar" segment, specially in the premium and emerging product categories. However the continued entry of numerous players in an already overcrowded marketing space resulted in severe competition in the market.

The incessant rise in crude oil prices experienced during a major part of the previous year resulted in escalation in price of raw material. In spite of the above, your Company was able to increase its operating margin due to continued focus on the premium segment supported by extensive promotional

campaigns. As a result, your Company achieved a historic Profit before Tax of Rs. 35.31 crores (including extraordinary income of Rs. 2.18 crores) as compared to Rs. 12.95 crores in the previous year.

Your Directors have the pleasure in recommending a dividend at the rate of 200 % on the Ordinary Shares.

The Company's plants at Silvassa, Royapuram and Ramkristopur continue to be accredited under ISO9001:2000 quality standards. The Silvassa Plant has also obtained accreditation under ISO 14001 for environmental standards. During the year, the operations at Deonar plant were shifted to the new plant in Turbhe, Navi Mumbai. The Company is also in the process of setting up a modern lube blending plant at Oragadam near Chennai.

The Company continued with its policy of boosting its brand equity through extensive campaign on the electronic media for its offerings in the diesel and petrol segments. This was supplemented with elaborate activity at the field-level. The ENEOS brand of Nippon Oil Corporation, Japan was also promoted extensively through rigorous field activity.

The Company's products primarily marketed under the "VEEDOL" brand name are well established and acknowledged in the industry for their quality and variety. The products manufactured under the technical collaboration agreement with Nippon Oil Corporation (formerly Mitsubishi Oil Co. Ltd.) and marketed under the "ENEOS" brand name have carved out a niche for themselves in select markets.

There were no fixed Deposits from the Public outstanding with the Company at the end of the financial year. Deposits totalling Rs. 1.68 lacs due for repayment on or before 31st March, 2008 were not claimed by the depositors.

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

- (i) in preparation of the accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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- (ii) 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 of the Company for the year under review;
- (iii) 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) the Directors have prepared the Accounts for the financial year ended 31st March, 2008 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.

Pursuant to clause 49 of the listing Agreement, a Management Discussion and Analysis Report, a Report on Corporate Governance together with a certificate from the Statutory Auditors of the Company and declaration by the Chief Executive has been attached to this Report.

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.

Sri K.Datta retires from the Board by rotation and being eligible offers himself for re-appointment.

During the year under review, Shri S.Das, Shri R. Manohar and Shri A. Mukherjee had been appointed

as additional directors with effect from 2nd August, 2007, 27th March, 2008 and 27th March, 2008 respectively. They will hold office upto the date of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received notices under Section 257 of the Companies Act, 1956 proposing their appointment as Director.

Shri S. Siddharth resigned from the Board of Directors of the Company with effect from 27th March, 2008. The Board of Directors place on record the valued guidance received from him during his tenure of directorship of the Company.

The information on the particulars of Directors seeking appointment / re-appointment as required under clause 49 of the Listing Agreement have been furnished with the notice for the Annual General Meeting.

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/ 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.

Kolkata
27th June, 2008

On behalf of the Board
Kallol Datta
Chairman