

|                           |                                                                                                                                        |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>Board of Directors</b> | KALLOL DATTA<br>R. N. GHOSAL<br>H. SINGH<br>SUBIR DAS<br>ASHIM MUKHERJEE<br>A. K. DATTA<br>S. SWAMINATHAN                              |
| <b>CFO</b>                | S. BASU                                                                                                                                |
| <b>Secretary</b>          | S. GANGULI                                                                                                                             |
| <b>Auditors</b>           | RAY & RAY                                                                                                                              |
| <b>Registered Office</b>  | 'YULE HOUSE'<br>8, DR. RAJENDRA PRASAD SARANI<br>KOLKATA 700 001<br><a href="http://www.tidewaterindia.com">www.tidewaterindia.com</a> |

**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<br>(with pin code) | Nine digit code no. of the Bank & Branch<br>as appearing in the cheque book<br>(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.

| <b>Name of Director</b>                                                                              | <b>Shri K. Datta</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Shri H. Singh</b>                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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"> <li>1. Andrew Yule &amp; Company Limited</li> <li>2. Bharat Bhari Udyog Nigam Limited</li> <li>3. The Braithwaite Burn Jessop Construction Company Limited</li> <li>4. Hooghly Printing Company Limited</li> <li>5. Yule Agro Industries Limited</li> <li>6. Yule Electrical Limited</li> <li>7. Yule Engineering Limited</li> <li>8. The Bengal Coal Company Limited</li> <li>9. The New Beerbhoom Coal Company Limited</li> <li>10. Katras Jherriah Coal Company Limited</li> <li>11. Webfil Limited</li> <li>12. New Town Telecom Infrastructure Development Company Limited</li> </ol> | <ol style="list-style-type: none"> <li>1. Andrew Yule &amp; Company Limited</li> <li>2. Cement Corporation of India Limited</li> <li>3. HMT Limited</li> <li>4. HMT International Limited</li> <li>5. Heavy Engineering Corporation Limited</li> <li>6. Scooters India Limited</li> </ol> |
| 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.<br>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<br>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<br>(Rupees in crores)       |                                    |
|-----------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
|                                                                                                     | Year ended<br>31st March, 2013     | Year ended<br>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><br>62.93 | <u>27.11</u> <u>36.37</u><br>59.08 |
| To which is added the balance brought forward from the last accounts of                             | 222.13                             | 181.12                             |
|                                                                                                     | 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>263.48</u>                      | <u>222.13</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](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**

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<br>(last year Rs. 0.94 crores) |
| b) Recurring                                               | Rs. 1.07 crores<br>(last year Rs. 0.93 crores) |
| c) Total                                                   | Rs. 1.11 crores<br>(last year Rs. 1.87 crores) |
| d) Total R & D Expenditure as percentage of total turnover | 0.10 %<br>(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

R&D initiatives is envisaged to meet the expectations of the stakeholders going forward. Additionally, in view of the acquisition of Veedol International Ltd., your Company is well poised to explore and exploit global opportunities.

Wind energy sector is a growing renewable energy sector in the country presenting substantial growth opportunities thereby encouraging companies to invest in this sector.

### **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 system 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 and profits has increased by 0.14% and 9.29%, respectively.

### **Human Resources**

During the year employer / employee relationships remained cordial.

Kolkata  
30th May, 2013

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

## ANNEXURE II

## CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has been following the principles of Corporate Governance over the years by placing emphasis on transparency, accountability and integrity so as to enhance value of all stakeholders namely employees, shareholders, customers and creditors.

Your Company is tirelessly striving to achieve heights of excellence by adhering to best governance and disclosure policy as envisaged in terms of Clause 49 of the Listing Agreement with the Stock Exchange(s) relating to Code of Corporate Governance as applicable from 31st December, 2005. Your Company is complying with all provisions and the details of such compliance are outlined below :

## BOARD OF DIRECTORS

*Composition, Category of Directors, their other directorships and the membership of various committees as on 31st March, 2013.*

The Board of Directors comprises of an Executive Director and six Non-Executive Directors, out of whom three are independent.

Details of the Board of Directors as on 31st March, 2013 are given below :

| Name                | Business Relation | Category                    | Other Directorship in Public Ltd. Companies incorporated in India* | Other Committee position held# |           |
|---------------------|-------------------|-----------------------------|--------------------------------------------------------------------|--------------------------------|-----------|
|                     |                   |                             |                                                                    | As Chairman                    | As Member |
| Shri K. Datta       | Chairman          | Non-Executive               | 12                                                                 | —                              | —         |
| Shri R.N. Ghosal    | Managing Director | Executive                   | —                                                                  | —                              | —         |
| Shri H. Singh       | Director          | Non-Executive & Independent | 6                                                                  | —                              | —         |
| Shri S. Das         | Director          | Non-Executive               | 1                                                                  | 1                              | —         |
| Shri A. Mukherjee   | Director          | Non-Executive & Independent | —                                                                  | —                              | —         |
| Shri A. K. Datta    | Director          | Non-Executive & Independent | 3                                                                  | —                              | —         |
| Shri S. Swaminathan | Director          | Non-Executive               | 4                                                                  | —                              | —         |

\* Excluding directorships in private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

# Only the three committees, viz. the Audit Committee, the Remuneration Committee and the Shareholders' Grievance Committee are considered.

None of the existing Directors except Shri R.N.Ghosal, Managing Director hold any equity shares in the Company. Shri Ghosal has been allotted 193 options, underlying Ordinary Shares of the Company, pursuant to Tide Water Oil Company (India) Limited Employee Welfare Scheme, which will vest on 30th June, 2013.

*Number of Board Meetings, attendance at Board Meetings and at previous Annual General Meeting.*

There were 5 meetings of the Board of Directors held during the year 2012-13 on 16th April, 2012, 30th May, 2012, 1st August, 2012, 31st October, 2012 and 31st January, 2013.

**Attendance Record**

| Name of Director    | No. of Board Meetings attended | Annual General Meeting on 16th August, 2012 |
|---------------------|--------------------------------|---------------------------------------------|
| Shri K. Datta       | 5                              | Yes                                         |
| Shri R. N. Ghosal   | 5                              | Yes                                         |
| Shri H. Singh       | 1                              | N.A.                                        |
| Shri S. Das         | 4                              | Yes                                         |
| Shri A. Mukherjee   | 5                              | Yes                                         |
| Shri A. K. Datta    | 2                              | Yes                                         |
| Shri S. Swaminathan | 3                              | Yes                                         |
| Shri I. Sengupta    | 2                              | N.A.                                        |
| Dr. G. Venkatesh    | 3                              | No                                          |

Note : Shri S. Swaminathan and Shri H. Singh joined on 30th May, 2012 and 31st October, 2012 respectively. Shri I. Sengupta and Dr. G. Venkatesh resigned on 30th June, 2012 and 31st October, 2012, respectively.

**AUDIT COMMITTEE**

**Terms of Reference, Composition, Name of Members and Chairman :**

The terms of reference of the Audit Committee include the powers as referred to in sub-paragraph (C) of paragraph II of Clause 49 of the Listing Agreement and the role as stipulated in sub-paragraph (D) of paragraph II of Clause 49 of the Listing Agreement of the Company with the Stock Exchange(s). The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company to answer shareholder queries.

There were 5 meetings of the Audit Committee held during the year 2012-13 on 16th April, 2012, 30th May, 2012, 1st August, 2012, 31st October, 2012 and 31st January, 2013.

The composition of Audit Committee as on 31st March, 2013 and the attendance of the members at the meeting(s) thereof during 2012-13 was as follows :

| Name of Director  | Designation | No. of meetings attended |
|-------------------|-------------|--------------------------|
| Shri A. Mukherjee | Chairman    | 5                        |
| Shri S. Das       | Member      | 4                        |
| Shri H. Singh     | Member      | 1                        |
| Shri A. K. Datta  | Member      | 2                        |
| Dr. G. Venkatesh  | Member      | 3                        |

Note :

1. All the above Directors are non-executive. More than two-third of the members of the Audit Committee are independent directors as stated in Clause 49 of the Listing Agreement with the Stock Exchange(s).
2. Shri H. Singh joined on 31st October, 2012 and Dr. G. Venkatesh resigned on 31st October, 2012.

Shri S. Das is having expert knowledge in financial and accounting matters. Other Directors are financially literate.

Shri R.N. Ghosal, Managing Director and Shri S. Basu, CFO, remained present at the meetings of the Audit Committee. Shri S. Ganguli acts as Secretary to the Audit Committee.

The Audit Committee invites, as and when it considers appropriate, the external auditors of the Company to be present at the meetings of the Committee. The Internal Auditor also attends the meetings as and when required.

### **REMUNERATION COMMITTEE**

The role of the Remuneration Committee primarily include the following :

1. Examining and suggesting the remuneration policy for Executive Directors.
2. Examining, reviewing and modifying the Human Resource Development Policy including all personnel related matters.

All the members of the Remuneration Committee are Non-Executive Directors and the Chairman is independent.

There were two meetings of the Remuneration Committee held during the year 2012-13 on 30th May, 2012 and 31st October, 2012.

The composition of Remuneration Committee as on 31st March, 2013 and the attendance of the members at the meeting(s) thereof during 2012-13 was as follows :

| Name of Director    | Designation | No. of meetings attended |
|---------------------|-------------|--------------------------|
| Shri A. K. Datta    | Chairman    | 1                        |
| Shri H. Singh       | Member      | —                        |
| Shri S. Das         | Member      | 2                        |
| Shri S. Swaminathan | Member      | 1                        |
| Dr. G. Venkatesh    | Member      | 1                        |

Note : Shri S. Swaminathan and Shri H. Singh joined on 1st August, 2012 and 31st October, 2012 respectively and Dr. G. Venkatesh resigned on 31st October, 2012.

### **Remuneration Policy**

Executive Directors

The Company pays remuneration by way of salary, allowances, perquisites and commission to the Executive Director. The overall remuneration is proposed by the Committee and put up to the Board of Directors where it is approved and referred to the shareholders at the General Meeting for approval. The Commission is payable in line with the provisions of Sections 198 and 309 of the Companies Act, 1956.

The details of the remuneration paid to Shri R.N.Ghosal, Managing Director during the year 2012-13, are given below :

| Particulars                                                                                                                                                                                                                                                                | Remuneration Paid (Rs. in Lakhs) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| a. All elements of remuneration package i.e. Salary, Perquisites etc.                                                                                                                                                                                                      | 21.09                            |
| b. Commission (25% of commission entitlement for 2011-12 allotted during the year as option granted pursuant to Tide Water Oil Company (India) Limited Employee Welfare Scheme)                                                                                            | 5.41                             |
|                                                                                                                                                                                                                                                                            | <u>26.50</u>                     |
| c. The agreement with Shri R. N. Ghosal, Managing Director is for a period of 4 years with effect from 2nd November, 2011 or upto the date of his superannuation, whichever is earlier. The appointment is terminable on 3 (three) calendar months' notice on either side. |                                  |

#### Remuneration to Directors

During the year the following remuneration was paid to Non-Executive Directors :

| Name of Director    | Sitting fees paid/payable (Rs.) |
|---------------------|---------------------------------|
| Shri K. Datta       | 35,000/-                        |
| Shri S. Das         | 50,000/-                        |
| Shri A. Mukherjee   | 65,000/-                        |
| Shri A. K. Datta    | 30,000/-                        |
| Shri S. Swaminathan | 26,000/-                        |
| Shri I. Sengupta    | 20,000/-                        |
|                     | <u>2,26,000/-</u>               |

Remuneration of the Non-Executive Directors are approved by the Board of Directors. Remuneration of the Non-Executive Directors are paid as per directions given by the concerned Directors and recorded in the minutes of the Board Meetings. Apart from the above, the Non-Executive Directors have no pecuniary relationship with the Company in their personal capacity.

#### Retirement policy of Directors

As per the present policy the Executive Chairman and Directors retire at the age of 58 years and the Non – Executive Chairman and Directors retire at the age of 65 years. This is in line with the policy adopted by the Andrew Yule Group of Companies. Vide resolution dated 31st October, 2012, the Board of Directors of the Company extended the retirement date of Shri R.N. Ghosal, Managing Director till 28th February, 2015, being within the tenure as decided by the shareholders, vide resolution dated 16th August, 2012.

#### CODE OF CONDUCT

The Board of Directors have laid down a Code of Conduct for all the members of the Board of Directors and senior management of the Company. The Code of Conduct has been posted on the website of the Company.

The certificate regarding compliance with the Code of Conduct is given separately.

### **COMMITTEE OF DIRECTORS**

This Committee has been functioning for a long period of time and has been inter alia delegated the following powers by the Board of Directors :

1. general powers of management
2. granting of loans to employees
3. borrowing of monies on behalf of the Company
4. investing of funds of the Company
5. sale of fixed assets
6. approving of capital expenditure
7. appointment, promotion, etc. of employees
8. approving transfer/transmission/re-materialisation of shares
9. redressal of shareholder/investor grievance

This Committee has also been carrying out the job of Shareholder's Grievance Committee.

There were 5 meetings of the Committee held during the year 2012-13 on 18th July, 2012, 3rd August, 2012, 27th August, 2012, 19th September, 2012 and 21st November, 2012.

The composition of the Committee as on 31st March, 2013 and the attendance of the members at meeting(s) thereof during 2012-2013 was as follows :

| Name of Director    | Designation | No. of meetings attended |
|---------------------|-------------|--------------------------|
| Shri K. Datta       | Chairman    | 5                        |
| Shri A. Mukherjee   | Member      | 5                        |
| Shri S. Swaminathan | Member      | 3                        |
| Shri I. Sengupta    | Member      | N.A.                     |

Note : Shri S. Swaminathan joined on 1st August, 2012 and Shri I. Sengupta resigned on 30th June, 2012.

### **SHAREHOLDER'S GRIEVANCE COMMITTEE**

The matters relating to share transfers, redressal of shareholder / investor grievances are being looked after by the "Committee of Directors", the composition and role whereof are mentioned above. The delays in redressal of grievances of investors on issues like non-receipts of declared dividend, transfer of shares are informed to the Committee. The Company received 8 (eight) complaints during the financial year all of which were replied / resolved to the satisfaction of shareholders / investors. No share transfer was lying pending as on 31st March, 2013. The Company also takes reasonable steps for redressal of grievances / complaints filed by the shareholders in SEBI Complaints Redress System (SCORES).

Shri S. Ganguli being Company Secretary, is the Compliance Officer of the Company.

### **COMPENSATION COMMITTEE**

This Committee has been formed for administration & superintendence of the Tide Water Oil Company (India) Limited Employee Welfare Scheme, or any other scheme that may be framed by the Board from time to time for the purpose of granting / allotting stock option to the eligible employees of the Company.

One meeting of the Compensation Committee was held during the year 2012-13 on 30th May, 2012.

The composition of the Committee as on 31st March, 2013 and the attendance of the members at meeting(s) thereof during 2012-2013 was as follows :

| Name of Director    | Designation | No. of meeting(s) attended |
|---------------------|-------------|----------------------------|
| Shri A. Mukherjee   | Chairman    | 1                          |
| Shri A. K. Datta    | Member      | 1                          |
| Shri S. Swaminathan | Member      | N.A.                       |
| Shri I. Sengupta    | Member      | 1                          |

Note : Shri S. Swaminathan joined on 1st August, 2012 and Shri I. Sengupta resigned on 30th June, 2012.

