

Board of Directors	KALLOL DATTA R. N. GHOSAL SUBIR DAS ASHIM MUKHERJEE A. K. DATTA G. VENKATESH S. SWAMINATHAN
CFO	S. BASU
Secretary	S. GANGULI
Auditors	RAY & RAY
Registered Office	'YULE HOUSE' 8, DR. RAJENDRA PRASAD SARANI KOLKATA 700 001 www.tidewaterindia.com

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 Thursday, the 16th day of August, 2012 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, 2012, 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, 2012.
- 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. 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 :

- 6) As an Ordinary Resolution
“RESOLVED that Dr. G. Venkatesh be and is hereby appointed a Director of the Company.”
- 7) As an Ordinary Resolution
“RESOLVED that Shri S. Swaminathan be and is hereby appointed a Director of the Company.”
- 8) As an Ordinary Resolution
“RESOLVED THAT subject to the provisions of Sections 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 Managing Director of the Company for a period of 4 (four) years with effect from 2nd November, 2011 or upto the date of his superannuation, whichever is earlier and to the payment of such remuneration and other terms and conditions as set out in the letter of appointment dated 2nd November, 2011 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 10th August, 2012 (Friday) to 16th August, 2012 (Thursday) both days inclusive.

Registered Office :

“Yule House”

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

Dated : 30th May, 2012

By Order of the Board

S. Ganguli

Company Secretary

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

Item No. 6

Dr. G. Venkatesh was appointed as Additional Director of the Company with effect from 21st September, 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 Dr. Venkatesh as a Director of the Company at this Annual General Meeting and Dr. Venkatesh has consented to act as such, if appointed.

Dr. Venkatesh is a Doctor in Philosophy and a Cost Accountant. He also holds a Master Degree in Public Administration. He is Deputy Secretary to the Government of India, Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises. He has considerable expertise in Auditing, Costing and General Administration fields.

The Board recommends appointment of Dr. G. Venkatesh as a Director.

No Director other than Dr. G. Venkatesh has any interest or concern in the proposed resolution.

Item No. 7

Shri S. Swaminathan was appointed as Additional Director of the Company with effect from 30th May, 2012. 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 S. Swaminathan as a Director of the Company at this Annual General Meeting and Shri S. Swaminathan has consented to act as such, if appointed.

Shri S. Swaminathan holds a Bachelor Degree in Engineering. He is Director (Planning) in Andrew Yule & Co. Ltd. He has considerable expertise in Industrial Engineering, Corporate Planning & Administration.

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

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

Item No. 8

At the respective meetings of the Remuneration Committee of the Board and the Board of Directors of the Company held on 2nd November, 2011, the Board on the recommendation of the Remuneration Committee, subject to the approval of the members of the Company appointed Shri R. N. Ghosal, Executive Director as Managing Director of the Company for a period of 4 (four) years from 2nd November, 2011 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 Executive Director of the Company since 29th July, 2009 and holds a Post Graduate degree in Chemistry from IIT, Delhi. He has 35 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 Managing Director are contained in the Letter of Appointment dated 2nd November, 2011. The main terms & conditions of his appointment are set out below:-

1) Remuneration :

- a) i) Salary – Basic at Rs. 71,030/- per month with annual increment of 3% p.a.
- ii) Dearness Allowance – As per Company Rules.
- iii) Housing – Company accommodation or HRA @30% of Basic Salary.
- iv) Commission – 0.3% of the Net Profit of the Company subject to a maximum of Rs.6,00,000.
- v) Stock Option – As per Tide Water Oil Company (India) Limited Employee Welfare Scheme, as framed and upto such limit as may be declared and implemented from time to time.

b) Perquisites –

- i) Electricity, etc - As per Company Rules.
- ii) Medical reimbursement - Reimbursement of domiciliary medical expenses subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years for self, wife and dependent children. Medical insurance premium paid to be reimbursed from this eligibility. Hospitalization facilities to be provided as per Company Rules.
- iii) Leave Travel Concession - As per Company Rules.
- iv) Club Fees - As per Company Rules
- v) Motor Car - As per Company Rules.
- vi) Telephone - Free telephone facilities at residence. Personal long distance calls on telephone will be recoverable by the Company.
- vii) Leave - As per Company Rules.
- viii) Voucher Payments - As may be applicable on actual basis

c) Superannuation benefits –

- i) Provident Fund - As per Company Rules.
- ii) Gratuity - As per provision of The Payment of Gratuity Act, 1975 and any amendment thereof.
- iii) Pension Fund - As per Company Rules.
- iv) Post retirement medical reimbursement - As per Company Rules.

