

Board of Directors

KALLOL DATTA
I. SENGUPTA
SUBIR DAS
ASHIM MUKHERJEE
A. K. DATTA
S. S. MAHLAWAT
R. N. GHOSAL

Secretary

S. BASU

Auditors

DELOITTE, HASKINS & SELLS

Registered Office

‘YULE HOUSE’
8, DR. RAJENDRA PRASAD SARANI
KOLKATA 700 001

MUMBAI OFFICE

1301-1306, 13th Floor
Kesar Solitaire
Plot No. 5, Sector-19
Palm Beach Road
Sanpada (East)
Navi Mumbai - 400 705

DELHI OFFICE

1201-1207, ‘A’ Block, 12th Floor
Naurang House
21, Kasturba Gandhi Marg,
New Delhi -110 001

CHENNAI OFFICE

“Seshachalam Centre”
10th Floor
636/1, Anna Salai
Nandanam
Chennai - 600 035

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 20th day of July, 2011 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, 2011, 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, 2011.
- 3) To appoint a Director in place of Shri 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. Ray & Ray, 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 Arun Kumar Datta be and is hereby appointed a Director of the Company.”
- 6) As an Ordinary Resolution
“RESOLVED that Shri S. S. Mahlawat 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 July, 2011 (Thursday) to 20th July, 2011 (Wednesday) both days inclusive.

Registered Office :

“Yule House”

8, Dr. Rajendra Prasad Sarani,

Kolkata - 700 001

Dated : 30th May, 2011

By Order of the Board

S. Basu

General Manager (F) & Company Secretary

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

Item No. 5

Shri A. K. Datta was appointed as Additional Director of the Company with effect from 20th April, 2011. 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 Datta as a Director of the Company at this Annual General Meeting and Shri Datta has consented to act as such, if appointed.

Shri Datta holds a Bachelor Degree alongwith Post-graduate Diploma in Marketing. He has considerable experience in Retail and Institutional Sales, Corporate Business Development, Project Management and Administrative Functions.

The Board recommends appointment of Shri A. K. Datta as a Director.

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

Item No. 6

Shri S. S. Mahlawat was appointed as Additional Director of the Company with effect from 30th May, 2011. 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 Mahlawat as a Director of the Company at this Annual General Meeting and Shri Mahlawat has consented to act as such, if appointed.

Shri Mahlawat holds a Master Degree in Arts. He has considerable experience in the area of Planning and Administration.

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

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

- 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, Chartered Accountants, the retiring Auditors has expressed their unwillingness to be re-appointed as Auditors of the Company for the financial year 2011-12. The Company has received an approach from Messrs. Ray & Ray, Chartered Accountants, who has expressed their willingness and eligibility to conduct the statutory audit of the Company for the year ended 31st March, 2012, 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 in the Register of Members of the Company on 20th July, 2011.
 - (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 20th July, 2011.
 - (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 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 2003, 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, 2004 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.

Name of Director	Shri K. Datta	Shri A. K. Datta	Shri S. S. Mahlawat
Date of Birth	10th March, 1953	14th June, 1947	15th March, 1954
Date of Appointment	23rd July, 2004	20th April, 2011	30th May, 2011
Expertise in specific functional area	Administrative & Management Functions	Retail and Institutional Sales, Corporate Business Development, Project Management & Administrative Functions	Planning and Administrative Functions
Qualification	BE (Mech.) from Kolkata University and M. Tech. (Industrial Engineering) from IIT, Kharagpur	BE (Mech.), PGDBM	M.A.
Shareholding in the Company	Nil	Nil	Nil
List of other Public Limited Companies in which directorship held	<ol style="list-style-type: none"> 1. Andrew Yule & Company Limited 2. Hooghly Printing Company Limited 3. Yule Agro Industries Limited 4. Yule Electrical Limited 5. Yule Engineering Limited 6. The Bengal Coal Company Limited 7. The New Beerbhoom Coal Company Limited 8. Katras Jherriah Coal Company Limited 9. Webfil Limited 10. New Town Telecom Infrastructure Development Co. Limited 	<ol style="list-style-type: none"> 1. The India Cements Limited 2. Electrical Manufacturing Company Limited 3. Trinetra Cement Limited (formerly Indo-Zinc Limited) 	Nil
Chairman / Member of the Committees of the Board across all public companies in which he is a Director	Chairman of Committee of Board of Directors - Andrew Yule & Co. Ltd. Member of Committee of Board of Directors - Webfil Limited	Member of Remuneration Committee - Electrical Manufacturing Company Limited	N.A.
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman - Committee of Board of Directors	Member - Audit Committee Chairman - Remuneration Committee Member - Compensation Committee	Member - Audit Committee Member - Remuneration Committee

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, 2011.

