

ANNUAL REPORT | 2008-2009

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Tide Water Oil Co. (India) Ltd.

TIDE WATER OIL CO. (INDIA), LTD.

Board of Directors

KALLOL DATTA
I. SENGUPTA
SUBIR DAS
VED PRAKASH
ASHIM MUKHERJEE
R. N. GHOSAL

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

1003, 10th Floor
Bhikaji Cama Bhawan
11, Bhikaji Cama Place
New Delhi 110 066

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 Monday, the 14th day of September, 2009 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, 2009, 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, 2009.
- 3) To appoint a Director in place of Shri I. 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."

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following resolutions :

- 5) As an Ordinary Resolution
"RESOLVED that Shri Ved Prakash be and is hereby appointed a Director of the Company."
- 6) As an Ordinary Resolution
"RESOLVED THAT subject to the provisions of Section 198, 269 & 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 appointment of Shri R. N. Ghosal, as Whole Time Director, designated as Executive Director of the Company for a period of 4 (four) years with effect from 29th July, 2009 or upto the date of his superannuation, whichever is earlier and to the payment of such remuneration and other terms & conditions as set out in the Letter of Appointment dated 29th July, 2009 addressed to him by the Company, a copy whereof was placed before the meeting."
"RESOLVED further that in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Shri R. N. Ghosal, by way of salary and perquisites shall not exceed the limits as set out in his letter of appointment."

The Register of the Members and the Transfer Register of the Company will remain closed from 8th September, 2009 (Tuesday) to 14th September, 2009 (Monday) both days inclusive.

Registered Office :

"Yule House"

8 Dr. Rajendra Prasad Sarani,
Kolkata - 700 001

Dated : 29th July, 2009

By Order of the Board

S. Basu

Dy. General Manager (F) & Company Secretary

TIDE WATER OIL CO. (INDIA), LTD.

- 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 14th September, 2009.
 - (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 14th September, 2009.
 - (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 dematerialised 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 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, 2001, 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, 2002 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) Pursuant to Clause 49(IV)(G)(i) of the Listing Agreement with the Stock Exchanges, the details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting are provided as under :-

TIDE WATER OIL CO. (INDIA), LTD.

Name of Director	Shri Indrajit Sengupta	Shri Ved Prakash	Shri R. N. Ghosal
Date of Birth	28th June, 1952	6th August, 1959	1st March, 1955
Date of Appointment	15th February, 2007	16th June, 2009	29th July, 2009
Expertise in specific functional area	Administration & Management	Management, Public Administration & Economics	Marketing, Management & Chemistry
Qualification	MSc. (Mech. Engg.) & Post-Graduate Diploma in Management	M.A (Economics), Ph.D	M. Sc. Chemistry from IIT, Delhi and M. Tech (Credits) from IIT, Delhi
Shareholding in the Company	Nil	Nil	Nil
List of other Public Limited Companies in which Directorship held	1) Andrew Yule & Co. Ltd 2) Hooghly Printing Company Limited 3) WEBFIL Limited 4) The Bengal Coal Company Limited 5) The New Beerbhoom Company Limited 6) Yule Agro Industries Limited 7) Yule Electrical Limited 8) Yule Engineering Limited 9) Katras Jherriah Coal Company Limited	Phoenix Yule Ltd.	1) Hooghly Printing Company Limited 2) Yule Financing & Leasing Company Limited
Chairman / Member of the Committees of the Board across all public companies in which he is a Director	Member of Committee of Board of Directors - WEBFIL Limited	Nil	Chairman of Committee of Board of Directors – Yule Financing & Leasing Company Limited
Chairman / Member of the Committees of the Board of Directors of the Company	Member - Remuneration Committee Member - Committee of Board of Directors.	Member - Audit Committee Member - Remuneration Committee	Nil

TIDE WATER OIL CO. (INDIA), LTD.

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

Item no. 5

Shri Ved Prakash was appointed as Additional Director of the Company with effect from 16th June, 2009. 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 Prakash as a Director of the Company at this Annual General Meeting and Shri Prakash has consented to act as such, if appointed.

Shri Prakash is a Director in the Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India. He has considerable experience in the fields of Management, Public Administration and Economics.

The Board recommends appointment of Shri Ved Prakash as a Director.