### GENERAL BODY MEETINGS

The date, time and venue of the last three Annual General Meetings of the Company were as under :

| Financial year ended | Day & Date          | Time       | Venue                                                  |
|----------------------|---------------------|------------|--------------------------------------------------------|
| 31st March, 2010     | 3rd September, 2010 | 10.30 a.m. | { Bengal Chamber<br>of Commerce &<br>Industry, Kolkata |
| 31st March, 2011     | 20th July, 2011     | 10.30 a.m. |                                                        |
| 31st March, 2012     | 16th August, 2012   | 10.30 a.m. |                                                        |

All the resolutions set out in the respective notices were passed by the shareholders. Special Resolution resolving appointment/re-appointment of the Statutory Auditors were passed in each of the aforesaid three Annual General Meetings. No Special Resolution requiring a postal ballot was placed before the last Annual General Meeting of the Company. No Special Resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting of the Company.

### DISCLOSURES

1. There were no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, directors or the management, their subsidiaries or relatives, etc. during the year that may have potential conflict with the interest of the Company at large. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

The details of the related party relationships and transactions (which include payments for certain common services on terms considered reasonable by the Management) as required under Accounting Standard (AS) 18 "Related Party Disclosures" issued by the ICAI are given under Note 24.10 of the Annual Audited Accounts as at 31st March, 2013.

2. There was no non-compliance during the last three years by the Company on any matter related to capital market. There were no penalties imposed or stricture passed on the Company by Stock Exchange(s), SEBI or any other statutory authority.

### MEANS OF COMMUNICATION

Quarterly and Half Yearly Results of the Company are published in the following newspapers :

| Name of newspaper | Region  | Language |
|-------------------|---------|----------|
| Hindustan Times   | Kolkata | English  |
| Pratidin          | Kolkata | Bengali  |

The quarterly results and shareholding pattern are also being displayed at the Company's website [www.tidewaterindia.com](http://www.tidewaterindia.com). The same are also furnished to National Stock Exchange through NSE Electronic Application Processing System (NEAPS).

#### GENERAL SHAREHOLDER INFORMATION

- i) The Annual General meeting will be held on 19th August, 2013 (Monday) at Williamson Magor Hall, Bengal Chamber of Commerce & Industry, 6, N.S.Road, Kolkata – 700 001 at 10.30 a.m.
- ii) Financial Calendar : April to March.  
Financial reporting for quarter ending June, 2013: Within 14th August, 2013.  
Financial reporting for half-year ending September, 2013: Within 14th November, 2013.  
Financial Reporting for quarter ending December, 2013: Within 14th February, 2014.  
Financial Reporting for the year ending March, 2014: Within 30th May, 2014.
- iii) Book Closure : Tuesday, 13th August, 2013 to Monday, 19th August, 2013 (both days inclusive).
- iv) Dividend Payment date : Within 19th September, 2013.
- v) Stock Exchanges where securities are listed :  
The Calcutta Stock Exchange Limited (CSE)  
7, Lyons Range, Kolkata - 700 001  
Stock Code : 10030026  
  
National Stock Exchange of India Limited (NSE)  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051  
Symbol : TIDEWATER  
  
Trading is also permitted at the following Stock Exchange :  
BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai - 400 001  
Stock Code : 590005
- vi) Market Price High and Low during each month in last financial year is given as Annexure III.
- vii) Share Price Performance compared with broad based indices :

|                              | On 1st April,<br>2012 | On 31st March,<br>2013 | %<br>Change |
|------------------------------|-----------------------|------------------------|-------------|
| Company's Share Price on CSE | No Trading            | No Trading             | N.A.        |
| Company's Share Price on BSE | 7582.25               | 7010.65                | (7.54)      |
| BSE SENSEX                   | 17429.96              | 18835.77               | 8.07        |
| Company's Share Price on NSE | 7438.00               | 7007.85                | (5.78)      |
| CNX NIFTY                    | 5296.35               | 5682.55                | 7.29        |

- viii) Registrar and transfer agent : For both physical and dematerialized form :  
M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata – 700026.
- ix) In respect of queries, shareholders may address queries to the Company at the Registered Office located at 8, Dr. Rajendra Prasad Sarani, Kolkata – 700 001.
- x) Share transfer system : Share transfers in physical form can be lodged at the Registered Office of the Company or with the Registrar and are normally processed within a period of 15 days through the Committee of Directors provided all the formalities are complied with by the transferor.
- xi) Distribution of shareholding : As per Annexure IV.
- xii) The shareholding pattern : As per Annexure V.
- xiii) Dematerialized shares : The Company has entered into arrangements with National Securities Depository Limited and Central Depository Services (India) Limited whereby shareholders have an option to dematerialize their shares with either of depositories.  
ISIN NO. : INE 484C01014  
As on 31st March, 2013, 8,57,175 shares comprising 98.39% of the share capital stand dematerialized.
- xiv) Plant Location :  
Lubricants : Silvassa (Dadra & Nagar Haveli), Turbhe (Maharashtra), Faridabad (Haryana), Oragadam (Tamil Nadu), Ramkristopur (West Bengal)  
Windmill : Village(s) : Kasthuriengapuram & Kumbikulam, Tirunelveli, Tamil Nadu
- xv) Address for Correspondence : Registered Office : 8, Dr. Rajendra Prasad Sarani, Kolkata – 700 001

## **RISK MANAGEMENT**

The Company has an integrated approach to managing risk inherent in various aspects of the business.

## **CEO / CFO CERTIFICATION**

The necessary certificate under clause 49(v) of the Listing Agreement has been placed before the Board of Directors.

## **NON-MANDATORY REQUIREMENTS**

The Company has not adopted the non-mandatory requirements given under Clause 49 of the Listing Agreement.

Kolkata  
30th May, 2013

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

## ANNEXURE III

**STATEMENT SHOWING HIGHEST AND LOWEST PRICE AT THE STOCK EXCHANGE(S) AT  
WHICH THE SHARES OF TIDE WATER OIL CO. (INDIA) LTD. WERE TRADED  
FROM APRIL, 2012 TO MARCH, 2013**

| Month        | Calcutta Stock Exchange |            | Bombay Stock Exchange |            | National Stock Exchange |            | CNX Nifty   |            |
|--------------|-------------------------|------------|-----------------------|------------|-------------------------|------------|-------------|------------|
|              | Highest Rs.             | Lowest Rs. | Highest Rs.           | Lowest Rs. | Highest Rs.             | Lowest Rs. | Highest Rs. | Lowest Rs. |
| April, 12    | Not Available           |            | 8200.00               | 7350.00    | 8207.95                 | 7342.00    | 5378.75     | 5154.30    |
| May,12       | Not Available           |            | 7594.00               | 6666.55    | 7594.00                 | 6670.00    | 5279.60     | 4788.95    |
| June,12      | Not Available           |            | 7415.00               | 6611.05    | 7407.00                 | 6610.00    | 5286.25     | 4770.35    |
| July,12      | Not Available           |            | 8240.00               | 7270.50    | 8239.00                 | 6925.00    | 5348.55     | 5032.40    |
| August,12    | Not Available           |            | 8373.95               | 7625.00    | 8380.00                 | 7604.00    | 5448.60     | 5164.65    |
| September,12 | Not Available           |            | 8210.00               | 7710.00    | 8218.00                 | 7705.00    | 5735.15     | 5215.70    |
| October,12   | Not Available           |            | 8099.00               | 7700.20    | 8100.00                 | 7700.00    | 5815.35     | 4888.20    |
| November, 12 | Not Available           |            | 8125.00               | 7621.00    | 8120.00                 | 7650.10    | 5885.25     | 5548.35    |
| December,12  | Not Available           |            | 8150.00               | 7620.20    | 8110.95                 | 7690.00    | 5965.15     | 5823.15    |
| January,13   | Not Available           |            | 8585.85               | 7829.95    | 8600.00                 | 7826.00    | 6111.80     | 5935.20    |
| February,13  | Not Available           |            | 8189.95               | 7505.55    | 8179.80                 | 7470.00    | 6052.95     | 5671.90    |
| March,13     | Not Available           |            | 7685.00               | 6951.00    | 7639.95                 | 6950.00    | 5971.20     | 5604.85    |

## ANNEXURE IV

**STATEMENT SHOWING DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013**

| No. of Shares<br>(Range) | No. of<br>Shares | %      | No. of<br>Shareholders | %      |
|--------------------------|------------------|--------|------------------------|--------|
| 0 – 500                  | 156331           | 17.94  | 11146                  | 99.40  |
| 501 – 1000               | 28842            | 3.31   | 40                     | 0.36   |
| 1001 – 2000              | 15886            | 1.82   | 11                     | 0.10   |
| 2001 – 5000              | 16449            | 1.89   | 7                      | 0.06   |
| 5001 – 10000             | 9313             | 1.07   | 1                      | 0.01   |
| 10001 & Above            | 644379           | 73.97  | 8                      | 0.07   |
| Total                    | 871200           | 100.00 | 11213                  | 100.00 |

## ANNEXURE V

**SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013**

| Category                                                               | No. of shares held | Percentage of<br>Shareholding |
|------------------------------------------------------------------------|--------------------|-------------------------------|
| FINANCIAL INSTITUTIONS                                                 |                    |                               |
| a) Life Insurance Corpn. of India                                      | 36785              | 4.22                          |
| b) General Insurance & Subsidiaries<br>United India Insurance Co. Ltd. | 83098              | 9.54                          |
| c) Nationalised Bank                                                   | 2093               | 0.24                          |
| MUTUAL FUNDS                                                           | 300                | 0.03                          |
| ANDREW YULE & GROUP                                                    |                    |                               |
| a) Andrew Yule & Co. Ltd.                                              | 228390             | 26.22                         |
| b) New Beerbhoom Coal Co. Ltd.                                         | 20                 | 0.00                          |
| TRUST                                                                  | 25011              | 2.87                          |
| NON RESIDENT                                                           |                    |                               |
| a) Non Domestic Co.                                                    | 9480               | 1.09                          |
| b) Indian Nationals                                                    | 5091               | 0.58                          |
| c) Foreign Nationals                                                   | 420                | 0.05                          |
| OTHERS                                                                 |                    |                               |
| a) Bodies Corporate                                                    | 305242             | 35.04                         |
| b) Indian Public                                                       | 175270             | 20.12                         |
| <b>GRAND TOTAL</b>                                                     | <b>871200</b>      | <b>100.00</b>                 |

**ANNEXURE VI**

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF  
CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49  
OF THE LISTING AGREEMENT**

**To**

**The Members of Tide Water Oil Co. (India) Limited.**

We have examined the compliance of conditions of Corporate Governance by Tide Water Oil Co. (India) Ltd ("Company") for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement/(s) of the said Company with Stock Exchanges in Republic of India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement in all material aspects.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of **RAY & RAY**  
*Chartered Accountants*  
*Firm's Registration. No. 301072E*  
**Amitava Chowdhury**  
*Partner*  
Membership No. 056060

Place : Kolkata.  
Date : 30th May, 2013

**DECLARATION OF CEO**  
**CEO CERTIFICATION**

I confirm that all members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct for the year 2012-13.

Place : Kolkata.  
Date : 30th May, 2013

**R. N. Ghosal**  
*Managing Director*

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
TIDE WATER OIL CO. (INDIA), LTD.

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of TIDE WATER OIL CO. (INDIA) LTD. ("the Company") which comprise the Balance Sheet as at 31 March, 2013 the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information (other notes to financial statements).

### 2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 4. Opinion

We report that :-

- 4.1 *No provision has been made in the accounts in respect of advance given to a company towards purchase of shares for Rs. 3.48 crores which is doubtful in nature with consequential impact on profit and Net Assets Position at the end of the year; (Refer Note 24.6);*
- 4.2 *Investments in quoted equity shares made by the Company have suffered diminution in value (amount not ascertained) for which no provision has been made in the accounts with consequential impact on Profit and Net Assets Position at the end of the year; (Refer Note 24.8);*
- 4.3 *Subject to our comments in paragraph 4.1 and 4.2 above, with consequential impact on year's profit and year-end net assets position, the extent of which is not currently ascertainable, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;*
  - a) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2013.
  - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## 5. Report on Other Legal and Regulatory Requirements

5.1 As required by the Companies (Auditor's Report) Order, 2003 ("the order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in Paragraph 4 and 5 of the said order.

5.2 As required by Section 227(3) of the Act, we report that :

- a. we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. *Subject to our comments in paragraph 4.2 above*, the financial statements dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- e. On the basis of written representations received from the Directors as on 31 March 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- f. the Central Government has neither issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid. However, no cess is due and payable by the Company;

Place : Kolkata  
Date : 30 May, 2013

For **RAY & RAY**  
Chartered Accountants  
(Firm's Registration. No. 301072E)  
**Amitava Chowdhury**  
Partner  
Membership No. 56060

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 5 of our report of even date)

1.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and nature of its business. Pursuant to the programme, plant and machinery located at different locations/factories have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2.
  - (a) As explained to us, inventories were verified by the Management during the year at reasonable intervals. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. As informed to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(b) to (iii) (d) of paragraph 4 of the aforesaid Order are not applicable to the Company for the current year.
  4. As informed to us, the Company has not taken any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii) (e) to (iii) (g) of paragraph 4 of the aforesaid Order are not applicable to the Company for the current year.
  5. On the basis of our examination of books of account and according to the information and explanations given to us, in our opinion, there exists an adequate internal control system commensurate with the size of the Company and the nature of the business with regard to the purchase of inventory, fixed assets and with the sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the internal control system of the Company.
  6. According to the information and explanations given to us and on the basis of checking of books of account of the Company, we are of the opinion that the Company had not entered into any contracts or arrangements required to be entered in the Register required to be maintained in pursuance to Section 301 of the Act.
  7. In view of our comments in paragraph 6 above, in our opinion, requirements of clause (v) (b) of paragraph 4 of the aforesaid Order are not applicable to the Company for the current year.
  8. The Company has not accepted any deposits during the year from the public Under Section 58A and 58AA of 'the Act' and the Companies (Acceptance of Deposits) Rules, 1975. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or The Reserve Bank of India or any Court or any other Tribunal.
  9. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.
  10. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of 'the Act' in respect of manufacture of lubricating oil and grease and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
  11. According to the information and explanations given to us in respect of Statutory dues :
    - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory due applicable to it with the appropriate authorities.
    - (b) There were no undisputed amount payable in respect of Income-tax, Wealth tax, Service tax, Value Added Tax, Custom Duty, Excise Duty, Cess which were outstanding as at 31st March 2013 for a period of more than six months from the date they became payable.
    - (c) Details of dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March 2013 on account of disputes are given below.

| Statute                                                        | Nature of Dues | Forum where Dispute is pending                                                                                                                                                              | Period to which the amounts relates | Amount involved (Rs. in Crores) |
|----------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------|
| The Central Sales Tax Act and Sales Tax Acts of Various States | Sales Tax      | West Bengal Commercial Taxes Tribunal, Deputy Commissioner of Commercial Taxes West Bengal, Appellate Authorities Orissa, High Court, Lucknow, Assistant Commissioner Sales Tax, New Delhi. | 1979-2006                           | 1.83                            |
| Central Excise Act, 1944                                       | Excise Duty    | Commissioner of Central Excise Chennai, High Court, Chennai, Commissioner of Central Excise and Customs (Appeals) Central excise, Mumbai                                                    | 1998-1999<br>2001-2009              | 0.60                            |

| Statute                                    | Nature of Dues     | Forum where Dispute is pending                               | Period to which the amounts relates | Amount involved (Rs. in Crores) |
|--------------------------------------------|--------------------|--------------------------------------------------------------|-------------------------------------|---------------------------------|
| The Finance Act, 1994                      | Service Tax        | Commissioner of Appeals Central Excise (Service Tax), Mumbai | 2005-2006                           | 0.05                            |
| Navi Mumbai Municipal Corporation CESS Act | Cess               | High Court, Mumbai                                           | 1998-2004                           | 1.36                            |
| Income Tax Act, 1961                       | Income Tax         | DCIT                                                         | 1998-99                             | 0.61                            |
|                                            |                    | DCIT                                                         | 1999-00                             | 0.52                            |
|                                            |                    | DCIT                                                         | 2000-01                             | 0.46                            |
|                                            |                    | DCIT                                                         | 2003-04                             | 0.16                            |
|                                            |                    | DCIT                                                         | 2005-06                             | 0.13                            |
|                                            |                    |                                                              |                                     | 1.88                            |
| Income Tax Act, 1961                       | Fringe Benefit Tax | CIT (A)                                                      | 2005-2006                           | 0.006                           |
| Haryana Local Area Development Act, 2000   | Development Tax    | Supreme Court                                                | 2007-09                             | 0.64                            |

12. The Company has no accumulated loss as at 31st March, 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
13. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not defaulted in repayment of dues to any bank. The Company has neither taken any loan from financial institution nor has it issued any Debentures.
14. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
15. The provisions of any special statute applicable to Chit fund/Nidhi/ Mutual benefit fund/ Societies are not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
17. According to the information and explanations given to us, the Company has given guarantee for the loan taken by its subsidiary from bank. According to the information and explanations given to us, we are of the opinion that the terms and conditions on which the Company has given Guarantee for loan taken from bank are not prima facie, prejudicial to the interest of the Company.
18. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not taken any term loans during the year.
19. In our opinion and according to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, no funds raised on short term basis has been used for long term investments.
20. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
21. The Company has not issued any debentures during the year.
22. The Company has not raised any money by public issue during the year.
23. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, nor have we been informed of any such case by the management.