Company's contribution towards Provident Fund, Gratuity, Pension Fund and post - retirement medical benefits will be subject to maximum 30% of Basic Pay and Dearness Allowance.

In computing monetary ceilings on perquisites, the Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account.

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 take the aforesaid remuneration by way of salary, perquisites and other benefits payable to Shri R. N. Ghosal as Minimum Remuneration.

3. Termination :

The appointment is terminable on 3 (three) calendar months' notice on either side or on the date of his superannuation, whichever is earlier.

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 the hours of 11 a.m. and 1 p.m. 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.

- 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. Ray & Ray, Chartered Accountants, the retiring Auditors have offered themselves for re-appointment as auditors of the Company, and accordingly, their name has been proposed for appointment. Section 224A of the Companies Act, 1956, is applicable to the Company and therefore it is necessary to pass a special resolution for appointment of the Auditors.
 - (4) Dividend that may be declared by the Company will be paid to those members whose names will appear in the Register of Members of the Company on 16th August, 2012.
 - (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 16th August, 2012.
 - (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, 2004, 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, 2005 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 'Green Initiative' Circular No. 17/2011 issued by the Ministry of Corporate Affairs, the Company effected electronic delivery of notice of Annual General Meeting and Annual Report for the year ended 31st March, 2012 to those shareholders, whose email-ids were registered with the respective depository participants and downloadable from the depositories viz., NSDL/CDSL upon receipt of positive consent from the concerned shareholders.
 - (11) Pursuant to Clause 49(IV)(G)(i) & (ia) 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 S. Das (**)	Shri A. Mukherjee	Dr. G. Venkatesh	Shri S. Swaminathan	Shri R. N. Ghosal
Date of Birth	24th November, 1958	5th April, 1952	7th July, 1974	29th July, 1955	1st March, 1955
Date of Appointment	2nd August, 2007	27th March, 2008	21st September, 2011	30th May, 2012	2nd November, 2011(*)
Expertise in specific functional area	Finance, Legal & Management	Administration & Management	Auditing, Costing and General Administration	Industrial Engineering, Corporate Planning & Administration.	Marketing, Management & Chemistry
Qualification	Chartered Accountant	Graduate	Ph.D, AICWA, MA (Public Administration)	B.E. (Electrical & Electronics)	M. Sc. Chemistry from IIT, Delhi and M. Tech (Credits) from IIT, Delhi
Shareholding in the Company	Nil	Nil	Nil	Nil	188 options underlying Ordinary Shares granted pursuant to Tide Water Oil Company (India) Limited Employee Welfare Scheme, 2010-11
List of other Public Limited Companies in which directorship held	Allbank Finance Limited	Nil	1. HMT Bearings Limited 2. HMT Watches Limited	1. Andrew Yule & Co. Ltd. 2. Hooghly Printing Co Ltd. 3. Yule Electricals Ltd. 4. Yule Engineering Ltd.	Nil
Chairman/Member of the Committees of the Board across all public Companies in which he is a Director	Nil	Nil	Nil	Nil	Nil
Chairman/Member of the Committees of the Board of Directors of the Company	Member- Audit Committee Member- Remuneration Committee	Chairman- Audit Committee Chairman- Compensation Committee Member- Committee of Board of Directors	Member- Audit Committee Member- Remuneration Committee	Chairman- Remuneration Committee Member - Compensation Committee Member - Committee of Board of Directors	Nil
Disclosure of relationships between Directors inter-se	No relationship shared between Directors inter-se	No relationship shared between Directors inter-se	No relationship shared between Directors inter-se	No relationship shared between Directors inter-se	No relationship shared between Directors inter-se

Notes :

(*) Shri R. N. Ghosal was appointed as Executive Director of the Company w.e.f. 29th July, 2009.