	Amount (Rupees in crores)	
	Year ended 31st March, 2011	Year ended 31st March, 2010
The Accounts before charging depreciation show a profit of	104.17	95.51
From which has been deducted :		
Depreciation (Net)	9.71	6.18
Provision for Taxation	<u>30.30</u>	<u>40.01</u> 64.16
	129.46	82.53
To which is added the balance brought forward from the last accounts of	<u>193.62</u>	<u>140.32</u>
The Directors have transferred to General Reserve	<u>6.42</u>	<u>5.78</u>
Leaving a balance of	187.20	134.54
And the Directors now recommend a dividend @ 600% (p.y. 500%) on the Ordinary Shares amounting to	5.23	4.36
Tax on Dividend	<u>0.85</u>	<u>0.72</u>
Leaving a balance to be carried forward of	<u>181.12</u>	<u>129.46</u>

PERFORMANCE

Your Company posted another year of satisfactory performance. The turnover recorded was the highest-ever in the history of the Company at Rs. 861.42 crores as compared to Rs. 751.58 crores in the previous year, an increase of 14.61 %

The incessant rise in the crude oil prices during the year resulted in escalation of raw material prices, thereby putting the margins under pressure, but your Company partially hedged its needs with timely procurement of base oil both from domestic and international sources, keeping the cost pressures within manageable limits. Despite the above, your Company achieved a Profit Before Tax of Rs. 94.46 crores as compared to Rs. 89.33 crores in the previous year primarily due to continued focus on niche segments and efficiency in procurement of raw material.

The lubricants market remained largely sluggish due to increased usage of long - drain lubes. However, your Company has been able to maintain its performance due to its continued focus on the bazaar segment. Enhancement of brand equity also remained a major focus area during the year which your Company addressed by adopting a more customer - oriented approach, executing extensive campaigns on the electronic media and undertaking elaborate field level activities. With the plethora of lubricant options for customers, your Company has been able to differentiate its products by entering into a tie up with a few leading Original Equipment Manufacturers (OEM) due to its superior R&D capabilities.

The Company's plants at Silvassa, Oragadam and Ramkristopur continue to be accredited under ISO 9001:2008 quality standards. The Silvassa and Oragadam Plants had also obtained accreditation under ISO 14001:2004 for environmental standards.

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

WIND ENERGY PROJECT

During the year 2010-11, the revenue generated from the wind energy project amounted to Rs. 2.01 crores. With the on-going Governmental support this sector is expected to display improving performance. Cash profits are being generated from the first year. The expected saving in tax of Rs. 0.88 crores due to accelerated depreciation has been accounted for.

DIVIDEND

In view of the satisfactory financial results, your Directors have the pleasure in recommending a Dividend of 600% (Rs.60.00 per Ordinary Share) on the Ordinary Shares for the financial year 2010-11 as against 500% (Rs. 50.00 per Ordinary Share) for the

previous year to the equity shareholders of the Company.

EMPLOYEE WELFARE SCHEME

In terms of the approval of the shareholders dated 2nd March, 2011, your Company implemented Tide Water Oil Company (India) Limited Employee Welfare Scheme, 2010-11, for granting / allotting options upto 3% of the paid-up share capital of the Company, to the eligible employees of the Company through Tide Water Oil Company (India) Limited Employee Welfare Trust. This Trust has been constituted for the purpose of acquisition of Ordinary Shares of the Company from the secondary market, holding the Ordinary Shares and allocation / transfer of these shares from time to time in line with the terms and conditions specified under the Scheme. Till date, the Trust has purchased 22,425 Ordinary Shares and the Scheme is being administered by Compensation Committee of the Board of Directors.

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.

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, 2011, 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, 2011 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 Arun Kumar Datta and Shri S. S. Mahlawat have been appointed as Additional Directors with effect from 20th April, 2011 and 30th May, 2011 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.

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

The brief resume / details relating to Shri K. Datta, Shri A. K. Datta and Shri S. S. Mahlawat, are furnished in the Notice of the ensuing Annual General Meeting.

Shri Ved Prakash and Dr. Gulshan Raj resigned from the Board of Directors of the Company with effect from 29th October, 2010 and 20th April, 2011 respectively. The Board of Directors place on record the valued guidance received from them during their tenure of directorship in the Company.

AUDITOR AND AUDITOR'S REPORT

Messrs. Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors expressed their unwillingness to be re-appointed as Auditors of the Company for the financial year 2011-12. The Company has received an approach from Messrs. Ray & Ray, Chartered Accountants, who have expressed their willingness and eligibility to conduct the statutory audit of the Company for the year ending 31st March, 2012. Members are requested to consider the appointment of Messrs. Ray & Ray, Chartered Accountants, as the Statutory Auditors of the Company for financial year ending 31st March, 2012 and authorise 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. Conventional Screw and Gear pumps for handling chemical additives were replaced by Energy Efficient Vane pumps (3 Nos.) resulting in energy savings, reducing the batch cycle time & maintenance.
2. Tube lights with normal ballasts were replaced with electronic ballasts (30 Nos.) to reduce electrical power consumption.