For **RAY & RAY**  
Chartered Accountants  
Firm's Registration No. 301072E  
**Amitava Chowdhury**  
Partner  
Membership No. 56060

Place : Kolkata  
Date : 30 May, 2013

## BALANCE SHEET AS AT 31ST MARCH, 2013

(Figures in Rs. Crores)

|                                     | Notes | As At<br>31st March, 2013 | As At<br>31st March, 2012 |
|-------------------------------------|-------|---------------------------|---------------------------|
| <b>EQUITY AND LIABILITIES</b>       |       |                           |                           |
| <b>Shareholders' Funds</b>          |       |                           |                           |
| Share Capital                       | 1     | 0.87                      | 0.87                      |
| Reserves and Surplus                | 2     | 355.03                    | 307.50                    |
| <b>Non-Current Liabilities</b>      |       |                           |                           |
| Deferred tax liabilities (Net)      | 3     | 1.21                      | 1.69                      |
| Other Long Term Liabilities         | 4     | 14.95                     | 14.38                     |
| Long term provisions                | 5     | 10.75                     | 8.06                      |
| <b>Current Liabilities</b>          |       |                           |                           |
| Trade payables                      | 6     | 97.40                     | 101.95                    |
| Other current liabilities           | 7     | 20.83                     | 15.24                     |
| Short-term provisions               | 8     | 18.42                     | 14.61                     |
|                                     |       | <u>519.46</u>             | <u>464.30</u>             |
| <b>ASSETS</b>                       |       |                           |                           |
| <b>Non-current assets</b>           |       |                           |                           |
| Fixed Assets                        |       |                           |                           |
| Tangible assets                     | 9     | 70.30                     | 72.82                     |
| Intangible assets                   | 9     | 0.14                      | 0.24                      |
| Capital work-in-progress            | 9     | 1.01                      | 2.35                      |
| Non-current investments             | 10    | 53.88                     | 51.75                     |
| Long term loans and advances        | 11    | 22.75                     | 22.45                     |
| <b>Current Assets</b>               |       |                           |                           |
| Inventories                         | 12    | 157.35                    | 166.38                    |
| Trade Receivables                   | 13    | 129.08                    | 83.45                     |
| Cash and cash equivalents           | 14    | 48.64                     | 34.15                     |
| Short term loans and advances       | 15    | 36.31                     | 29.50                     |
| Other current assets                | 16    | —                         | 1.21                      |
|                                     |       | <u>519.46</u>             | <u>464.30</u>             |
| Significant accounting policies     | 23    |                           |                           |
| Other notes to financial statements | 24    |                           |                           |

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Ray & Ray  
Chartered Accountants  
Firm Registration. No. 301072E

**Amitava Chowdhury**  
Partner

Kolkata, 30th May, 2013

Membership No. 56060

On behalf of the Board,  
**Kallol Datta** Chairman  
**R.N.Ghosal** Managing Director

**S. Basu**  
CFO

**S. Ganguli**  
Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Figures in Rs. Crores)

|                                                                         | Notes | For the year ended<br>31st March, 2013 | For the year ended<br>31st March, 2012 |
|-------------------------------------------------------------------------|-------|----------------------------------------|----------------------------------------|
| <b>INCOME</b>                                                           |       |                                        |                                        |
| Revenue from operations                                                 |       |                                        |                                        |
| - from sale of products                                                 |       |                                        |                                        |
| Sales                                                                   |       | 1,084.24                               | 1,004.47                               |
| Less : Discounts & Rebates                                              |       | 86.12                                  | 74.01                                  |
| Net Sales (Net of discount & rebates)                                   |       | 998.12                                 | 930.46                                 |
| Less : Excise Duty Recovered on Sales                                   |       | 139.82                                 | 131.11                                 |
| Net Sales (excluding excise duty)                                       |       | 858.30                                 | 799.35                                 |
| - Other operating revenues                                              |       | 2.48                                   | 1.98                                   |
| Other Income                                                            | 17    | 10.13                                  | 10.65                                  |
| <b>Total Revenue</b>                                                    |       | <b>870.91</b>                          | <b>811.98</b>                          |
| <b>EXPENSES</b>                                                         |       |                                        |                                        |
| Cost of materials consumed                                              | 18    | 572.49                                 | 554.83                                 |
| Changes in inventories (increase/decrease)                              | 18    | 12.37                                  | (7.17)                                 |
| Employee benefit expense                                                | 19    | 39.52                                  | 30.89                                  |
| Finance costs                                                           | 20    | —                                      | 1.07                                   |
| Depreciation and amortization expense (Net)                             | 21    | 9.09                                   | 9.26                                   |
| Other expenses                                                          | 22    | 143.24                                 | 136.91                                 |
| <b>Total Expenses</b>                                                   |       | <b>776.71</b>                          | <b>725.79</b>                          |
| Profit before Tax                                                       |       | 94.20                                  | 86.19                                  |
| Tax expenses                                                            |       |                                        |                                        |
| Current tax                                                             |       | 31.75                                  | 28.00                                  |
| Deferred tax                                                            |       | (0.48)                                 | (0.89)                                 |
| Profit for the year                                                     |       | <b>62.93</b>                           | <b>59.08</b>                           |
| Earnings per equity share of face value of Rs. 10 each                  |       |                                        |                                        |
| Basic and Diluted (in Rs.)                                              |       | 722.40                                 | 678.11                                 |
| (Refer Note 24.9)                                                       |       |                                        |                                        |
| Significant accounting policies                                         | 23    |                                        |                                        |
| Other notes to financial statements                                     | 24    |                                        |                                        |
| The accompanying notes are an integral part of the financial statements |       |                                        |                                        |
| In terms of our report attached                                         |       |                                        |                                        |

For Ray & Ray  
Chartered Accountants  
Firm Registration. No. 301072E  
**Amitava Chowdhury**  
Partner  
Membership No. 56060

Kolkata, 30th May, 2013

On behalf of the Board,  
**Kallol Datta** Chairman  
**R.N.Ghosal** Managing Director

**S. Basu** CFO  
**S. Ganguli** Secretary

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2013**

(Figures in Rs. Crores)

|                                                                | <u>31st March, 2013</u> | <u>31st March, 2012</u> |
|----------------------------------------------------------------|-------------------------|-------------------------|
| <b>A. Cash Flow from Operating Activities</b>                  |                         |                         |
| Net Profit before Tax                                          | 94.20                   | 86.19                   |
| Adjustments for :                                              |                         |                         |
| Depreciation and Amortisation                                  | 9.09                    | 9.26                    |
| Interest received                                              | (4.55)                  | (4.38)                  |
| Loss / (Profit) on sale of fixed assets                        | 0.03                    | (0.03)                  |
| Interest charge                                                | 0.95                    | 2.38                    |
| Provision for doubtful debts / Advances (net)                  | 0.08                    | (0.06)                  |
| Liabilities no longer required written back                    | (3.31)                  | (3.84)                  |
| Operating Profit before Working Capital changes                | 96.49                   | 89.52                   |
| Adjustments for :                                              |                         |                         |
| Trade and Other Receivables                                    | (53.01)                 | (0.92)                  |
| Other Long Term Liabilities                                    | 0.57                    | 14.38                   |
| Inventories                                                    | 9.03                    | 2.00                    |
| Trade Payables                                                 | 7.64                    | 10.94                   |
| Cash Generated From Operations                                 | 60.72                   | 115.92                  |
| Direct Taxes Paid                                              | (29.13)                 | (30.28)                 |
| <b>Cash flow before Exceptional Items</b>                      | <b>31.59</b>            | <b>85.64</b>            |
| <b>Net Cash from Operating Activities</b>                      | <b>31.59</b>            | <b>85.64</b>            |
| <b>B. Cash Flow from Investing Activities</b>                  |                         |                         |
| Purchase of Fixed Assets                                       | (5.35)                  | (11.78)                 |
| Investment in Subsidiaries                                     | (2.13)                  | (51.15)                 |
| Proceeds from sale of Fixed Assets                             | 0.06                    | 0.05                    |
| Interest Received                                              | 3.36                    | 3.87                    |
| <b>Net Cash used in Investing Activities</b>                   | <b>(4.06)</b>           | <b>(59.01)</b>          |
| <b>C. Cash Flow from Financing Activities</b>                  |                         |                         |
| Interest Paid                                                  | (0.95)                  | (2.38)                  |
| Dividend Paid                                                  | (12.09)                 | (6.01)                  |
| <b>Net Cash used in Financing Activities</b>                   | <b>(13.04)</b>          | <b>(8.39)</b>           |
| Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C) | <b>14.49</b>            | <b>18.24</b>            |
| Cash And Cash Equivalents at the beginning of the year         | 34.15                   | 15.91                   |
| Cash And Cash Equivalents at the close of the year             | 48.64                   | 34.15                   |
|                                                                | <b>14.49</b>            | <b>18.24</b>            |

- Notes : 1. The Cash Flow Statement had been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement issued by ICAI.
2. Cash and Cash Equivalent represent Cash and Bank Balances.
3. Additions to Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between the beginning and the end of the year and are treated as part of Investing Activities.

In terms of our report attached

For Ray & Ray  
Chartered Accountants  
Firm Registration. No. 301072E

Kolkata, 30th May, 2013      **Amitava Chowdhury**  
Partner  
Membership No. 56060

On behalf of the Board,  
**Kallol Datta** Chairman  
**R.N.Ghosal** Managing Director

**S. Basu**      **S. Ganguli**  
CFO      Secretary

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All Figures in Rs. Crores unless otherwise mentioned)

**NOTE 1 SHARE CAPITAL**

|                                              | As at<br>March 31st,<br>2013 | As at<br>March 31st,<br>2012 |
|----------------------------------------------|------------------------------|------------------------------|
| <b>Authorised :</b>                          |                              |                              |
| 30,00,000 (Previous Year 30,00,000)          |                              |                              |
| Equity Shares of Rs. 10/- each               | <u>3.00</u>                  | <u>3.00</u>                  |
| <b>Issued and Subscribed and Paid-up :</b>   |                              |                              |
| 8,71,200 (Previous Year 8,71,200)            |                              |                              |
| Equity Shares of Rs. 10/- each fully paid-up | <u>0.87</u>                  | <u>0.87</u>                  |

The details of shareholder holding more than 5% shares as at March 31st is set out below :

| Name of the shareholder                           | No. of<br>Shares | % held | No. of<br>Shares | % held |
|---------------------------------------------------|------------------|--------|------------------|--------|
| Andrew Yule & Company Limited                     | 228390           | 26.22  | 228390           | 26.22  |
| Standard Greases And Specialities Private Limited | 202484           | 23.24  | 202484           | 23.24  |
| United India Insurance Company Limited            | 83098            | 9.54   | 87453            | 10.04  |

The reconciliation of the number of shares outstanding as at March 31st is set out below :

|                                            |        |        |
|--------------------------------------------|--------|--------|
| Equity Shares at the beginning of the year | 871200 | 871200 |
| Movement During The Year                   | —      | —      |
| Equity Shares at the end of the year       | 871200 | 871200 |

**NOTE 2 RESERVES AND SURPLUS**

|                                                                 |               |               |
|-----------------------------------------------------------------|---------------|---------------|
| <b>Revaluation Reserve</b>                                      |               |               |
| Balance as per last Accounts                                    | 1.81          | 1.93          |
| Less : Transferred to Statement of Profit and Loss              | <u>0.11</u>   | <u>0.12</u>   |
|                                                                 | <u>1.70</u>   | <u>1.81</u>   |
| <b>Securities Premium Reserve</b>                               |               |               |
| Balance as per last Accounts                                    | 4.39          | 4.39          |
| <b>General Reserve</b>                                          |               |               |
| Balance as per last Accounts                                    | 79.17         | 73.26         |
| Add : Transferred from Statement of Profit and Loss             | <u>6.29</u>   | <u>5.91</u>   |
|                                                                 | <u>85.46</u>  | <u>79.17</u>  |
| <b>Surplus i.e. balance in the Statement of Profit and Loss</b> |               |               |
| Balance as per last Accounts                                    | 222.13        | 181.12        |
| Add : Profit for the year (after tax)                           | <u>62.93</u>  | <u>59.08</u>  |
| Amount available for Appropriations                             | 285.06        | 240.20        |
| Less : Appropriations :                                         |               |               |
| General Reserve                                                 | 6.29          | 5.91          |
| Proposed Dividend                                               | 13.07         | 10.46         |
| Dividend Distribution Tax                                       | <u>2.22</u>   | <u>1.70</u>   |
| Net Surplus                                                     | <u>263.48</u> | <u>222.13</u> |
|                                                                 | <u>355.03</u> | <u>307.50</u> |