(**) Shri S. Das was also a member of the Veedol International Committee which was dissolved with effect from 2nd November, 2011.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting their Annual Report on the operations of the Company together with audited accounts for the year ended 31st March, 2012.

	Amount (Rupees in crores)			
	Year ended 31st March, 2012		Year ended 31st March, 2011	
The Accounts before charging depreciation show a profit of		95.45		104.17
From which has been deducted :				
Depreciation (Net)	9.26		9.71	
Provision for Taxation	<u>27.11</u>	<u>36.37</u> 59.08	<u>30.30</u>	<u>40.01</u> 64.16
To which is added the balance brought forward from the last accounts of		<u>181.12</u> 240.20		<u>129.46</u> 193.62
The Directors have transferred to General Reserve		<u>5.91</u>		<u>6.42</u>
Leaving a balance of		234.29		187.20
And the Directors now recommend a dividend @ 1200% (p.y. 600%) on the Ordinary Shares amounting to		10.46		5.23
Tax on Dividend		<u>1.70</u>		<u>0.85</u>
Leaving a balance to be carried forward of		<u>222.13</u>		<u>181.12</u>

PERFORMANCE

The performance of your Company during the year under review was satisfactory considering the slowdown in the economy. The turnover recorded was the highest-ever in the history of the Company at Rs. 1006.45 crores as compared to Rs.861.42 crores in the previous year, an increase of 16.84 %. However, the increase in crude oil price in the international markets had an adverse effect on the Profit Before Tax achieved during the year, which amounted to Rs. 86.19 crores as against Rs.94.46 crores in the preceding year. There has also been a modest rise in the volume of sales, which during the year under review was largely affected due to depressed market conditions, introduction of long-drain lubes and keen competition.

Nonetheless, during the year your Company continued to focus on the premium segment, rationalize operations in tune with market condition and adopt appropriate raw-material procurement strategies.

The Company carried on its policy of building brand equity through sustained campaigns in the media for its Veedol Brand in both diesel and petrol segments. The "Bazaar" segment remained the main focal point during the year and tie-up with the leading Original Equipment Manufacturers (OEM) also helped in extending the product line of the Company and increase its presence in new markets.

The Company's plants at Silvassa, Turbhe, Oragadam and Ramkrishnapur 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 accepted in the industry for their quality and variety. 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.

ACQUISITION OF VEEDOL INTERNATIONAL LIMITED

During the year, your Company acquired 100% shares of Veedol International Limited from Castrol Limited and Lubricants UK Limited, wholly owned subsidiaries of BP Plc. Through this acquisition the Company got the global rights to a wide portfolio of registered trade marks for the master brand "VEEDOL" as well as its associated product sub-brands and iconic logos. The acquisition of Veedol International Limited by your Company is envisaged to open up opportunities for export and sale of lubricants under the "VEEDOL" brand in various geographies around the world.

WIND ENERGY PROJECT

During the year 2011-12, the revenue generated from the Wind Energy Project amounted to Rs. 1.98 crores. Considering the continued governmental support, the sector is poised to provide adequate returns and continue to generate cash profits over the years. The expected savings in tax of Rs. 0.45 crores due to accelerated depreciation has also been accounted for.

DIVIDEND

With a view to commemorate the highest-ever turnover achieved and the sesquicentennial year of the Andrew Yule group, your Directors recommend a special dividend of 400% in addition to the normal dividend of 800%, thereby recommending an aggregate dividend of 1200% (Rs.120/- per Ordinary Share) on the Ordinary Shares for the financial year 2011-12 as against 600% (Rs.60/- per Ordinary Share) for the previous year to the equity shareholders of the Company.

EMPLOYEE WELFARE SCHEME AND TRUST

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. For the purpose of the said acquisition a loan of Rs. 17 crores has been obtained by the Trust from the Company. Till date, the Trust has purchased 22,425 Ordinary Shares and the Scheme is being administered by Compensation Committee of the Board of Directors.

During the year under review the trust has granted options of 3924 nos. underlying Ordinary Shares of the Company to the eligible employees.

