

<b>Board of Directors</b>	KALLOL DATTA I. SENGUPTA SUBIR DAS VED PRAKASH ASHIM MUKHERJEE R. N. GHOSAL
<b>Secretary</b>	S. BASU
<b>Auditors</b>	DELOITTE, HASKINS & SELLS
<b>Registered Office</b>	'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

## 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 3rd day of September, 2010 at 10.30 a.m. to transact the following businesses : -

- 1) To consider and adopt the Profit & Loss Account for the year ended 31st March, 2010, 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, 2010.
- 3) To appoint a Director in place of Shri S. Das, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint a Director in place of Shri A. Mukherjee, who retires by rotation and being eligible offers himself for re-appointment.
- 5) 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 28th August, 2010 (Saturday) to 3rd September, 2010 (Friday) both days inclusive.

Registered Office :

“Yule House”

8, Dr. Rajendra Prasad Sarani,  
Kolkata - 700 001

Dated : 26th May, 2010

By Order of the Board

**S. Basu**

Dy. General Manager (F) & Company 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 3rd September, 2010.
  - (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 3rd September, 2010.
  - (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, 2002, 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, 2003 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 Exchange(s), 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.

---

<b>Name of Director</b>	<b>Shri S.Das</b>	<b>Shri A.Mukherjee</b>
Date of Birth	24th November,1958	5th April,1952
Date of Appointment	2nd August, 2007	27th March, 2008
Expertise in specific functional area	Finance, Legal & Management	Administration & Management
Qualification	Chartered Accountant	Graduate
Shareholding in the Company	Nil	Nil
List of other Public Limited Companies in which directorship held	Hooghly Printing Company Limited	Nil
Chairman / Member of the Committees of the Board across all public companies in which he is a Director	Nil	Nil
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman - Audit Committee Chairman - Remuneration Committee	Member - Audit Committee Member - Committee of Board of Directors

## 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, 2010.

	Amount (Rupees in crores)	
	Year ended 31st March, 2010	Year ended 31st March, 2009
The Accounts before charging depreciation show a profit of	95.51	49.17
From which has been deducted :		
Depreciation (Net)	6.18	3.39
Provision for Taxation	<u>31.54</u>	<u>37.72</u>
	57.79	27.55
To which is added the balance brought forward from the last accounts of	<u>82.53</u>	<u>60.78</u>
	140.32	88.33
The Directors have transferred to General Reserve	<u>5.78</u>	<u>2.75</u>
Leaving a balance of	134.54	85.58
And the Directors now recommend a dividend @ 500% (P.Y. 300%) on the Ordinary Shares amounting to	4.36	2.61
Tax on Dividend	<u>0.72</u>	<u>0.44</u>
Leaving a balance to be carried forward of	<u>129.46</u>	<u>82.53</u>

### PERFORMANCE

Your Company delivered another year of stellar performance and improved its operating margins through continued focus on building its brand equity and presence in 'bazaar' segment. The turnover achieved during the year 2009-10 even surpassed the record turnover as achieved during the previous year by 23.11% to Rs. 751.58 crores as compared to Rs. 610.48 crores in the previous year.

In spite of the financial downturn witnessed by the Indian economy during the first half of 2009, which though had shown indications of some stability in the second half, your Company had been able to notch up an impressive performance throughout the year achieving a year end Profit Before Tax of Rs. 89.33 crores during 2009 -10 as compared to 45.78 crores during the previous year, an increase of around 95.13%.

Notwithstanding the competition in industry, your Company adopted a more customer-oriented approach focusing on creating brand awareness. The 'bazaar' segment had been the major marketing focus during the year which your Company addressed through specially designed campaigns. Your Company had been able to tie-up with a few Original Equipment Manufacturers (OEM) with a view to reinforce its value proposition. All these coupled with an unstinted effort to achieve further growth helped your Company to not only accomplish but even surpass the goals set during the year under review.

The Company's plants at Silvassa, Turbhe, Oragadam and Ramkrishnapur continue to be accredited under ISO9001:2000 quality standards. The Silvassa Plant has also obtained accreditation under ISO 14001 for environmental standards. Oragadam plant, wherein the operations of the Royapuram plant was shifted, became operational during the year under review.

The Company's products primarily marketed under the "VEEDOL" brand name are well established and accepted 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.

### WIND ENERGY PROJECT

During the year under review your Company invested in two windmills with a total capacity of 3 MW for generation of renewable energy at Tamil Nadu. With the Governmental support, the wind energy sector is poised to grow further in future. In view of the same, the investment made by your Company in this sun - rise sector, is envisaged to provide adequate returns in the times to come.

### DIVIDEND

In view of the improved financial results, your Directors have the pleasure in recommending a Dividend of 500% (Rs.50.00 per ordinary share) on the Ordinary Shares for the financial year 2009-10 as against 300%

(Rs.30.00 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 Exchange(s) 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(s) together with a certificate from the Statutory Auditors of the Company and declaration by the Executive Director 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.

## **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, 2010, 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, 2010 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](http://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**

In accordance with the provisions of the Companies Act, 1956 and your Company's Articles of Association, Shri S. Das and Shri A. Mukherjee retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

The brief resume / details relating to Shri Das and Shri Mukherjee, are furnished in the Notice of the ensuing Annual General Meeting.