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

|                                                                                                                          | As at<br>March 31st,<br>2013 | As at<br>March 31st,<br>2012 |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>NOTE 3 DEFERRED TAXES (NET)</b>                                                                                       |                              |                              |
| Timing Difference of Depreciation as per tax laws and books                                                              | 5.33                         | 5.87                         |
| Initial disallowance's allowable on payment                                                                              | (4.12)                       | (4.18)                       |
| Net Deferred Tax Liability / (Asset)                                                                                     | <u>1.21</u>                  | <u>1.69</u>                  |
| <b>NOTE 4 OTHER LONG TERM LIABILITIES</b>                                                                                |                              |                              |
| Security Deposits                                                                                                        | 14.95                        | 14.38                        |
|                                                                                                                          | <u>14.95</u>                 | <u>14.38</u>                 |
| <b>NOTE 5 LONG TERM PROVISIONS</b>                                                                                       |                              |                              |
| Provision for Employee Benefits (Refer Note 24.11)                                                                       | 10.75                        | 8.06                         |
|                                                                                                                          | <u>10.75</u>                 | <u>8.06</u>                  |
| <b>NOTE 6 TRADE PAYABLES</b>                                                                                             |                              |                              |
| Micro, Small and Medium Enterprises (Refer Note 24.12)                                                                   | 1.15                         | 1.28                         |
| Other than Micro, Small and Medium Enterprises                                                                           | 96.25                        | 100.67                       |
|                                                                                                                          | <u>97.40</u>                 | <u>101.95</u>                |
| <b>NOTE 7 OTHER CURRENT LIABILITIES</b>                                                                                  |                              |                              |
| Unclaimed Dividends #                                                                                                    | 0.26                         | 0.19                         |
| Other Payables *                                                                                                         | 20.57                        | 15.05                        |
|                                                                                                                          | <u>20.83</u>                 | <u>15.24</u>                 |
| * Includes statutory dues, advances from customers and other dues.                                                       |                              |                              |
| # There is no amount due and outstanding as at 31st March 2013 to be credited to Investor Education and Protection Fund. |                              |                              |
| <b>NOTE 8 SHORT TERM PROVISIONS</b>                                                                                      |                              |                              |
| Provision for Employee Benefits (Refer Note 24.11)                                                                       | 3.11                         | 2.45                         |
| <b>Others</b>                                                                                                            |                              |                              |
| Provision for Taxation (Net of Advance Tax)                                                                              | 0.02                         | —                            |
| Proposed Dividend                                                                                                        | 13.07                        | 10.46                        |
| Dividend Distribution Tax                                                                                                | 2.22                         | 1.70                         |
|                                                                                                                          | <u>15.31</u>                 | <u>12.16</u>                 |
|                                                                                                                          | <u>18.42</u>                 | <u>14.61</u>                 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

**SCHEDULE 9 FIXED ASSETS**

(All Figures in Rs. Crores unless otherwise mentioned)

| Description of Assets           | GROSS BLOCK AT COST / VALUATION |                           |                                                 |                        | DEPRECIATION / AMORTISATION |                 |                                                    | NET BLOCK              |                        |
|---------------------------------|---------------------------------|---------------------------|-------------------------------------------------|------------------------|-----------------------------|-----------------|----------------------------------------------------|------------------------|------------------------|
|                                 | As at 1st April, 2012           | Additions during the year | Assets sold/ scrapped/ adjusted during the year | As at 31st March, 2013 | As at 1st April, 2012       | During the year | On assets sold/ scrapped/ adjusted during the year | As at 31st March, 2013 | As at 31st March, 2012 |
| <b>A. Tangible Assets</b>       |                                 |                           |                                                 |                        |                             |                 |                                                    |                        |                        |
| Land (Freehold)                 | 4.52                            | –                         | –                                               | 4.52                   | –                           | –               | –                                                  | 4.52                   | 4.52                   |
| Land (Leasehold)                | 2.66                            | –                         | –                                               | 2.66                   | 0.22                        | 0.03            | –                                                  | 2.41                   | 2.44                   |
| Buildings                       | 38.73                           | 0.88                      | –                                               | 39.61                  | 14.04                       | 2.24            | –                                                  | 23.33                  | 24.69                  |
| Plant & Machinery               | 49.39                           | 4.58                      | (0.22)                                          | 53.75                  | 25.44                       | 3.70            | (0.17)                                             | 24.78                  | 23.95                  |
| Furniture & Fixture             | 6.28                            | 0.48                      | (0.05)                                          | 6.71                   | 3.58                        | 0.54            | (0.04)                                             | 2.63                   | 2.70                   |
| Office Equipment                | 3.40                            | 0.50                      | (0.10)                                          | 3.80                   | 2.40                        | 0.36            | (0.09)                                             | 1.13                   | 1.00                   |
| Motor and Other Vehicles        | 2.47                            | 0.24                      | (0.15)                                          | 2.56                   | 1.36                        | 0.32            | (0.11)                                             | 0.99                   | 1.11                   |
| Windmill                        | 17.42                           | –                         | –                                               | 17.42                  | 5.01                        | 1.90            | –                                                  | 10.51                  | 12.41                  |
| <b>TOTAL TANGIBLE ASSETS</b>    | <b>124.87</b>                   | <b>6.68</b>               | <b>(0.52)</b>                                   | <b>131.03</b>          | <b>52.05</b>                | <b>9.09</b>     | <b>(0.41)</b>                                      | <b>70.30</b>           | <b>72.82</b>           |
| <b>Previous Year</b>            | 114.85                          | 10.23                     | (0.21)                                          | 124.87                 | 43.01                       | 9.23            | (0.19)                                             | 72.82                  | –                      |
| <b>B. Intangible - Assets</b>   |                                 |                           |                                                 |                        |                             |                 |                                                    |                        |                        |
| Software                        | 2.23                            | 0.01                      | –                                               | 2.24                   | 1.99                        | 0.11            | –                                                  | 0.14                   | 0.24                   |
| <b>TOTAL INTANGIBLE ASSETS</b>  | <b>2.23</b>                     | <b>0.01</b>               | –                                               | <b>2.24</b>            | <b>1.99</b>                 | <b>0.11</b>     | –                                                  | <b>0.14</b>            | <b>0.24</b>            |
| Previous Year                   | 1.98                            | 0.27                      | (0.02)                                          | 2.23                   | 1.86                        | 0.15            | (0.02)                                             | 0.24                   | –                      |
| <b>Grand Total (A + B)</b>      | <b>127.10</b>                   | <b>6.69</b>               | <b>(0.52)</b>                                   | <b>133.27</b>          | <b>54.04</b>                | <b>9.20</b>     | <b>(0.41)</b>                                      | <b>70.44</b>           | <b>73.06</b>           |
| <b>Previous Year (A + B)</b>    | 116.83                          | 10.50                     | (0.23)                                          | 127.10                 | 44.87                       | 9.38            | (0.21)                                             | 73.06                  | –                      |
| <b>Capital Work-in-Progress</b> | –                               | –                         | –                                               | –                      | –                           | –               | –                                                  | <b>1.01</b>            | <b>2.35</b>            |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All Figures in Rs. Crores unless otherwise mentioned)

**NOTE 10 NON CURRENT INVESTMENTS AT COST UNLESS OTHERWISE STATED**

(Refer Note 24.8)

|                                                                           | As at<br>March 31st, 2013 | As at<br>March 31st, 2012 |
|---------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Other than Trade Investments</b>                                       |                           |                           |
| - <b>Investments in Equity Instruments</b>                                |                           |                           |
| <b>Investment in Subsidiary Companies</b>                                 |                           |                           |
| <b>Unquoted</b>                                                           |                           |                           |
| Veedol International Limited                                              |                           |                           |
| 2 (Previous Year - 2) Equity Shares of GBP 1/- each fully paid            | 50.96                     | 50.94                     |
| Veedol International DMCC                                                 |                           |                           |
| 1350 (Previous Year - 50) Equity Shares @ AED 1000/- each fully paid      | 2.15                      | 0.21                      |
| Veedol International BV                                                   |                           |                           |
| 10000 (Previous Year - Nil) Equity Shares @ Euro 1/- each fully paid      | 0.17                      | —                         |
| <b>Investment in Other Companies</b>                                      |                           |                           |
| <b>Unquoted</b>                                                           |                           |                           |
| Woodlands Multispeciality Hospital Limited                                | 0.00*                     | 0.00*                     |
| 650 (Previous year 650) Equity Shares of Rs. 10/- each fully paid         |                           |                           |
| <b>Quoted</b>                                                             |                           |                           |
| Yule Financing and Leasing Co. Ltd.                                       |                           |                           |
| 194,640 (Previous Year 194,640) Equity Shares of Rs. 10/- each fully paid | 0.19                      | 0.19                      |
| WEBFIL Limited                                                            |                           |                           |
| 410,000 (Previous Year 410,000) Equity shares of Rs. 10/- each full paid  | 0.41                      | 0.41                      |
|                                                                           | <u>53.88</u>              | <u>51.75</u>              |
| * Rs. 100                                                                 |                           |                           |
| Aggregate amount of Investments :                                         |                           |                           |
| Aggregate amount of quoted investments                                    | 0.60                      | 0.60                      |
| Market Value of quoted investments                                        | Not Available             | Not Available             |
| Aggregate amount of unquoted investments                                  | 53.28                     | 51.15                     |

**NOTE 11 LONG TERM LOANS & ADVANCES (UNSECURED)**

|                                                                         |              |              |
|-------------------------------------------------------------------------|--------------|--------------|
| - <b>Security Deposits</b>                                              |              |              |
| Considered Good                                                         | 2.26         | 1.95         |
| Considered Doubtful **                                                  | 0.00         | 0.00         |
| - <b>Advance towards Equity</b>                                         | 3.48         | 3.48         |
| (Refer Note 24.6)                                                       |              |              |
| - <b>Loan to Tide Water Oil Co. (India) Ltd. Employee Welfare Trust</b> | 17.00        | 17.00        |
| - <b>Other Loans and Advances</b>                                       |              |              |
| Considered Good                                                         | 0.01         | 0.02         |
| Considered Doubtful                                                     | 0.24         | 0.24         |
|                                                                         | <u>22.99</u> | <u>22.69</u> |
| Less : Provision for Doubtful Advances / Deposits / Interest            | 0.24         | 0.24         |
|                                                                         | <u>22.75</u> | <u>22.45</u> |

\*\* Rs. 39530

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

**NOTE 12 INVENTORIES\***

(Stock at cost or net realisable value, whichever is lower)

|                   | As at<br>March 31st, 2013 | As at<br>March 31st, 2012 |
|-------------------|---------------------------|---------------------------|
| Raw Materials     | 68.93                     | 66.69                     |
| Finished Products | 82.42                     | 93.90                     |
| Packing Materials | 5.86                      | 5.79                      |
| Spares            | 0.14                      | —                         |
|                   | <u>157.35</u>             | <u>166.38</u>             |

\*Includes in transit Rs. 9.64 (previous year Rs. 11.06)

**NOTE 13 TRADE RECEIVABLES****Trade Receivables outstanding for a period exceeding six months.**

|                     |      |      |
|---------------------|------|------|
| Considered Good     |      |      |
| Secured             | 0.03 | —    |
| Unsecured           | 2.13 | 0.33 |
| Considered doubtful | 2.18 | 2.10 |

**Other Trade Receivables**

|                                     |               |              |
|-------------------------------------|---------------|--------------|
| Considered Good                     |               |              |
| Secured                             | 10.19         | —            |
| Unsecured                           | <u>116.73</u> | <u>83.12</u> |
|                                     | 131.26        | 85.55        |
| Less : Provision for doubtful debts | <u>2.18</u>   | <u>2.10</u>  |
|                                     | <u>129.08</u> | <u>83.45</u> |

**NOTE 14 CASH AND CASH EQUIVALENTS**

|                      |              |              |
|----------------------|--------------|--------------|
| Balance with Banks # | 42.03        | 30.17        |
| Cash in Hand         | 0.01         | 0.01         |
| Cheques in Hand      | <u>6.60</u>  | <u>3.97</u>  |
|                      | <u>48.64</u> | <u>34.15</u> |

# Balance with Banks includes Unclaimed Dividend of Rs. 0.26 (Previous Year Rs. 0.19)

**NOTE 15 SHORT TERM LOANS & ADVANCES (UNSECURED)**

|                                                                                        |              |              |
|----------------------------------------------------------------------------------------|--------------|--------------|
| Advance Payment of Tax and credits in respect of tax paid at source (net of Provision) | —            | 1.86         |
| Advances recoverable in cash or in kind or for value to be received *                  |              |              |
| Considered Good                                                                        | 36.31        | 27.64        |
| Considered Doubtful                                                                    | <u>0.02</u>  | <u>0.02</u>  |
|                                                                                        | 36.33        | 27.66        |
| Less : Provision for Doubtful Advances / Deposits                                      | <u>0.02</u>  | <u>0.02</u>  |
|                                                                                        | <u>36.31</u> | <u>27.64</u> |
|                                                                                        | <u>36.31</u> | <u>29.50</u> |

\* Includes Advance to Suppliers, Prepaid Expenses, Employee Loans etc.

**NOTE 16 OTHER CURRENT ASSETS**

|                   |          |             |
|-------------------|----------|-------------|
| Security Deposits | —        | 1.21        |
|                   | <u>—</u> | <u>1.21</u> |

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

| <b>NOTE 17 OTHER INCOME</b>                           | <b>For the year ended<br/>31st March, 2013</b> | <b>For the year ended<br/>31st March, 2012</b> |
|-------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Interest Income                                       | 4.55                                           | 4.38                                           |
| Other non operating income                            | 5.58                                           | 6.27                                           |
|                                                       | <u>10.13</u>                                   | <u>10.65</u>                                   |
| <b>NOTE 18 COST OF MATERIALS CONSUMED</b>             |                                                |                                                |
| <b>Raw Material and Packing Material</b>              |                                                |                                                |
| Opening Stock                                         | 72.48                                          | 83.47                                          |
| Add : Purchased during the year                       | 574.80                                         | 543.84                                         |
| Less : Closing Stock                                  | 74.79                                          | 72.48                                          |
|                                                       | <u>572.49</u>                                  | <u>554.83</u>                                  |
| <b>Finished Goods</b>                                 |                                                |                                                |
| (Increase) / Decrease in Stocks                       |                                                |                                                |
| Opening Stock                                         | 93.90                                          | 84.91                                          |
| Closing Stock                                         | 82.42                                          | 93.90                                          |
|                                                       | <u>11.48</u>                                   | <u>(8.99)</u>                                  |
| Excise Duty on increase / (decrease) in Stock         | 0.89                                           | 1.82                                           |
|                                                       | <u>12.37</u>                                   | <u>(7.17)</u>                                  |
| <b>NOTE 19 EMPLOYEE BENEFIT EXPENSE</b>               |                                                |                                                |
| Salaries, Wages and Bonus                             | 29.58                                          | 23.84                                          |
| Contribution to Provident & Other Funds               | 2.39                                           | 1.75                                           |
| Contribution to Employee Retirement Benefits          | 4.89                                           | 3.11                                           |
| Staff Welfare Expenses                                | 2.66                                           | 2.19                                           |
|                                                       | <u>39.52</u>                                   | <u>30.89</u>                                   |
| <b>NOTE 20 FINANCE COST</b>                           |                                                |                                                |
| Interest on Bank Borrowings                           | —                                              | 1.07                                           |
|                                                       | <u>—</u>                                       | <u>1.07</u>                                    |
| <b>NOTE 21 DEPRECIATION AND AMORTIZATION EXPENSES</b> |                                                |                                                |
| Depreciation of tangible assets                       | 9.09                                           | 9.23                                           |
| Amortization of Intangible assets                     | 0.11                                           | 0.15                                           |
| Less : Transfer from Revaluation Reserve              | 0.11                                           | 0.12                                           |
|                                                       | <u>9.09</u>                                    | <u>9.26</u>                                    |

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

| <b>NOTE 22 OTHER EXPENSES</b>       | <b>For the year ended<br/>31st March, 2013</b> | <b>For the year ended<br/>31st March, 2012</b> |
|-------------------------------------|------------------------------------------------|------------------------------------------------|
| Repairs - Buildings                 | 0.45                                           | 0.37                                           |
| Repairs - Machinery                 | 1.15                                           | 1.01                                           |
| Repairs - Others                    | 1.54                                           | 1.10                                           |
| Rent                                | 5.22                                           | 5.39                                           |
| Rates & Taxes                       | 1.48                                           | 2.78                                           |
| Consumption of Stores               | 0.69                                           | 1.14                                           |
| Commission                          | 3.29                                           | 4.20                                           |
| Power & Fuel                        | 2.25                                           | 2.01                                           |
| Insurance                           | 1.62                                           | 1.62                                           |
| Freight & Cartage                   | 12.68                                          | 11.63                                          |
| Travelling & Conveyance             | 5.03                                           | 3.91                                           |
| Advertising Expenses                | 11.71                                          | 12.22                                          |
| Selling and Marketing Expenses      | 47.45                                          | 44.93                                          |
| Director's Fees                     | 0.02                                           | 0.04                                           |
| Provisions for Doubtful Debts       | 0.31                                           | 0.26                                           |
| Loss on Foreign Exchange (Net)      | 0.45                                           | 1.83                                           |
| Loss on Fixed Asset Scrapped/Sold   | 0.03                                           | —                                              |
| Royalty                             | 28.80                                          | 21.37                                          |
| Research & Development Expenditure  | 1.07                                           | 0.93                                           |
| Depot Operating Expenses            | 4.22                                           | 3.76                                           |
| Processing & Filling Charges        | 4.70                                           | 7.01                                           |
| Miscellaneous Expenses              | 8.87                                           | 9.24                                           |
| Auditors' Remuneration              |                                                |                                                |
| - For Audit Fees                    | 0.14                                           | 0.13                                           |
| - For Tax Audit Fees                | 0.02                                           | 0.02                                           |
| - For Other Services                | 0.05                                           | 0.01                                           |
| - For Reimbursement of Expenses     | 0.00*                                          | 0.00*                                          |
|                                     | <b>143.24</b>                                  | <b>136.91</b>                                  |
| * Rs. 19269 (Previous year Rs 9648) |                                                |                                                |

**YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

**NOTE 23**

**Significant Accounting Policies**

**(i) BASIS OF PREPARATION OF ACCOUNTS**

The financial statements are prepared under historical cost convention on accrual basis and are in compliance with the Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act 1956 thereof.