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

Item no. 6

At the respective meetings of the Remuneration Committee of the Board and the Board of Directors of the Company held on 29th July, 2009, the Board on the recommendation of the Remuneration Committee, subject to the approval of the members of the Company appointed Shri R. N. Ghosal as Whole Time Director designated as Executive Director of the Company for a period of 4 (four) years from 29th July, 2009 or upto the date of his superannuation, whichever is earlier. The aforesaid appointment of Shri R. N. Ghosal and remuneration payable to him are however, subject to the approval of the members at the Annual General Meeting.

Shri R. N. Ghosal has been the Chief Executive of the Company since 1st June, 2007 and holds a Post Graduate degree in Chemistry from IIT, Delhi. He has 32 years of experience and is in the service of the Company from 20th October, 1995.

The Board is of the opinion that the Company would be benefitted immensely from the knowledge and experience of Shri R. N. Ghosal.

The terms & conditions of appointment of Shri R. N. Ghosal as Executive Director are contained in the Letter of Appointment dated 29th July, 2009. The main terms & conditions of his appointment are set out below :-

- 1) Remuneration :-
 - a) i) Salary – In the scale of Rs. 65,000 – Rs. 75,000 with annual increment of 3% p.a.
 - ii) Dearness Allowance – As per Company Rules.
 - b) Commission – 0.3% of the Net Profit of the Company subject to a maximum of Rs. 5,00,000.
 - c) Perquisites –
 - i) Housing – Company accommodation or HRA @ 30% of Basic Salary.
 - ii) Electricity, etc. - As per Company Rules.

- ii) Electricity, etc. - As per Company Rules.
 - iii) Medical reimbursement - Reimbursements of domiciliary medical expenses subject to a ceiling of one month's salary in a year or 3 month' salary over a period of 3 years for self, wife and dependent children.
 - iv) Leave Travel Concession - As per Company Rules.
 - v) Club Fees - As per Company Rules.
 - vi) Provident Fund - As per Company Rules.
 - vii) Pension Fund - As per Company Rules. Company's contribution towards Pension Fund together with the contribution to Provident Fund and other superannuation benefits shall not exceed 30% of the salary.
 - viii) Gratuity - As per provision of The Payment of Gratuity Act, 1975 and any amendment thereof.
- In computing monetary ceilings on perquisites, the Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account.

d) Other Benefits -

- i) Motor Car - As per Company Rules.
- ii) Telephone - Free telephone facilities at residence. Personal long distance calls on telephone will be recoverable by the Company.
- iii) Leave - As per Company Rules.
- iv) Voucher Payments - As may be applicable on actual basis.

2) Minimum Remuneration :

Where in any financial year during the currency of the tenure of the appointment of Shri R. N. Ghosal, the Company has no profits or its profits are inadequate, the Company will consider the aforesaid remuneration by way of salary, commission, perquisites and other benefits to Shri R. N. Ghosal as Minimum Remuneration.

3) Termination:

The appointment is terminable on 3 (three) calendar month's notice on either side.

The Board considers that the aforesaid appointment on the terms set out above to be in the best interest of the Company and therefore recommends that the resolution be adopted by the members.

The Letter of Appointment of the aforesaid appointee is available for inspection by the members of the Company between in the hours of 11 am. and 1 pm. on any working day except Saturday and will also be available at the meeting.

4. Memorandum of concern or interest :

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

TIDE WATER OIL CO. (INDIA), LTD.

DIRECTORS' REPORT

Dear Shareholders,

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, 2009.

	Year ended 31st March, 2009	Year ended 31st March, 2008
	Amount (Rupees in crores)	
The Accounts before charging depreciation show a profit of	49.17	37.82
From which has been deducted :		
Depreciation (Net)	3.39	2.50
Provision for Taxation	18.23	12.13
	<u>21.62</u>	<u>14.63</u>
	27.55	23.19
To which is added the balance brought forward from the last accounts of	60.78	41.95
	<u>88.33</u>	<u>65.14</u>
The Directors have transferred to General Reserve	2.75	2.32
Leaving a balance of	85.58	62.83
And the Directors now recommend a dividend @ 300% (P.Y. 200%) on the Ordinary Shares amounting to	2.61	1.74
Tax on Dividend	0.44	0.30
Leaving a balance to be carried forward of	<u>82.53</u>	<u>60.79</u>

PERFORMANCE

Your Company posted another year of impressive performance and improved earnings resulting from implementation of the policy of boosting its brand equity through extensive campaigns on the electronic media for its offerings in diesel and petrol segments coupled with elaborate activity at field level and its robust business strategy of creating multiple drivers of growth.