## **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, 2011

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 OUT-GO**

### **A. Conservation of Energy :**

#### **(a) Energy conservation measures taken :**

Energy conservation during the financial year has accrued as a result of the following steps taken at various locations of the Company.

##### **Silvassa :**

1. Installation of wind driven turbo ventilators.
2. Installation of jet mixtures in blending kettle to improve the product quality and save electrical energy.
3. Installation of Stabinger viscometer to reduce testing time and save electrical energy.

##### **Turbhe :**

1. Installation of 32 nos. five star rated split air - conditioners to save on consumption of electrical energy.

##### **Oragadam :**

1. Installation of Variable Frequency Drive in blending kettle to save power.
2. Installation of capacitors for improving "pf" factor and conservation of energy.

#### **(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :**

None in particular

#### **(c) Impact of measures taken for conservation of energy as well as impact on cost of production :**

The measures undertaken in 'A' above have led to reduction in fuel and electricity consumption.

### **B1. 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 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. 1.44 crores (last year Rs. 0.04 crores)
b) Recurring	Rs. 0.83 crores (last year Rs. 0.65 crores)
c) Total	Rs. 2.27 crores (last year Rs. 0.69 crores)
d) Total R & D Expenditure as percentage of total turnover	0.30% (last year 0.11%)

### **B2. Technology Absorption, Adaptation and Innovation :**

- i) The Company had entered into a technical collaboration agreement with Nippon 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 Nippon Oil Corporation (formerly Mitsubishi Oil Co. Ltd.), Japan for manufacture of high-tech lubricants.
- b) Year of import : 1993-94 (agreement renewed last in 2005-06 for 5 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.

**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.

**C. Foreign Exchange Earnings :**

Foreign Exchange Earnings during the year under review was Rs. 0.40 crores (last year Rs. 0.49 crores) while Foreign Exchange Out-go was Rs. 51.56 crores (last year Rs. 55.61 crores).

Kolkata  
26th May, 2010

On behalf of the Board  
**Kallol Datta**  
Chairman



**ANNEXURE I**

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**Industry Structure & Development**

The Indian lubricant industry entered 2009 with significant negative momentum, which continued during the first half of the year, but gradually recovered during the second half. With the change in consumption patterns focus is now on various marketing drives such as fuel economy improvements, engine protection and long life etc. The raw material prices though softer during the first half of the year, eventually increased during the second half.

With the rise in the demand of the passenger car to the extent of 20% on year-on-year basis and with the advent of the multinational car manufacturers in the Indian market, it is likely that this sector will grow in leaps and bounds in times to come. Therefore, lubricant consumption is projected to grow robustly for passenger cars. Your Company is well positioned to take advantage of the opportunity with its well diversified basket of products.

With increase in the income levels and advent of global automobile manufacturers in the Indian market, the lubricant industry is expected to grow steadily in the coming years.

**Opportunities & Threats**

In spite of the onset of the recession during the previous year, the Indian economy recovered during the year 2009- 10 and this growth momentum is expected to further accelerate in future. This is expected to stimulate demand growth and have a positive impact on lubricant demand. The Company has a wide range of excellent products in different segments under its umbrella brand "VEEDOL". This is supported by an elaborate and extensive network of dedicated distributors, dealers and consignment depots across the country.

Though the automotive/industrial oils and industrial/ automotive greases marketed under the "VEEDOL" brand name are well established in the market, the Company's various other sub-brands such as Prima, Turbo and Take Off have also been able to create a goodwill in the market for their quality.

The various Loyalty Programmes with the dealers and the retailers have strengthened the marketing and distribution network of the Company.

However, with the rise in the base oil prices and advent of technology changes, the margins are expected to be impacted and the volume growth may remain below growth in vehicle population.

**Segment wise performance**

**1) Oils & Greases**

In spite of the challenging economic environment, the turnover of your Company increased by 23.11% and the operating profits also increased by 95.13%.

**2) Wind Power**

With a view to generate clean energy, the Company made investments in 2(two) windmills with a total capacity of 3MW. During the year, your company made a capital expenditure of Rs 17.42 crores in this regard. This investment is expected to yield adequate returns in future.

It is expected that cost of power generated from fossil fuels would increase in future and cost of wind energy may become more competitive. In view of the above your Company has made an initial foray in this domain.

### **Outlook**

With regard to the current year your Directors expect the Company to continue its satisfactory performance as in the previous year. Given your Company's brand salience, sound R&D set up, innovative business plan and wide distribution network, it is expected to meet the expectation of the stakeholders in times to come.

With an overall growth in the Indian economy, the growth in lubricating industry is expected to remain healthy. Accordingly, it is anticipated that the Company will continue to grow in future.

Wind energy, with an average growth rate of 30% globally, is the fastest growing source of renewable energy in the world. Wind Energy has been proven to be economically viable and clean source for generating grid quality electrical power and therefore this sector is projected to grow in future. Since the Company has invested in two windmills for generation of electrical energy, it is expected to give good returns in future.

### **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, sales volume has increased by 21.90%, profits have risen by 95.13%.

### **Human Resources**

During the year employer/employee relationships remained cordial.

Kolkata  
26th May, 2010

On behalf of the Board  
**Kallol Datta**  
Chairman