The accounts presentation under Indian Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the balance sheet date.

**(ii) REVENUE RECOGNITION**

**(a) Sale of goods**

Revenue from the sale of goods is recognised in the Statement of profit and loss when the significant risks and rewards of ownership have been transferred to the buyer. Revenue includes consideration received or receivable, net of excise duty, discounts and rebates and related taxes.

**(b) Sale of power**

Revenue from the sale of power is recognised based on the units transmitted to the buyer.

**(c) Dividend and Interest income**

Dividend income is recognised when the company's right to receive dividend is established. Interest income is recognised on accrual basis based on interest rates implicit in the transactions.

**(iii) FIXED ASSETS**

All Fixed Assets are valued at cost less depreciation/amortization. The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of fixed assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

Certain land, buildings, blending plant and laboratory equipment and grease plant are stated on the basis of their revaluations inclusive of resultant write-ups.

**(iv) INTANGIBLE ASSETS**

Intangible Assets expected to provide future enduring economic benefits are stated at cost less amortization. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.

**(v) DEPRECIATION**

**(a)** Revalued assets are depreciated on the revalued book value at the rates considered appropriate by the valuer on a straight-line basis and thereafter adjusted to the extent chargeable on written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

The provision for depreciation on such revalued Fixed Assets are transferred to Revaluation Reserve to the extent of the difference between the written up value of the Fixed Assets revalued and depreciation adjustment and thus charge the Revaluation Reserve Account with annual depreciation on that portion of the value which is written up.

**(b)** Other fixed assets are depreciated on written down value basis applying the rates specified in Schedule XIV to the Companies Act, 1956.

**(c)** Leasehold lands are amortized on straight line basis over the period of lease.

**(d)** Items costing not more than Rupees five thousand are fully depreciated during the year of additions.

**(e)** Intangible assets are amortised over their best estimated useful life ranging upto three years on straight line method.

## YEAR ENDED 31ST MARCH, 2013

(All Figures in Rs. Crores unless otherwise mentioned)

NOTE 23 (contd.)

## (vi) INVESTMENTS

Non Current Investments are stated at cost less provision, if any, for diminution which is other than temporary in nature. Current investments are carried at lower of cost and fair value.

## (vii) INVENTORIES

Raw materials and Packing materials are valued at cost comprising purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs. Finished products are valued at lower of cost and net realizable value.

## (viii) FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions and forward exchange contracts are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currency and foreign exchange contracts remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in Statement profit and loss for the year. In case of forward exchange contracts, the difference between the contract rate and the spot rate on the date of transaction is charged to the Statement of Profit and Loss at over the period of the contract.

## (ix) BORROWING COSTS

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of such assets till such time the asset is ready for its intended use or sale. All other borrowing costs are recognised as an expense in the statement of Profit and Loss in the period in which they are incurred.

## (x) RESEARCH AND DEVELOPMENT COSTS

Revenue expenditure on research and development are expensed out in the year in which these are incurred.

Fixed Asset used for research and development is stated at cost less accumulated amortization and impairment losses and are depreciated in accordance with policy of the company.

## (xi) EMPLOYEE BENEFITS

## (i) Short term benefits

Short term benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

## (ii) Post Employment Benefits

Defined contribution plans are those plans where the Company pays fixed contributions to a separate entity. Contributions are paid in return of services rendered by the employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

Defined benefit plans are arrangements that provide guaranteed benefits to employees, either by way of contractual obligations or through a collective agreement. This guarantee of benefits represents a future commitment of the Company and, as such, a liability is recognised. The present value of these defined benefit obligations are ascertained by independent actuarial valuation as per the requirement of Accounting Standards 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in the Statement of Profit and Loss in full in the year in which they occur.

**YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

**NOTE 23 (contd.)**

**(xii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**(xiii) LEASES**

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on the straight line basis over the lease period.

**(xiv) IMPAIRMENT OF FIXED ASSETS**

- (a) The carrying amounts of assets are reviewed at each Balance Sheet date for indicators of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- (b) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- (c) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**(xv) TAXATION**

- (a) Tax expense comprises of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act, 1961.
- (b) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods in the Statement Profit and Loss and the cumulative effect thereof is reflected in the Balance Sheet. The major component of the respective balances of Deferred Tax Assets and Liabilities are disclosed in the Accounts. Deferred tax assets are reviewed at each Balance Sheet date to reassess realisation.

## YEAR ENDED 31ST MARCH, 2013

(All Figures in Rs. Crores unless otherwise mentioned)

**NOTE 24****Other Notes to Financial Statements.****24.1 Contingent Liabilities**

| Contingent Liabilities not provided for :                                               | 31st March, 2013<br>(Rs. in crores) | 31st March, 2012<br>(Rs. in crores) |
|-----------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| a. Bills Discounted                                                                     | 6.96                                | 42.88                               |
| b. Income Tax                                                                           | 1.88                                | 2.46                                |
| c. Sales tax / VAT                                                                      | 1.83                                | 2.18                                |
| d. Excise Demands                                                                       | 0.65                                | 0.65                                |
| e. Navi Mumbai Municipal Corporation cess                                               | 1.36                                | 1.36                                |
| f. Bank Guarantees                                                                      | 0.00*                               | 0.05                                |
| g. Other guarantees given to banks against financial facilities availed by subsidiaries | 5.44                                | 5.12                                |
| h. Fringe Benefit Tax                                                                   | 0.01                                | 0.01                                |
| *Rs. 40,000                                                                             |                                     |                                     |

24.2 Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs. 0.61 Crores (previous year Rs. 2.43 Crores).

24.3 The company has reviewed the impairment of assets at year end and noted that none of the assets has been impaired as on 31.03.2013.

24.4 The Company's significant leasing arrangements are primarily in respect of operating leases for office premises. These leasing arrangements which are non-cancellable are usually renewable on mutually agreeable terms. The aggregate lease rentals charged to the Statement of Profit and Loss are Rs. 0.79 Crores (previous year Rs. 0.78 Crores). Expected future minimum commitments under such leases are shown below :

| <u>Particulars</u>   | <u>Amount (Rs. in crores)</u> |
|----------------------|-------------------------------|
| Less than one year   | 0.53                          |
| One to five years    | 0.05                          |
| More than five years | Nil                           |

24.5 The Company has instituted a Tide Water Oil Company (India) Limited-Employee Welfare Scheme (TWOC-EWS 2010-11) as approved by the Board of Directors and the Shareholders vide a special resolution by postal ballot on 2nd March 2011 for allotment of stock options to employees.

The scheme is administered by an independent Tide Water Oil Co.(India) Ltd. Employee Welfare Trust (TWOC-EWT). The purpose of the trust is acquiring shares from the secondary market and implementing the scheme under the TWOC-EWS 2010-11.

The Company has given interest bearing loan amounting Rs.17.00 Crores to TWOC-EWT towards proposed purchase of Company's shares from the market.

## YEAR ENDED 31ST MARCH, 2013

(All Figures in Rs. Crores unless otherwise mentioned)

NOTE 24 (contd.)

24.6 Loans and advances include Rs.3.48 Crores (previous year Rs.3.48 Crores) given as advance towards proposed issue of shares by Yule Agro Industries Limited(YAIL). In view of the present status of activities of YAIL, shares have not been issued. Hence the status of recoverability of the aforesaid advance of Rs. 3.48 Crores and the corresponding provision, if any, as may be required is not ascertainable at this stage.

24.7 (a) The Company has incurred revenue expenditure of Rs.1.07 Crores (previous year Rs. 0.93 Crores) on account of Research & Development expenses the break up of which is as follows :

|                    | <u>31st March, 2013</u><br>(Rs. crores) | <u>31st March, 2012</u><br>(Rs. crores) |
|--------------------|-----------------------------------------|-----------------------------------------|
| Salaries & Wages   | 0.84                                    | 0.71                                    |
| Consumables        | 0.03                                    | 0.05                                    |
| Utilities          | 0.09                                    | 0.08                                    |
| Others             | 0.11                                    | 0.09                                    |
| Total (Rs. Crores) | <u>1.07</u>                             | <u>0.93</u>                             |

(b) The Gross Block of Fixed Assets in Note 9 includes following assets purchased for Research & Development :

|                          | <u>As on 31st March, 2013</u> |                  | <u>As on 31st March, 2012</u> |                  |
|--------------------------|-------------------------------|------------------|-------------------------------|------------------|
|                          | <u>Building</u>               | <u>Equipment</u> | <u>Building</u>               | <u>Equipment</u> |
| Opening Balance          | 1.32                          | 3.36             | 1.32                          | 2.42             |
| Addition during the year | Nil                           | 0.04             | Nil                           | 0.94             |
| Closing Balance          | 1.32                          | 3.40             | 1.32                          | 3.36             |

24.8 The diminution in value of Long Term Investments amounting to Rs. 0.60 Crores (previous year Rs. 0.60 crores) is in the opinion of the management, not of a permanent nature and accordingly no provision has been made.

## 24.9 Earnings Per Share

|                                                  | <u>2012-13</u> | <u>2011-12</u> |
|--------------------------------------------------|----------------|----------------|
| Net Profit for the year                          | 62.93          | 59.08          |
| Number of Equity shares (Face value Rs.10/-each) | 871,200        | 871,200        |
| Basic and Diluted earnings per share(Rs.)        | 722.40         | 678.11         |

## YEAR ENDED 31ST MARCH, 2013

(All Figures in Rs. Crores unless otherwise mentioned)

NOTE 24 (contd.)

24.10 The details of transactions entered into with Related parties during the year are as follows :

## (A) Name of Related parties :

## (a) Subsidiary Companies

- i) Veedol International Limited
- ii) Veedol International DMCC
- iii) Veedol International BV

## (b) Associated Companies

- i) Andrew Yule & Co. Ltd.
- ii) Standard Greases & Specialities Pvt. Ltd.

## (c) Key Managerial Personnel

Mr. R. N. Ghosal, Managing Director

## (d) Relative of Key Managerial Personnel

Mr. S. Ghosal, son of Mr. R. N. Ghosal

## (B) Transactions with Related parties during the Financial year and outstanding balances are as below :

| Sl. No. | Nature of Transactions                                           | 31st March, 2013 |            |                          |                                      | 31st March, 2012 |            |                          |                                      |
|---------|------------------------------------------------------------------|------------------|------------|--------------------------|--------------------------------------|------------------|------------|--------------------------|--------------------------------------|
|         |                                                                  | Subsidiaries     | Associates | Key Managerial Personnel | Relative of Key Managerial Personnel | Subsidiaries     | Associates | Key Managerial Personnel | Relative of Key Managerial Personnel |
| 1       | Remuneration                                                     | -                | -          | 0.26                     | -                                    | -                | -          | 0.25                     | -                                    |
| 2       | Sports sponsorship for National Squash Champion & Arjuna Awardee | -                | -          | -                        | 0.05                                 | -                | -          | -                        | 0.05                                 |
| 3       | Purchase of Goods                                                | -                | 117.35     | -                        | -                                    | -                | 126.63     | -                        | -                                    |
| 4       | Sale of Goods                                                    | -                | 1.02       | -                        | -                                    | -                | 4.24       | -                        | -                                    |
| 5       | Directors' Fees                                                  | -                | 0.01       | -                        | -                                    | -                | 0.02       | -                        | -                                    |
| 6       | Dividend Paid                                                    | -                | 5.17       | -                        | -                                    | -                | 2.13       | -                        | -                                    |
| 7       | Rent Paid                                                        | -                | 1.20       | -                        | -                                    | -                | 1.20       | -                        | -                                    |
| 8       | Royalty Paid                                                     | 0.14             | 2.83       | -                        | -                                    | 0.12             | 2.65       | -                        | -                                    |
| 9       | Facilitation Charges                                             | 0.12             | -          | -                        | -                                    | 0.17             | -          | -                        | -                                    |
| 10      | Outstanding Financial Facilities                                 | 5.44             | -          | -                        | -                                    | 5.12             | -          | -                        | -                                    |
| 11      | Payment for Common Services                                      | -                | 4.56       | -                        | -                                    | -                | 3.46       | -                        | -                                    |
| 12      | Processing Charges Paid                                          | -                | 2.41       | -                        | -                                    | -                | 2.59       | -                        | -                                    |
| 13      | Investments                                                      | 53.28            | -          | -                        | -                                    | 51.15            | -          | -                        | -                                    |
| 14      | Amount due from as of 31st March                                 | 0.34             | 0.01       | -                        | -                                    | -                | 1.34       | -                        | -                                    |
| 15      | Amount due to as of 31st March                                   | 0.05             | 3.34       | -                        | -                                    | 0.11             | 7.56       | -                        | -                                    |

**YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

NOTE 24 (contd.)

**24.11 Employees Benefits :**

- (a) The Company's contribution to Defined Contribution Plans aggregated to Rs.2.15 Crores (previous year Rs. 1.57 Crores) for the year ended has been recognised under the line item Contribution to Provident and Other Funds on Note 19 above.

(b) Defined Benefit Plans

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees as per Payment of Gratuity Act, 1972. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount as per Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. The Scheme is funded.

(ii) Superannuation

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 1.8% to 2.2% of salary drawn. The Scheme is funded.

(iii) Pension

The Company has a defined benefit pension fund. No new members are admitted to this Scheme. The Company accounts for the liability for pension benefits based on year-end actuarial valuation. The Scheme is unfunded.