This performance is even more satisfying since it has been achieved despite increase in the raw material prices and difficult market conditions during the year under review. Continued focus on the premium segment supported by innovative brand building measures and efficient procurement strategy has also helped to post such results.

Turnover achieved during the year 2008 – 09 even surpassed the record turnover as achieved during the previous year by 21% to Rs. 610.48 crores as compared to Rs. 504.83 crores in the previous year.

Though the second half of 2008 witnessed a global financial crisis severely affecting the Indian economy and the world oil demand, your Company was able to achieve a historic Profit before Tax of Rs. 45.78 crores during the year 2008-09 as compared to Rs. 35.32 crores during the previous year, an increase of around 30%.

In the recent past, the Indian lubricant market has witnessed a phase of consolidation. With increasing number of players, the market has become increasingly competitive. In view of constant focus on the "bazaar" segment lubes your Company has been able to face the stiff competition. Moreover, realignment of the distribution network, providing customised solutions to particular business segments, various strategic alliances and efforts in maintaining direct contacts with the customers, helped your Company to post a stellar performance.

The Company's plants at Silvassa, Royapuram and Ramkrishnapur continue to be accredited under ISO9001:2000 quality standards. The Silvassa Plant has also obtained accreditation under ISO 14001 for environmental standards. Turbhe plant, wherein the operations of the Deonar plant was shifted, commenced its operation during the year under review. The Company is also setting up a modern lube blending plant at Oragadam near Chennai.

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.

DIVIDEND

In view of the improved financial results, your Directors have the pleasure in recommending a dividend of 300%

(Rs.30.00 per ordinary share) on the Ordinary Shares for the financial year 2008-09 as against 200% (Rs.20.00 per ordinary share) for the previous year to the equity shareholders of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is presented in a separate section forming part of the Annual Report as Annexure I.

CORPORATE GOVERNANCE

Your Directors affirm their commitment to good Corporate Governance practices. The report on Corporate Governance as per the requirement of the Listing Agreement with the Stock Exchange together with a certificate from the Statutory Auditors of the Company and declaration by the Chief Executive forms part of this report as Annexure II.

FIXED DEPOSITS

There were no Fixed Deposits from the Public outstanding with the Company at the end of the financial year. Deposits totalling Rs. 0.30 lakhs due for repayment on or before 31st March, 2009 were not claimed by the depositors.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in preparation of the accounts for the financial year ended 31st March, 2009, 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 are 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;

- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors have prepared the Annual Accounts for the financial year ended 31st March, 2009 on a going concern basis.

PARTICULARS OF EMPLOYEES

Your company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

CORPORATE WEBSITE

The website of your company, www.tidewaterindia.com carries a comprehensive database of information of interest to the stakeholders including the corporate profile, information with regard to products, plants and various depots, financial performance of your Company and others.

DIRECTORS

Shri Ved Prakash has been appointed as Additional Director with effect from 16th June, 2009. He will hold office upto the date of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received notices under Section 257 of the Companies Act, 1956 proposing his appointment as Director.

In accordance with the provisions of the Companies Act, 1956 and your Company's Articles of Association, Shri I. Sengupta retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

TIDE WATER OIL CO. (INDIA), LTD.

The brief resume / details relating to Shri Prakash and Shri Sengupta, are furnished in the notice of the ensuing Annual General Meeting.

CA S. Muralidharan and Shri R. Manohar resigned from the Board of Directors of the Company with effect from 23rd July, 2008 and 16th June, 2009 respectively. The Board of Directors place on record the valued guidance received from them during their tenure of directorship of the Company.

AUDITOR AND AUDITORS' REPORT

Messrs. Deloitte Haskins & Sells, Chartered Accountants retire as Auditors of your Company at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Members are requested to consider their re-appointment for financial year ending 31st March, 2010 and authorize the Chairman to decide on their remuneration.

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

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and the benefits derived from R & D and other related details have been furnished in the statement annexed to this Report.

ACKNOWLEDGEMENT

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
16th June, 2009

On behalf of the Board
Kallol Datta
Chairman