Turbhe :

1. Bulk handling of major chemical additives supplied in ISO tanks was introduced during the year to reduce batch cycle time and losses.
2. In 1 Ltr filling machine, the motor conveyor has been replaced by inclined path which allow the empty containers to reach under the filling point using gravitational force which saves electrical energy.

Oragadam :

1. Provision of VFD for Grease Dosing Pump Motor for improving process efficiency, optimizing batch time as well as power consumption.
2. Modified grease processing sequence and reduced batch cycle time. This in turn resulted in energy saving.
3. Capacitor banks modified to monitor & achieve a PF above 0.95.

(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 Oragadam, Chennai and R&D Unit at Turbhe, Mumbai. Both these units are equipped with modern testing facilities essential for lubricant 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
	(last year Rs. 1.44 crores)
b) Recurring	Rs. 0.91 crores
	(last year Rs. 0.83 crores)
c) Total	Rs. 0.91 crores
	(last year Rs. 2.27 crores)
d) Total R & D Expenditure as percentage of total turnover	0.11 %
	(last year 0.30%)

B2. Technology Absorption, Adaptation and Innovation :

- i) The Company had entered into a technical collaboration agreement with JX Nippon Oil & Energy Corporation (formerly Nippon Oil

Corporation), 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, specially for the Japanese OEM Segment.
- iii) Information regarding imported technology :
 - a) Technology imported from JX Nippon Oil & Energy Corporation (formerly Nippon Oil Corporation), 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.

C. Foreign Exchange Earnings :

Foreign Exchange Earnings during the year under review was Rs. 0.65 crores (last year Rs. 0.40 crores) while Foreign Exchange Out-go was Rs. 35.09 crores (last year Rs. 51.56 crores).

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
30th May, 2011

On behalf of the Board
Kallol Datta
Chairman

ANNEXURE I

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Development

Indian lubricating market witnessed a steady performance during the year under review. Though there had been an all round economic growth, but the rising crude oil prices in the global market downplayed the returns of the sector. While, increase of passenger car, motorcycle population, size of on-highway and off-highway fleets continue to exhibit a positive future, yet the growth of the lubricant industry is expected to be muted in view of technology upgradation. Further, substantial shift in quality level is also envisaged in view of modernization of the vehicles, need for longer life oils and increasingly stringent emission limits, which calls for capital intensive R&D programmes. Your Company with its well diversified basket of products, strong brand recognition and wide distribution network is well equipped to perform steadily in the coming years.

Opportunities & Threats

With increasing environmental concerns and need for high quality lubricants to improve fuel economy, the demand for premium lubricants is gaining momentum. Further, with availability of high quality base stocks, the synthetic oil market is also envisaged to mark its presence in the lubricating industry in the coming years. To cater to such increased and varied demands, 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 automotive/industrial 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 sluggish.

Segment wise performance

1) Oils & Greases

During the year under review, the turnover of your Company increased by 14.35% and the operating profits also increased by 6.38%.

2) Wind Power

During the year 2010-11, the revenue generated from the project amounted to Rs. 2.01 crores. This sector is expected to yield increased returns in future. Cash profits are being generated from the first year. In addition, expected saving of Income Tax due to accelerated depreciation is more than the loss incurred from this division.

India's rich wind energy resource potential, manufacturing base, growing technical knowledge combined with increasing interest from independent power producers, is likely to have a positive impact in the growth of renewable energy sector in future.

Outlook

With regard to the current year your Directors expect the Company to continue its satisfactory performance as in the previous year. However, relentless rise in the crude oil prices and expected increase in prices of raw

materials could result in a pressure on margins of the Company. In view of robust economic growth, the lubricant industry is anticipated to remain healthy and the Company with its background of rich experience and brand salience is expected to continue its growth.

The electricity industry in India is expected to undergo a paradigm change with the increasing need to upgrade outdated transmission and distribution systems fueled by increasing central and state level initiatives to promote wind energy projects and advent of newer technologies in the renewable energy segment. As such, this sector is poised to grow in leaps and bounds in future. Your Company having made its initial foray, is expected to get reasonable returns in future from its wind energy projects and may further expand in this segment in future.

Risks & 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 5.07%, profits have risen by 5.74%.

Human Resources

During the year employer/employee relationships remained cordial.

Kolkata
30th May, 2011

On behalf of the Board
Kallol Datta
Chairman