(iv) Post-retirement Medical Scheme

Under this scheme, employees get medical benefits subject to certain limits of amount and types of benefits depending on their grade at the time of retirement. The liability for post-retirement medical scheme is determined on the basis of year-end actuarial valuation. The Scheme is unfunded.

(v) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number days of unutilised leave at each balance sheet date on the basis of year-end actuarial valuation. The Scheme is unfunded.

## YEAR ENDED 31ST MARCH, 2013

NOTE 24 (contd.)

(All Figures in Rs. Crores unless otherwise mentioned)

(c) Particulars in respect of Defined Benefit Plans of the Company are as follows :

| Employee Benefits | As at 31st March 2013 |                  |         |          |                 | As at 31st March 2012 |                  |         |          |                 | As at 31st March 2011 |                  |         |          |                 | As at 31st March 2010 |                  |         |          |                 |
|-------------------|-----------------------|------------------|---------|----------|-----------------|-----------------------|------------------|---------|----------|-----------------|-----------------------|------------------|---------|----------|-----------------|-----------------------|------------------|---------|----------|-----------------|
|                   | Gratuity              | Leave Encashment | Medical | Pension* | Super Annuation | Gratuity              | Leave Encashment | Medical | Pension* | Super Annuation | Gratuity              | Leave Encashment | Medical | Pension* | Super Annuation | Gratuity              | Leave Encashment | Medical | Pension* | Super Annuation |

Defined benefit Plans/Long term Compensated absences.

As per actuarial valuation as on 31st March, 2013

## Experience History

|                                                                                     |        |        |        |          |        |        |        |        |          |        |        |        |        |          |        |      |        |        |          |        |
|-------------------------------------------------------------------------------------|--------|--------|--------|----------|--------|--------|--------|--------|----------|--------|--------|--------|--------|----------|--------|------|--------|--------|----------|--------|
| Present value of Defined Benefit Obligation                                         | 9.16   | 5.92   | 3.63   | 87,000   | 1.09   | 7.59   | 4.30   | 2.65   | 71,000   | 0.93   | 6.42   | 3.42   | 2.09   | 74,000   | 0.83   | 3.36 | 2.72   | 1.99   | 77,000   | 0.71   |
| Fair value of plan assets                                                           | 5.27   | -      | -      | -        | 0.68   | 4.34   | -      | -      | -        | 0.63   | 4.17   | -      | -      | -        | 0.58   | 4.19 | -      | -      | -        | 0.53   |
| Funded Status [Surplus / (Deficit)]                                                 | (3.89) | (5.92) | (3.63) | (87,000) | (0.41) | (3.25) | (4.30) | (2.65) | (71,000) | (0.30) | (2.25) | (3.42) | (2.09) | (74,000) | (0.25) | 0.83 | (2.72) | (1.99) | (77,000) | (0.18) |
| Experience (Gain)/Loss adjustment on plan liabilities                               | 0.64   | 1.15   | 0.48   | 28,000   | 0.04   | 0.39   | 0.46   | 0.37   | 3,000    | (0.01) | 0.37   | 0.55   | (0.06) | 6,000    | 0.03   | 0.02 | 0.29   | 0.04   | (3,000)  | (0.00) |
| Experience (Gain) / Loss adjustment on plan assets                                  | 0.08   | -      | -      | -        | (0.00) | -      | -      | -      | -        | -      | 0.04   | -      | -      | -        | 0.01   | 0.06 | -      | -      | -        | 0.00   |
| Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption | 0.40   | 0.27   | 0.24   | 2,000    | 0.01   | 0.29   | 0.22   | 0.01   | (1,000)  | 0.01   | (0.05) | (0.03) | (0.03) | (1,000)  | (0.00) | -    | -      | -      | -        | -      |

| Employee Benefits | As at 31st March 2013 |                  |         |          |                 | As at 31st March 2012 |                  |         |          |                 |
|-------------------|-----------------------|------------------|---------|----------|-----------------|-----------------------|------------------|---------|----------|-----------------|
|                   | Gratuity              | Leave Encashment | Medical | Pension* | Super Annuation | Gratuity              | Leave Encashment | Medical | Pension* | Super Annuation |

## Components of employer expenses

|                                                                        |             |             |             |               |             |             |             |             |              |             |
|------------------------------------------------------------------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|--------------|-------------|
| Current Service Cost                                                   | 0.45        | 0.25        | 0.15        | -             | 0.03        | 0.39        | 0.20        | 0.11        | -            | 0.03        |
| Interest cost                                                          | 0.64        | 0.36        | 0.23        | 5,000         | 0.08        | 0.52        | 0.27        | 0.17        | 6,000        | 0.07        |
| Expected return on plan assets                                         | (0.40)      | -           | -           | -             | (0.06)      | (0.34)      | -           | -           | -            | (0.05)      |
| Plan amendment Cost                                                    | -           | -           | -           | -             | -           | -           | -           | -           | -            | -           |
| Actuarial Losses / (Gains)                                             | 0.96        | 1.42        | 0.72        | 30,000        | 0.05        | 0.68        | 0.68        | 0.38        | 2,000        | (0.00)      |
| <b>Total expenses recognized in the Statement of Profit &amp; Loss</b> | <b>1.65</b> | <b>2.03</b> | <b>1.10</b> | <b>35,000</b> | <b>0.10</b> | <b>1.25</b> | <b>1.15</b> | <b>0.66</b> | <b>8,000</b> | <b>0.05</b> |

## Actual Contribution and Benefits Payments for year ended 31st March, 2013

|                         |      |      |      |        |   |      |      |      |        |   |
|-------------------------|------|------|------|--------|---|------|------|------|--------|---|
| Actual benefit payments | 0.55 | 0.41 | 0.12 | 19,000 | - | 0.42 | 0.27 | 0.10 | 11,000 | - |
| Actual Contributions    | 1.00 | 0.41 | 0.12 | 19,000 | - | 0.25 | 0.27 | 0.10 | 11,000 | - |

## Net assets / (liability) recognized in balance sheet as at 31st March, 2013

|                                                          |               |               |               |                 |               |               |               |               |                 |               |
|----------------------------------------------------------|---------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|-----------------|---------------|
| Present value of Defined Benefit Obligation              | 9.16          | 5.92          | 3.63          | 87,000          | 1.09          | 7.59          | 4.30          | 2.65          | 71,000          | 0.93          |
| Fair value of plan assets                                | 5.27          | -             | -             | -               | 0.68          | 4.34          | -             | -             | -               | 0.63          |
| Funded status [Surplus / (Deficit)]                      | (3.89)        | (5.92)        | (3.63)        | (87,000)        | (0.41)        | (3.25)        | (4.30)        | (2.65)        | (71,000)        | (0.30)        |
| <b>Net asset/(liability) recognized in balance sheet</b> | <b>(3.89)</b> | <b>(5.92)</b> | <b>(3.63)</b> | <b>(87,000)</b> | <b>(0.41)</b> | <b>(3.25)</b> | <b>(4.30)</b> | <b>(2.65)</b> | <b>(71,000)</b> | <b>(0.30)</b> |

## YEAR ENDED 31ST MARCH, 2013

(All Figures in Rs. Crores unless otherwise mentioned)

## NOTE 24 (contd.)

| Employee Benefits | As at 31st March 2013 |                  |         |          |                 | As at 31st March 2012 |                  |         |          |                 |
|-------------------|-----------------------|------------------|---------|----------|-----------------|-----------------------|------------------|---------|----------|-----------------|
|                   | Gratuity              | Leave Encashment | Medical | Pension* | Super Annuation | Gratuity              | Leave Encashment | Medical | Pension* | Super Annuation |

## Change in Defined Benefit Obligations during the year ended 31st March, 2013

|                                           |        |        |        |          |      |        |        |        |          |        |
|-------------------------------------------|--------|--------|--------|----------|------|--------|--------|--------|----------|--------|
| Present value of DBO at beginning of year | 7.59   | 4.30   | 2.65   | 71,000   | 0.93 | 6.42   | 3.42   | 2.09   | 74,000   | 0.83   |
| Current Service cost                      | 0.45   | 0.25   | 0.15   | -        | 0.03 | 0.39   | 0.20   | 0.11   | -        | 0.03   |
| Interest cost                             | 0.64   | 0.36   | 0.23   | 5,000    | 0.08 | 0.52   | 0.27   | 0.17   | 6,000    | 0.07   |
| Plan amendments                           | -      | -      | -      | -        | -    | -      | -      | -      | -        | -      |
| Actuarial (Gains) / Losses                | 1.03   | 1.42   | 0.72   | 30,000   | 0.05 | 0.68   | 0.68   | 0.38   | 2,000    | (0.00) |
| Benefits paid                             | (0.55) | (0.41) | (0.12) | (19,000) | -    | (0.42) | (0.27) | (0.10) | (11,000) | -      |
| Present Value of DBO at the end of year   | 9.16   | 5.92   | 3.63   | 87,000   | 1.09 | 7.59   | 4.30   | 2.65   | 71,000   | 0.93   |

## Change in Fair value of Assets during the year ended 31st March, 2013

|                                    |        |        |        |          |      |        |         |        |          |      |
|------------------------------------|--------|--------|--------|----------|------|--------|---------|--------|----------|------|
| Plan assets at beginning of period | 4.34   | -      | -      | -        | 0.63 | 4.17   | -       | -      | -        | 0.58 |
| Actual return on plan assets       | 0.40   | -      | -      | -        | 0.06 | 0.34   | -       | -      | -        | 0.05 |
| Actual company contribution        | 1.00   | 0.41   | 0.12   | 19,000   | -    | 0.25   | 0.27    | 0.10   | 11,000   | -    |
| Actuarial gain / (loss)            | 0.08   | -      | -      | -        | 0.00 | -      | -       | -      | -        | -    |
| Benefits paid                      | (0.55) | (0.41) | (0.12) | (19,000) | -    | (0.42) | (26.56) | (0.10) | (11,000) | -    |
| Plan assets at the end of the year | 5.27   | -      | -      | -        | 0.69 | 4.34   | -       | -      | -        | 0.63 |

## Actuarial Assumptions

|                                                               |       |       |       |       |       |       |       |       |       |       |
|---------------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Discount Rate                                                 | 8.20% | 8.20% | 8.20% | 8.82% | 8.20% | 8.75% | 8.75% | 8.75% | 8.75% | 8.75% |
| Expected return on plan assets                                | 8.75% | N.A.  | N.A.  | N.A.  | 8.75% | 8.35% | N.A.  | N.A.  | N.A.  | 8.35% |
| Salary escalation                                             | 6%    | 6%    | 6%    | N.A.  | 6%    | 6%    | 6%    | 6%    | N.A.  | 6%    |
| Expected Average remaining working lives of employees (years) | 15.43 | 15.43 | N.A.  | N.A.  | 1.67  | 15.94 | 15.94 | N.A.  | N.A.  | 2.17  |

## Effect of one percentage point change in assumed Medical inflation rate

|                     | One percentage point increase in Medical inflation rate | One percentage point decrease in Medical inflation rate |
|---------------------|---------------------------------------------------------|---------------------------------------------------------|
| Revised DBO as at : |                                                         |                                                         |
| 31st March 2013     | 3.61                                                    | 3.61                                                    |
| 31st March 2012     | 2.67                                                    | 2.62                                                    |

\*Figures given are stated in Rupees

## Notes :

- According to the Actuary, there will be no change in the aggregate of the current service cost and interest cost components of net periodic post employment medical cost for one percentage point increase or decrease in the assumed medical cost trends.
- The Company has not received any break-up of the compositions of investment by category with respect to Gratuity Fund and Superannuation Fund administered and managed by Life Insurance Corporation of India and hence disclosure required for compositions of investment for plan assets under Accounting Standard 15 on Employee Benefits have not been given.
- The estimate of future salary increases take into account inflation, seniority, promotion and other relevant reasons.

## YEAR ENDED 31ST MARCH, 2013

(All Figures in Rs. Crores unless otherwise mentioned)

NOTE 24 (contd.)

- 24.12 The disclosure under the Micro, Small & Medium Enterprise Development Act, 2006 have been made on the basis of confirmations received from suppliers regarding their status under the said Act :

|    | Particulars                                                                                                                                                                                                                                    | Amount          |                 |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
|    |                                                                                                                                                                                                                                                | <u>31.03.13</u> | <u>31.03.12</u> |
| 1. | Outstanding principal amount & interest as on                                                                                                                                                                                                  |                 |                 |
|    | – Principal Amount                                                                                                                                                                                                                             | 1.15            | 1.28            |
|    | – Interest due thereon                                                                                                                                                                                                                         | Nil             | Nil             |
| 2. | Amount of interest paid along with the amounts of payment made beyond the appointed day                                                                                                                                                        | Nil             | Nil             |
| 3. | Amount of interest due and payable (where the principal has already been paid but interest has not been paid)                                                                                                                                  | Nil             | Nil             |
| 4. | The amount of interest accrued and remaining unpaid at the end of each accounting year.                                                                                                                                                        | Nil             | Nil             |
| 5. | The amount of further interest remaining due and payable even in succeeding year, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act. | Nil             | Nil             |

- 24.13 The year end foreign currency exposure that have not been hedged by a forward contract (derivative instrument) or otherwise are given below :

|                                                                  |      | Foreign Currency |                 | Equivalent Rs.  |                 |
|------------------------------------------------------------------|------|------------------|-----------------|-----------------|-----------------|
|                                                                  |      | <u>31.03.13</u>  | <u>31.03.12</u> | <u>31.03.13</u> | <u>31.03.12</u> |
| Amount payable in foreign currency on account of import of goods | USD  | 0.75             | 0.62            | 41.63           | 30.71           |
|                                                                  | EURO | 0.01             | 0.02            | 0.96            | 1.36            |

- 24.14 Disclosures pertaining to Segment Reporting as per AS-17

Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard – 17, the Company is predominantly engaged in the business of a single reportable segment of Lubricants during the year. Therefore disclosure requirements of AS 17 on Segment Reporting are not applicable to the company :

## YEAR ENDED 31ST MARCH, 2013

(All Figures in Rs. Crores unless otherwise mentioned)

## NOTE 24 (contd.)

## 24.15 Other Disclosures :

## (a) Particulars of Sales and Raw Materials Consumed :

## (i) Sales (Inclusive of rebranded sales)

| Class of Goods | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|----------------|-----------------------------|-----------------------------|
| Oils           | 960.11                      | 885.11                      |
| Greases        | 124.13                      | 119.36                      |
| Wind Power     | 2.48                        | 1.98                        |
|                | <u>1,086.72</u>             | <u>1,006.45</u>             |

## (ii) Raw Materials Consumed (Excluding Container)

| Items     | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|-----------|-----------------------------|-----------------------------|
| Base Oils | 325.54                      | 423.66                      |
| Additives | 154.47                      | 47.48                       |
| Grease    | 6.47                        | 5.70                        |
|           | <u>486.48</u>               | <u>476.84</u>               |

## (b) Value of Imported and Indigenous Raw Materials (including Containers) and Stores Consumed :

|                                          | Year ended 31st March, 2013 |               | Year ended 31st March, 2012 |               |
|------------------------------------------|-----------------------------|---------------|-----------------------------|---------------|
| (i) Raw Materials (Including Containers) | Value                       | (%)           | Value                       | (%)           |
| Imported                                 | 169.13                      | 29.54         | 138.19                      | 24.91         |
| Indigenous                               | 403.36                      | 70.46         | 416.64                      | 75.09         |
|                                          | <u>572.49</u>               | <u>100.00</u> | <u>554.83</u>               | <u>100.00</u> |
| (ii) Stores                              |                             |               |                             |               |
| Imported                                 | 0.02                        | 2.90          | —                           | —             |
| Indigenous                               | 0.67                        | 97.10         | 1.14                        | 100.00        |
|                                          | <u>0.69</u>                 | <u>100.00</u> | <u>1.14</u>                 | <u>100.00</u> |

## (c) Value of Imports on C.I.F. Basis :

|                   |               |               |
|-------------------|---------------|---------------|
| Raw Materials     | 164.94        | 134.89        |
| Plant & Machinery | 0.01          | 1.11          |
| Others            | 0.03          | 0.02          |
|                   | <u>164.98</u> | <u>136.02</u> |

## (d) Expenditure in Foreign Currency :

|                  |             |             |
|------------------|-------------|-------------|
| Royalty Remitted | 2.05        | 0.80        |
| Travelling       | 0.04        | 0.08        |
|                  | <u>2.09</u> | <u>0.88</u> |

(e) Earnings in Foreign exchange  
(Reimbursement of Marketing Expenses)

|  |      |      |
|--|------|------|
|  | 0.65 | 0.60 |
|--|------|------|

**YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

NOTE 24 (contd.)

