

Board of Directors	KALLOL DATTA R. N. GHOSAL H. SINGH SUBIR DAS ASHIM MUKHERJEE A. K. DATTA 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 - 700001 on , Monday the 19th day of August, 2013 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, 2013, 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, 2013.
- 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 resolution:

- 5) As an Ordinary Resolution

“RESOLVED that Shri H. Singh 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 13th August, 2013 (Tuesday) to 19th August, 2013 (Monday) both days inclusive.

Registered Office :

“Yule House”

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

Dated : 30th May, 2013

By Order of the Board

S. Ganguli

Company Secretary

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

Item No. 5

Shri H. Singh was appointed as Additional Director of the Company with effect from 31st October, 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 H. Singh as a Director of the Company at this Annual General Meeting and Shri H. Singh has consented to act as such, if appointed.

Shri H. Singh is a Bachelor of Law and also holds a Post Graduate Degree in History. He is Joint Secretary to the Government of India, Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises. He has considerable expertise in Administration and Industrial Development fields.

The Board recommends appointment of Shri H. Singh as a Director.

No Director other than Shri H. Singh 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 / re-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 19th August, 2013.
- (5) Messrs. MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata – 700 026 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 19th August, 2013.
- (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, 2005, 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, 2006 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, 2013 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 K. Datta	Shri H. Singh
Date of Birth	10th March, 1953	23rd November, 1955
Date of Appointment	23rd July, 2004	31st October, 2012
Expertise in specific functional area	Administrative & Management Functions	Administration & Industrial Development
Qualification	BE (Mech.) from University of Calcutta and M. Tech. (Industrial Engineering) from IIT, Kharagpur	PG (History) & LL.B
Shareholding in the Company	Nil	Nil
List of other Public Limited Companies in which directorship held	<ol style="list-style-type: none"> 1. Andrew Yule & Company Limited 2. Bharat Bhari Udyog Nigam Limited 3. The Braithwaite Burn Jessop Construction Company Limited 4. Hooghly Printing Company Limited 5. Yule Agro Industries Limited 6. Yule Electrical Limited 7. Yule Engineering Limited 8. The Bengal Coal Company Limited 9. The New Beerbhoom Coal Company Limited 10. Katras Jherriah Coal Company Limited 11. Webfil Limited 12. New Town Telecom Infrastructure Development Company Limited 	<ol style="list-style-type: none"> 1. Andrew Yule & Company Limited 2. Cement Corporation of India Limited 3. HMT Limited 4. HMT International Limited 5. Heavy Engineering Corporation Limited 6. Scooters India Limited
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	Nil
Chairman/Member of the Committees of the Board of Directors of the Company	Chairman – Committee of Board of Directors	Member – Remuneration Committee Member – Audit Committee
Disclosure of relationships between Directors inter-se	No relationship shared between Directors inter-se	No relationship shared between Directors inter-se

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, 2013.

	Amount (Rupees in crores)			
	Year ended 31st March, 2013		Year ended 31st March, 2012	
The Accounts before charging depreciation show a profit of		103.29		95.45
From which has been deducted :				
Depreciation (Net)	9.09		9.26	
Provision for Taxation	<u>31.27</u>	<u>40.36</u>	<u>27.11</u>	<u>36.37</u>
		62.93		59.08
To which is added the balance brought forward from the last accounts of		<u>222.13</u>		<u>181.12</u>
		285.06		240.20
The Directors have transferred to General Reserve		<u>6.29</u>		<u>5.91</u>
Leaving a balance of		278.77		234.29
And the Directors now recommend a dividend @ 1500% (p.y. 1200%) on the Ordinary Shares amounting to		13.07		10.46
Tax on Dividend		<u>2.22</u>		<u>1.70</u>
Leaving a balance to be carried forward of		<u><u>263.48</u></u>		<u><u>222.13</u></u>

PERFORMANCE

Your Company has completed another successful year of operation. During the year under review the turnover recorded was the highest-ever in the history of the Company at Rs. 1084.24 crores as compared to Rs. 1004.47 crores in the previous year, an increase of 7.94%. This performance is even more satisfying as it has been achieved despite difficult market conditions arising out of slowdown in the economy. Moreover, in spite of sharp rise in input costs including base oil prices internationally, the Company achieved a Profit Before Tax of Rs 94.20 crores as compared to Rs. 86.19 crores in the preceding year. The higher profit achieved was primarily on account of the rationalization of the pricing structure, adoption of austerity measures and optimum procurement of raw materials.

The brand equity of the Company's products has helped the Company to remain in good stead even in such a turbulent business environment and enabled it to maintain brand loyalty in its niche markets. The lubricant market remained largely sluggish due to ongoing upgradation of engine design and 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 awareness also remained a major focus area during the year which your Company addressed by adopting more customer-centric approach, executing campaigns on the electronic media and undertaking elaborate field level activities. Realignment of the distribution network, efforts in maintaining direct contacts with the customers and various strategic alliances with the leading Original Equipment Manufacturers (OEM), helped your Company to achieve improved results 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 activities carried out by the Company's accredited R&D Centers have been successful in upgrading product formulation and the process of absorption of latest technology in the industry.

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

BRAND 'VEEDOL'

During the year 2011-12, 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 opened up opportunities for export and sale of lubricants under the “VEEDOL” brand to various geographies around the world. To leverage the salience of the Veedol brand in international markets, the Company has initiated steps for marketing its products in Middle East, Asia and Europe.