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 together with a certificate from the Statutory Auditors of the Company and declaration by the Managing 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.

SUBSIDIARY

On acquisition of 100% shares, Veedol International Limited had become a subsidiary of the Company with effect from October, 2011. Moreover, to explore the possibilities of marketing the products under “Veedol” brand in the Middle East markets, your Company has floated another 100% subsidiary under the name Veedol International DMCC in Dubai, UAE.

The statement pursuant to Section 212 of the Companies Act, 1956, containing details of the Company’s overseas subsidiaries forms part of the Annual Report.

In view of General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, the Audited Statement of Accounts alongwith the Report of the Board of Directors and Auditors relating to your Company’s Overseas Subsidiaries viz., Veedol International Limited and Veedol International DMCC for the financial year ended 31st December, 2011 are not annexed as required under Section 212(8) of the Companies Act, 1956. Shareholders who wish to have a copy of the full Report and Accounts of the aforesaid subsidiary companies, will be provided the same, on receipt of a written request. These documents will also be available for inspection by any shareholder at the Registered Office of the Company and the concerned subsidiary companies during business hours on all working days. However, as

directed by the Ministry of Corporate Affairs, Govt. of India vide the aforesaid Circular relevant particulars of the subsidiaries have been included in the Report.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements have been prepared in accordance with the principles and procedures for the preparation and presentation of Consolidated Accounts as set out in the Accounting Standards (AS21) on Consolidated Financial Statements notified by the Companies' Accounting Standard Rules, 2006, (as amended). The Audited Consolidated Financial Statement together with Auditors' Report forms part of the Annual Report.

The group recorded a Consolidated Profit Before Tax of Rs. 85.03 crores for the financial year 2011-12.

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, 2012, 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, 2012 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

Dr. G. Venkatesh and Shri Swaminathan have been appointed as Additional Directors with effect from 21st September, 2011 and 30th May, 2012, 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 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 retires by rotation at the ensuing Annual General Meeting and are eligible for re – appointment.

The brief resume / details relating to Shri S. Das, Shri A. Mukherjee, Dr. G. Venkatesh and Shri S. Swaminathan are furnished in the Notice of the ensuing Annual General Meeting.

Shri S. S. Mahlawat resigned from the Board of Directors of the Company with effect from 21st September, 2011. The Board of Directors place on record the valued guidance received from him during his tenure of directorship in the Company.

Pursuant to clause 49(IV)(G)(ia) it is disclosed that no Directors share any relationship inter-se.

AUDITOR AND AUDITOR'S REPORT

Messrs. Ray & Ray, 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, 2013 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.

COST AUDITOR

Pursuant to Order No.F.NO.52/26/CAB-2010 dated 2nd May, 2011 read with provisions as contained under Cost Accounting Records (Petroleum Industry) Rules, 2002 and General Circular No.15/2011 dated 11th April, 2011, as issued by Cost Audit Branch of the Ministry of Corporate Affairs, your Company has appointed DGM & Associates, Cost Accountants for conducting audit of the Cost Accounting Records of the Company for the year 2011-12, with regard to the lubricants business. The said appointment, as made pursuant to Section 233B of the Companies Act, 1956, has been approved by the Ministry of Corporate Affairs. The Audit is underway and the Report will be submitted to the Central Government within 180 days from the close of the financial year 2011-12 as mandated under Rule 5 of the Companies (Cost Audit Report) Rules, 2011.

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. Tube lights with normal ballasts were replaced with electronic choke/ballasts which resulted in reducing the electrical

power consumption upto 1,000 units per year.

2. Former Conveyer was replaced by Integrated Conveyer in 5 litre capping machine resulting in power saving of approximately 5,000 units per year.

Turbhe :

Harmonic Filter in out HT Supply has been installed, ensuring decrease in electrical energy wastage.

Oragadam :

1. Installation of low cost "Sprinkler" for watering the garden with reduction in power and water consumption.
2. Conveyor system modified in 3 No. of filling lines by eliminating one set of powered conveyor, while maintaining the throughput.
3. Capacitor bank modified to suit load pattern & to achieve optimum power factor.

(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-