- 24.16 The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
- 24.17 Previous year figures have been reclassified to conform to this year's classification and have been regrouped, recast and rearranged wherever necessary to make it comparable with the current year figures.

On behalf of the Board

**Kallol Datta**  
*Chairman*

Kolkata, 30th May 2013

**R. N. Ghosal**  
*Managing Director*

**S. Basu**  
*CFO*

**S. Ganguli**  
*Secretary*

## **INDEPENDENT AUDITORS' REPORT**

TO

THE BOARD OF DIRECTOR'S of  
TIDE WATER OIL CO. (INDIA), LTD.

### **1. Report on the Consolidated Financial Statements**

We have audited the attached Consolidated Balance Sheet of TIDE WATER OIL CO. (INDIA) LTD. ("the Company/ Parent") and subsidiaries (Collectively referred to as "the Group") as at 31st March, 2013 the Consolidated Statement of Profit and Loss for the year then ended and also the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (other notes to financial statements) in which following are incorporated :

- i) Audited accounts of Tide Water Oil Co (India) Limited (the Company/Parent), audited by us, vide our audit report dated May 30, 2013.
- ii) Audited accounts of two subsidiaries audited by other auditors.
- iii) Unaudited accounts of one subsidiary.

### **2. Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **3. Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **4. Opinion**

We report that :

- 4.1 *No provision has been made in the accounts of the Parent in respect of advance given to a company towards purchase of shares for Rs. 3.48 crores which is doubtful in nature with consequential impact on profit and Net Assets Position at the end of the year; (Refer Note 25.5);*
- 4.2 *Investments in quoted equity shares made by the Parent have suffered diminution in value (amount not ascertained) for which no provision has been made in the accounts with consequential impact on Profit and Net Assets Position at the end of the year; (Refer Note 25.6);*

5. In our opinion and to the best of our information and according to the explanations given to us and on consideration of reports of other auditors on the separate financial statements and other financial information of the subsidiaries, we are of the opinion that the attached consolidated financial statements read in conjunction with Notes 1 to 25 and *subject to our remarks in paragraph 4.1 and 4.2 above*, give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) In the case of the Consolidated Balance Sheet, of the state of the affairs of the Group as at 31 March, 2013.
  - b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
  - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**6. Report on Other Legal and Regulatory Requirements**

We report that the Consolidated Financial Statements have been prepared by the Company in accordance the requirements of Accounting Standards (AS-21), "Consolidated Financial Statements" notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of the Parent and its subsidiaries included in the Consolidated Financial Statements.

**7. Other Matters**

- (i) We have not audited the Financial Statements of two international subsidiaries namely Veedol International Limited and Veedol International DMCC, whose financial statements reflect total assets of Rs 15.20 crores as on 31st March, 2013, total revenue of Rs 37.45 crores and cash flows of Rs 0.042 crores for the year ended on that date. The Financial statements and other financial information of these subsidiaries have been audited by other auditors, whose reports have been furnished to us and our opinion is based solely on audit reports of other auditors. These financial statements have been converted as per the requirements of Indian GAAP by the Management and audited by respective auditors and our opinion, in so far it relates to the amounts included in respect of those subsidiaries is based solely on the reports of those auditors and its conversion into Indian GAAP as stated above.
- (ii) We have relied on the unaudited financial statements of one international subsidiary namely Veedol International BV, whose financial statement reflect total assets of Rs 0.07 crores and cash flow of Rs 0.07 crores as on 31st March, 2013. This unaudited financial statement as approved by the Board of Directors of the Subsidiary have been furnished to us by the Management and our report is so far as it relates to the amount included in respect of the Subsidiary is based solely on such approved unaudited financial statements.
- (iii) In respect of the Subsidiary, Veedol International Limited, the reporting date is 31st December, 2012 and accordingly the accounts of Veedol International Limited has been prepared up to 31st December, 2012 and audited by other auditors. In respect of transactions between the Reporting date of the Subsidiary and the Reporting date of the Parent, no adjustments have been made in the accounts of the Subsidiary by the management as in the opinion of the management, there were no material transactions in the books of the Subsidiary during this period.
- (iv) The accounts of the Subsidiary, Veedol International DMCC has been prepared up to 31st March, 2013 and the same has been audited by other auditor.

For **Ray & Ray**  
Chartered Accountants  
(Firm Registration. No. 301072E)

**Amitava Chowdhury**  
Partner  
Membership No. 56060

Place : Kolkata  
Date : 30th May, 2013

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(All Figures in Rs. Crores unless otherwise mentioned)

|                                                  | Note | 31st March, 2013 | 31st March, 2012 |
|--------------------------------------------------|------|------------------|------------------|
| <b>EQUITY AND LIABILITIES</b>                    |      |                  |                  |
| <b>Shareholders' Funds</b>                       |      |                  |                  |
| Share Capital                                    | 1    | 0.87             | 0.87             |
| Reserves and Surplus                             | 2    | 353.85           | 306.34           |
| <b>Non-Current Liabilities</b>                   |      |                  |                  |
| Deferred tax liabilities (Net)                   | 3    | 1.21             | 1.69             |
| Other Long Term Liabilities                      | 4    | 14.95            | 14.38            |
| Long term provisions                             | 5    | 10.86            | 8.06             |
| <b>Current Liabilities</b>                       |      |                  |                  |
| Short-term borrowings                            | 6    | 5.05             | 1.56             |
| Trade payables                                   | 7    | 105.37           | 101.93           |
| Other current liabilities                        | 8    | 21.67            | 15.62            |
| Short-term provisions                            | 9    | 18.42            | 14.61            |
|                                                  |      | <u>532.25</u>    | <u>465.06</u>    |
| <b>ASSETS</b>                                    |      |                  |                  |
| <b>Non-current assets</b>                        |      |                  |                  |
| Goodwill on Consolidation                        |      | 51.16            | 51.08            |
| Fixed Assets                                     |      |                  |                  |
| Tangible assets                                  | 10   | 70.74            | 73.23            |
| Intangible assets                                | 10   | 0.14             | 0.24             |
| Capital work-in-progress                         | 10   | 1.01             | 2.35             |
| Non-current investments                          | 11   | 0.60             | 0.60             |
| Long term loans and advances                     | 12   | 22.80            | 22.47            |
| <b>Current Assets</b>                            |      |                  |                  |
| Inventories                                      | 13   | 157.35           | 166.38           |
| Trade Receivables                                | 14   | 143.55           | 83.45            |
| Cash and cash equivalents                        | 15   | 48.75            | 34.27            |
| Short term Loans and Advances                    | 16   | 36.15            | 29.78            |
| Other current assets                             | 17   | —                | 1.21             |
|                                                  |      | <u>532.25</u>    | <u>465.06</u>    |
| Significant accounting policies                  | 24   |                  |                  |
| Other notes to consolidated financial statements | 25   |                  |                  |

The accompanying notes are an integral part of the consolidated financial statements  
In terms of our report attached

For Ray & Ray  
Chartered Accountants  
Firm Registration. No. 301072E

**Amitava Chowdhury**  
Partner  
Kolkata, 30th May, 2013  
Membership No. 56060

On behalf of the Board,  
**Kallol Datta** Chairman  
**R.N.Ghosal** Managing Director

**S. Basu**  
CFO

**S. Ganguli**  
Secretary

**CONSOLIDATED STATEMENT OF THE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

|                                                                                      | Notes | For the year ended<br>31st March, 2013 | For the year ended<br>31st March, 2012 |
|--------------------------------------------------------------------------------------|-------|----------------------------------------|----------------------------------------|
| <b>INCOME</b>                                                                        |       |                                        |                                        |
| Revenue from operations                                                              |       |                                        |                                        |
| - from sale of products                                                              |       |                                        |                                        |
| Sales                                                                                |       | 1,120.48                               | 1,004.47                               |
| Less : Discounts & Rebates                                                           |       | 86.12                                  | 74.01                                  |
| Net Sales (Net of discount & rebates)                                                |       | 1,034.36                               | 930.46                                 |
| Less : Excise Duty Recovered on sales                                                |       | 139.82                                 | 131.11                                 |
| Net Sales (excluding excise duty)                                                    |       | 894.54                                 | 799.35                                 |
| Other operating revenues                                                             |       | 2.48                                   | 1.98                                   |
| - Other Income                                                                       | 18    | 10.13                                  | 10.48                                  |
| <b>Total Revenue</b>                                                                 |       | <b>907.15</b>                          | <b>811.81</b>                          |
| <b>EXPENSES</b>                                                                      |       |                                        |                                        |
| Cost of materials consumed                                                           | 19    | 597.16                                 | 554.83                                 |
| Changes in inventories (increase/decrease)                                           | 19    | 12.37                                  | (7.17)                                 |
| Employee benefit expense                                                             | 20    | 42.81                                  | 31.13                                  |
| Finance costs                                                                        | 21    | 0.21                                   | 1.10                                   |
| Depreciation and amortization expenses (Net)                                         | 22    | 9.20                                   | 9.26                                   |
| Other expenses                                                                       | 23    | 151.22                                 | 137.63                                 |
| <b>Total Expenses</b>                                                                |       | <b>812.97</b>                          | <b>726.78</b>                          |
| Profit before Tax                                                                    |       | 94.18                                  | 85.03                                  |
| Tax expenses                                                                         |       |                                        |                                        |
| Current Tax                                                                          |       | 31.75                                  | 28.00                                  |
| Deferred Tax                                                                         |       | (0.48)                                 | (0.89)                                 |
| Profit for the year                                                                  |       | 62.91                                  | 57.92                                  |
| Earnings per equity share of face value of Rs. 10 each                               |       |                                        |                                        |
| Basic and Diluted (in Rs.)                                                           |       | 722.04                                 | 664.86                                 |
| (Refer Note 25.10)                                                                   |       |                                        |                                        |
| Significant accounting policies                                                      | 24    |                                        |                                        |
| Other notes to consolidated financial statements                                     | 25    |                                        |                                        |
| The accompanying notes are an integral part of the consolidated financial statements |       |                                        |                                        |
| In terms of our report attached                                                      |       |                                        |                                        |

For Ray & Ray  
Chartered Accountants  
Firm Registration. No. 301072E

**Amitava Chowdhury**  
Partner  
Kolkata, 30th May, 2013  
Membership No. 56060

On behalf of the Board,  
**Kallol Datta** Chairman  
**R.N.Ghosal** Managing Director

**S. Basu**  
CFO

**S. Ganguli**  
Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

|                                                                | <u>31st March, 2013</u> | <u>31st March, 2012</u> |
|----------------------------------------------------------------|-------------------------|-------------------------|
| <b>A. Cash Flow from Operating Activities</b>                  |                         |                         |
| Net Profit before Tax                                          | 94.18                   | 85.03                   |
| Adjustments for :                                              |                         |                         |
| Depreciation and Amortisation                                  | 9.20                    | 9.26                    |
| Interest received                                              | (4.55)                  | (4.38)                  |
| Loss / (Profit) on sale of Fixed Assets                        | 0.03                    | (0.03)                  |
| Interest charge                                                | 1.15                    | 2.41                    |
| Provision for doubtful debts / Advances (Net)                  | 0.08                    | (0.06)                  |
| Liabilities no longer required written back                    | (3.31)                  | (3.84)                  |
| Operating Profit before Working Capital changes                | 96.78                   | 88.39                   |
| Adjustments for :                                              |                         |                         |
| Trade and Other Receivables                                    | (67.07)                 | (1.21)                  |
| Other Long Term Liabilities                                    | 0.57                    | 14.38                   |
| Inventories                                                    | 9.03                    | 2.00                    |
| Trade Payables                                                 | 16.20                   | 11.30                   |
| Cash Generated From Operations                                 | 55.51                   | 114.86                  |
| Direct Taxes Paid                                              | (29.13)                 | (30.28)                 |
| <b>Cash flow before Exceptional Items</b>                      | <b>26.38</b>            | <b>84.58</b>            |
| <b>Net Cash from Operating Activities</b>                      | <b>26.38</b>            | <b>84.58</b>            |
| <b>B. Cash Flow from Investing Activities</b>                  |                         |                         |
| Payment for Goodwill on acquisition                            | (0.08)                  | (51.08)                 |
| Purchase of Fixed Assets                                       | (5.49)                  | (12.20)                 |
| Proceeds from sale of Fixed Assets                             | 0.06                    | 0.05                    |
| Interest Received                                              | 3.36                    | 3.87                    |
| <b>Net Cash used in Investing Activities</b>                   | <b>(2.15)</b>           | <b>(59.36)</b>          |
| <b>C. Cash Flow from Financing Activities</b>                  |                         |                         |
| Proceeds from short term borrowings                            | 3.49                    | 1.56                    |
| Interest Paid                                                  | (1.15)                  | (2.41)                  |
| Dividend Paid                                                  | (12.09)                 | (6.01)                  |
| <b>Net Cash used in Financing Activities</b>                   | <b>(9.75)</b>           | <b>(6.86)</b>           |
| Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C) | <b>14.48</b>            | <b>18.36</b>            |
| Cash and Cash Equivalents at the beginning of the year         | 34.27                   | 15.91                   |
| Cash and Cash Equivalents at the close of the year             | 48.75                   | 34.27                   |
|                                                                | <b>14.48</b>            | <b>18.36</b>            |

Notes :

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement issued by ICAI.
2. Cash and Cash Equivalents represent Cash and Bank Balances.
3. Additions to Fixed assets are stated inclusive of movements of Capital Work-in Progress between the beginning and the end of the year and are treated as part of Investing Activities.