INTERNATIONAL OPERATIONS

The Company has established a 100% subsidiary in the United Arab Emirates, namely, Veedol International DMCC to cater to the Middle East region. Country distributors have been appointed in various countries of the GCC and Levant and the Brand relaunched. Initial response is encouraging. During the year the Company has also set up Veedol International BV in the Netherlands, as a wholly owned subsidiary. This is expected to relaunch Veedol in Europe in 2013-14.

WIND ENERGY PROJECT

During the year 2012-13, the revenue generated from the Wind Energy Project amounted to Rs. 2.48 crores. The sector is poised to provide adequate returns and continue to generate cash profits over the years.

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, 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. At the outset, 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 2811 nos. underlying Ordinary Shares of the Company to the eligible employees.

However, in terms of new clarifications announced vide Circular no. CIR/CFD/DIL/3/2013 dated 17th January, 2013 and Circular no. CIR/CFD/DIL/7/2013 dated 13th May, 2013, issued by Securities Exchange Board of India (SEBI), the Scheme will be aligned with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, within stipulated time.

DIVIDEND

In view of improved financial results, your Directors have the pleasure in recommending a dividend of 1500% (Rs.150/- per ordinary share) on the Ordinary Shares for the financial year 2012-13 as against a cumulative dividend of 1200% (Rs.120/- 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 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 Middle East, Asian and European markets, your Company has floated 100% subsidiaries under the name Veedol International DMCC in Dubai, UAE and Veedol International BV, in the Netherlands, respectively.

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, Veedol International DMCC and Veedol International BV for the financial year 2012-13 are not annexed as required under Section 212(1) 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. 94.18 crores for the financial year 2012-13 as compared to Rs.85.03 crores, as achieved in the preceding 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, 2013, 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, 2013 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 H. Singh has been appointed as Additional Director with effect from 31st October, 2012. He will hold office upto the date of the ensuing Annual General Meeting and is eligible for re-appointment. The

Company has received notice 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 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 and Shri H. Singh are furnished in the Notice of the ensuing Annual General Meeting.

Shri I. Sengupta and Dr. G. Venkatesh resigned from the Board of Directors of the Company with effect from 30th June, 2012 and 31st October, 2012, respectively. The Board of Directors place on record the valued guidance received from them during their 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 AUDITORS' 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, 2014 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 2012-13, 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 2012-13 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. Air compressors were switched off during recess which resulted in reduction of electrical power consumption upto 6240 units per year.
2. Sodium Vapour street lights are being replaced with energy efficient LED lights which are expected to reduce power consumption by 7380 units per year.
3. Tube lights with normal ballasts were replaced with electronic ballasts which resulted in reducing the electrical power consumption upto 864 units per year.

Turbhe :

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

Oragadam :

1. Installation of low cost "Sprinkler" for watering the garden with reduction in power and water consumption.
2. Auto timer ON / OFF system introduced for street lights resulting in increase in life of the instruments and energy saving.
3. VFD introduced in 20 KL blending kettle to control the drive thereby leading to energy saving.
4. Auto level controller introduced for Bore well pump which is intended for reduction of power consumption.

(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.

Energy Corporation (formerly Nippon Oil Corporation), Japan, for manufacture of hi-tech lubricants. The product formulations received from collaborator have been utilized 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 2011-12 for 2 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.

B1. RESEARCH & 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. 0.04 crores
(last year Rs. 0.94 crores)
 - b) Recurring Rs. 1.07 crores
(last year Rs. 0.93 crores)
 - c) Total Rs. 1.11 crores
(last year Rs. 1.87 crores)
 - d) Total R & D Expenditure as percentage of total turnover 0.10 %
(last year 0.19%)

C. FOREIGN EXCHANGE EARNINGS:

Foreign Exchange earnings during the year under review was Rs. 0.65 crores (last year Rs. 0.60 crores) while Foreign Exchange outgo was Rs 167.07 crores (last year Rs. 136.90 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.

B2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

Kolkata
30th May, 2013

On behalf of the Board
Kallol Datta
Chairman

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Development

The growth in the Indian Economy has been sluggish during the year 2012-13. This slowdown was largely due to stagnating demand and high inflation that had resulted in high interest rates and devaluation of Indian Rupee. Consequently the lubricant industry also passed through difficult times. With the change in consumption patterns focus is now on various marketing drives such as fuel economy improvements, engine protection and constant technology upgradation in the industry. However, with the rise in demand of the passenger car and with the advent of multinational car manufacturers, the Indian lubricant industry is poised to grow in the coming years. 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. Further, acquisition of Veedol International Limited bestowed competitive edge unfolding promising opportunities globally.

Opportunities & Threats

With constant shift in the consumption pattern, the demand for high quality lubricants to improve fuel economy and demand for premium lubricants is on the rise. However, with the demand growth of the car segment, the lubricant industry may experience substantial growth in the future. Your Company has a wide range of excellent products under the umbrella brand "Veedol" and is poised to take advantage of the increasing demand. This is supported by an elaborate and extensive network of dedicated distributors, dealers and consignment depots across the country. Further, the Company has already started exploring opportunities of marketing Veedol Lubricants in foreign markets post acquisition of Veedol International Ltd.

The Company's sub-brands such as Prima, Turbo and Take Off have also been able to create goodwill in the respective market segments.

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

However, with the advent of new technology changes, the margins are expected to be impacted and volume growth may remain moderate.

Segment Wise Performance

1. Lubricants

During the year under review, the turnover of your Company increased by 7.94%. The operating profits also increased by 9.29%.

2. Wind Power

During the year 2012-13, the revenue generated from the project amounted to Rs 2.48 crores.

Outlook

With regard to current year your Directors expect the Company to continue its satisfactory performance as in the previous year. Your company with its rich experience, brand salience, innovative business plans and strong