In terms of our report attached

For Ray & Ray  
Chartered Accountants  
Firm Registration. No. 301072E

**Amitava Chowdhury**  
Partner

Kolkata, 30th May, 2013

Membership No. 56060

On behalf of the Board,  
**Kallol Datta** Chairman  
**R.N.Ghosal** Managing Director

**S. Basu**  
CFO

**S. Ganguli**  
Secretary

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

| <b>NOTE 1 SHARE CAPITAL</b>                                                       | <b>As at<br/>31st March,<br/>2013</b> | <b>As at<br/>31st March,<br/>2012</b> |
|-----------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Authorised :</b>                                                               |                                       |                                       |
| 30,00,000 (Previous Year 30,00,000) Equity Shares of Rs. 10/- each                | <u>3.00</u>                           | <u>3.00</u>                           |
| <b>Issued and Subscribed and Paid-up :</b>                                        |                                       |                                       |
| 8,71,200 (Previous Year 8,71,200) Equity Shares of Rs. 10/- each<br>fully paid up | <u>0.87</u>                           | <u>0.87</u>                           |

**The details of shareholder holding more than 5% shares as at March 31st is set out below :**

| <b>Name of the shareholders</b>                   | <b>No. of<br/>Shares</b> | <b>% held</b> | <b>No. of<br/>Shares</b> | <b>% held</b> |
|---------------------------------------------------|--------------------------|---------------|--------------------------|---------------|
| Andrew Yule & Company Limited                     | 228390                   | 26.22         | 228390                   | 26.22         |
| Standard Greases And Specialities Private Limited | 202484                   | 23.24         | 202484                   | 23.24         |
| United India Insurance Company Limited            | 83098                    | 9.54          | 87453                    | 10.04         |

**The reconciliation of the number of shares outstanding as at March 31st is set out below :**

|                                            |         |         |
|--------------------------------------------|---------|---------|
| Equity Shares at the beginning of the year | 871,200 | 871,200 |
| Movement During The Year                   | —       | —       |
| Equity Shares at the end of the year       | 871,200 | 871,200 |

**NOTE 2 RESERVES AND SURPLUS****Revaluation Reserve**

|                                                    |             |             |
|----------------------------------------------------|-------------|-------------|
| Balance as per last Accounts                       | 1.81        | 1.93        |
| Less : Transferred to Statement of Profit and Loss | <u>0.11</u> | <u>0.12</u> |
|                                                    | <u>1.70</u> | <u>1.81</u> |

**Securities Premium Reserve**

|                              |      |      |
|------------------------------|------|------|
| Balance as per last Accounts | 4.39 | 4.39 |
|------------------------------|------|------|

**General Reserve**

|                                                     |              |              |
|-----------------------------------------------------|--------------|--------------|
| Balance as per last Accounts                        | 79.17        | 73.26        |
| Add : Transferred from Statement of Profit and Loss | <u>6.29</u>  | <u>5.91</u>  |
|                                                     | <u>85.46</u> | <u>79.17</u> |

**Surplus i.e. balance in the Statement of Profit and Loss**

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Balance as per last Accounts          | 220.97        | 181.12        |
| Add : Profit for the year (after tax) | <u>62.91</u>  | <u>57.92</u>  |
| Amount available for Appropriations   | <u>283.88</u> | <u>239.04</u> |
| Less : Appropriations :               |               |               |
| General Reserve                       | 6.29          | 5.91          |
| Proposed Dividend                     | 13.07         | 10.46         |
| Dividend Distribution Tax             | <u>2.22</u>   | <u>1.70</u>   |
| Net Surplus                           | <u>262.30</u> | <u>220.97</u> |
|                                       | <u>353.85</u> | <u>306.34</u> |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

|                                                                                                                          | As at<br>31st March,<br>2013 | As at<br>31st March,<br>2012 |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>NOTE 3 DEFERRED TAXES (NET)</b>                                                                                       |                              |                              |
| Timing Difference of Depreciation as per tax laws and books                                                              | 5.33                         | 5.87                         |
| Initial disallowance's allowable on payment                                                                              | (4.12)                       | (4.18)                       |
| Net Deferred Tax Liability / (Asset)                                                                                     | 1.21                         | 1.69                         |
| <b>NOTE 4 OTHER LONG TERM LIABILITIES</b>                                                                                |                              |                              |
| Security Deposits                                                                                                        | 14.95                        | 14.38                        |
|                                                                                                                          | 14.95                        | 14.38                        |
| <b>NOTE 5 LONG TERM PROVISIONS</b>                                                                                       |                              |                              |
| Provision for Employee Benefits                                                                                          | 10.86                        | 8.06                         |
|                                                                                                                          | 10.86                        | 8.06                         |
| <b>NOTE 6 SHORT TERM BORROWINGS(Secured)</b>                                                                             |                              |                              |
| Loans repayable on demand                                                                                                |                              |                              |
| - from banks                                                                                                             | 5.05                         | 1.56                         |
| - from others                                                                                                            | —                            | —                            |
| The loan is secured by corporate guarantee of<br>Tide Water Oil Company (India) Ltd.-the Holding Company.                |                              |                              |
|                                                                                                                          | 5.05                         | 1.56                         |
| <b>NOTE 7 TRADE PAYABLES</b>                                                                                             |                              |                              |
| Micro, Small and Medium Enterprise                                                                                       | 1.15                         | 1.28                         |
| Other than Micro, Small and Medium Enterprises                                                                           | 104.22                       | 100.65                       |
|                                                                                                                          | 105.37                       | 101.93                       |
| <b>NOTE 8 OTHER CURRENT LIABILITIES</b>                                                                                  |                              |                              |
| Unclaimed Dividends #                                                                                                    | 0.26                         | 0.19                         |
| Other Payables *                                                                                                         | 21.41                        | 15.43                        |
|                                                                                                                          | 21.67                        | 15.62                        |
| * Includes statutory dues, advances from customers and other dues.                                                       |                              |                              |
| # There is no amount due and outstanding as at 31st March 2013 to be credited to Investor Education and Protection Fund. |                              |                              |
| <b>NOTE 9 SHORT TERM PROVISIONS</b>                                                                                      |                              |                              |
| Provision for Employee Benefits                                                                                          | 3.11                         | 2.45                         |
| <b>Others</b>                                                                                                            |                              |                              |
| Provision for Taxation (Net of Advances)                                                                                 | 0.02                         | —                            |
| Proposed Dividend                                                                                                        | 13.07                        | 10.46                        |
| Dividend Distribution Tax                                                                                                | 2.22                         | 1.70                         |
|                                                                                                                          | 15.31                        | 12.16                        |
|                                                                                                                          | 18.42                        | 14.61                        |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

## NOTE 10 FIXED ASSETS

(All Figures in Rs. Crores unless otherwise mentioned)

| DESCRIPTION OF ASSETS          | GROSS BLOCK AT COST / VALUATION |                           |                                                   | DEPRECIATION / AMORTISATION |                       |                 |                                                    | NET BLOCK              |                        |
|--------------------------------|---------------------------------|---------------------------|---------------------------------------------------|-----------------------------|-----------------------|-----------------|----------------------------------------------------|------------------------|------------------------|
|                                | As at 1st April, 2012           | Additions during the year | Assets sold / scrapped / adjusted during the year | As at 31st March, 2013      | As at 1st April, 2012 | During the year | On assets sold/ Scrapped/ adjusted during the year | As at 31st March, 2013 | As at 31st March, 2012 |
| <b>A. TANGIBLE ASSETS</b>      | Rs.                             | Rs.                       | Rs.                                               | Rs.                         | Rs.                   | Rs.             | Rs.                                                | Rs.                    | Rs.                    |
| LAND (FREEHOLD)                | 4.52                            | -                         | -                                                 | 4.52                        | -                     | -               | -                                                  | 4.52                   | 4.52                   |
| LAND (LEASEHOLD)               | 2.66                            | -                         | -                                                 | 2.66                        | 0.22                  | 0.03            | -                                                  | 2.41                   | 2.44                   |
| BUILDINGS                      | 38.73                           | 0.88                      | -                                                 | 39.61                       | 14.04                 | 2.24            | -                                                  | 23.33                  | 24.69                  |
| PLANT & MACHINERY              | 49.39                           | 4.63                      | (0.22)                                            | 53.80                       | 25.44                 | 3.70            | (0.17)                                             | 24.83                  | 23.95                  |
| FURNITURE & FIXTURE            | 6.62                            | 0.54                      | (0.05)                                            | 7.11                        | 3.58                  | 0.61            | (0.04)                                             | 2.96                   | 3.04                   |
| OFFICE EQUIPMENT               | 3.47                            | 0.53                      | (0.10)                                            | 3.90                        | 2.40                  | 0.40            | (0.09)                                             | 1.19                   | 1.07                   |
| MOTOR AND OTHER VEHICLES       | 2.47                            | 0.24                      | (0.15)                                            | 2.56                        | 1.36                  | 0.32            | (0.11)                                             | 0.99                   | 1.11                   |
| WINDMILL                       | 17.42                           | -                         | -                                                 | 17.42                       | 5.01                  | 1.90            | -                                                  | 10.51                  | 12.41                  |
| <b>TOTAL TANGIBLE ASSETS</b>   | <b>125.28</b>                   | <b>6.82</b>               | <b>(0.52)</b>                                     | <b>131.58</b>               | <b>52.05</b>          | <b>9.20</b>     | <b>(0.41)</b>                                      | <b>70.74</b>           | <b>73.23</b>           |
| <b>PREVIOUS YEAR</b>           | <b>114.85</b>                   | <b>10.64</b>              | <b>(0.21)</b>                                     | <b>125.28</b>               | <b>43.01</b>          | <b>9.23</b>     | <b>(0.19)</b>                                      | <b>73.23</b>           | -                      |
| <b>B. INTANGIBLE - ASSETS</b>  |                                 |                           |                                                   |                             |                       |                 |                                                    |                        |                        |
| SOFTWARE                       | 2.23                            | 0.01                      | -                                                 | 2.24                        | 1.99                  | 0.11            | -                                                  | 0.14                   | 0.24                   |
| <b>TOTAL INTANGIBLE ASSETS</b> | <b>2.23</b>                     | <b>0.01</b>               | <b>-</b>                                          | <b>2.24</b>                 | <b>1.99</b>           | <b>0.11</b>     | <b>-</b>                                           | <b>0.14</b>            | <b>0.24</b>            |
| <b>PREVIOUS YEAR</b>           | <b>1.98</b>                     | <b>0.27</b>               | <b>(0.02)</b>                                     | <b>2.23</b>                 | <b>1.86</b>           | <b>0.15</b>     | <b>(0.02)</b>                                      | <b>0.24</b>            | -                      |
| <b>GRAND TOTAL (A + B)</b>     | <b>127.51</b>                   | <b>6.83</b>               | <b>(0.52)</b>                                     | <b>133.82</b>               | <b>54.04</b>          | <b>9.31</b>     | <b>(0.41)</b>                                      | <b>70.88</b>           | <b>73.47</b>           |
| <b>PREVIOUS YEAR</b>           | <b>116.83</b>                   | <b>10.91</b>              | <b>(0.23)</b>                                     | <b>127.51</b>               | <b>44.87</b>          | <b>9.38</b>     | <b>(0.21)</b>                                      | <b>73.47</b>           | -                      |
| Capital Work-in-Progress       | -                               | -                         | -                                                 | -                           | -                     | -               | -                                                  | 1.01                   | 2.35                   |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

**NOTE 11 NONCURRENT INVESTMENTS AT COST UNLESS OTHERWISE STATED**

(Refer Note 25.6)

|                                                                           | As at<br>31st March, 2013 | As at<br>31st March, 2012 |
|---------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Other than Trade Investments</b>                                       |                           |                           |
| <b>- Investments in Equity Instruments</b>                                |                           |                           |
| <b>Unquoted</b>                                                           |                           |                           |
| Woodlands Multispeciality Hospital Limited                                |                           |                           |
| 650 (Previous year 650) Equity Shares of Rs. 10/- each fully paid         | 0.00*                     | 0.00*                     |
| <b>Quoted</b>                                                             |                           |                           |
| Yule Financing and Leasing Co. Ltd.                                       |                           |                           |
| 194,640 (Previous Year 194,640) Equity Shares of Rs. 10/- each fully paid | 0.19                      | 0.19                      |
| WEBFIL Limited                                                            |                           |                           |
| 410,000 (Previous Year 410,000) Equity shares of Rs. 10/- each full paid  | 0.41                      | 0.41                      |
|                                                                           | <u>0.60</u>               | <u>0.60</u>               |
| * Rs. 100                                                                 |                           |                           |
| Aggregate amount of investments :                                         |                           |                           |
| Aggregate amount of quoted investments                                    | 0.60                      | 0.60                      |
| Market Value of quoted investments                                        | Not Available             | Not Available             |
| Aggregate amount of unquoted investments                                  | 0.00*                     | 0.00*                     |

**NOTE 12 LONG TERM LOANS & ADVANCES (UNSECURED)**

|                                                                         |              |              |
|-------------------------------------------------------------------------|--------------|--------------|
| <b>- Security Deposits</b>                                              |              |              |
| Considered Good                                                         | 2.31         | 1.97         |
| Considered Doubtful **                                                  | 0.00         | 0.00         |
| <b>- Advance towards Equity</b>                                         | 3.48         | 3.48         |
| (Refer Note 25.5)                                                       |              |              |
| <b>- Loan to Tide Water Oil Co. (India) Ltd. Employee Welfare Trust</b> | 17.00        | 17.00        |
| <b>- Other Loans and Advances</b>                                       |              |              |
| Considered Good                                                         | 0.01         | 0.02         |
| Considered Doubtful                                                     | 0.24         | 0.24         |
|                                                                         | <u>23.04</u> | <u>22.71</u> |
| Less : Provision for Doubtful Advance/Deposits/Interest                 | 0.24         | 0.24         |
|                                                                         | <u>22.80</u> | <u>22.47</u> |
| ** Rs. 39530                                                            |              |              |

**NOTE 13 INVENTORIES\***

(Stock at cost or net realisable value, whichever is lower)

|                   |               |               |
|-------------------|---------------|---------------|
| Raw Materials     | 68.93         | 66.69         |
| Finished Products | 82.42         | 93.90         |
| Packing Materials | 5.86          | 5.79          |
| Spares            | 0.14          | -             |
|                   | <u>157.35</u> | <u>166.38</u> |

\*Includes in transit Rs. 9.64 (previous year Rs. 11.06)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

|                                                                                           | As at<br>31st March, 2013 | As at<br>31st March, 2012 |
|-------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>NOTE 14 TRADE RECEIVABLES</b>                                                          |                           |                           |
| <b>Trade Receivables outstanding for a period exceeding six months.</b>                   |                           |                           |
| Considered Good                                                                           |                           |                           |
| Secured                                                                                   | 0.03                      | —                         |
| Unsecured                                                                                 | 2.13                      | 0.33                      |
| Considered doubtful                                                                       | 2.18                      | 2.10                      |
| <b>Other Trade Receivables</b>                                                            |                           |                           |
| Considered Good                                                                           |                           |                           |
| Secured                                                                                   | 10.19                     | —                         |
| Unsecured                                                                                 | 131.20                    | 83.12                     |
|                                                                                           | 145.73                    | 85.55                     |
| Less : Provision for doubtful debts                                                       | 2.18                      | 2.10                      |
|                                                                                           | 143.55                    | 83.45                     |
| <b>NOTE 15 CASH AND CASH EQUIVALENTS</b>                                                  |                           |                           |
| Balances with Banks #                                                                     | 42.14                     | 30.28                     |
| Cash in Hand                                                                              | 0.01                      | 0.02                      |
| Cheques in Hand                                                                           | 6.60                      | 3.97                      |
|                                                                                           | 48.75                     | 34.27                     |
| # Balance with Banks includes Unclaimed Dividend<br>of Rs. 0.26 (previous year Rs. 0.19)  |                           |                           |
| <b>NOTE 16 SHORT TERM LOANS &amp; ADVANCES (UNSECURED)</b>                                |                           |                           |
| Advance Payment of Tax and credits in respect of tax paid<br>at source (net of Provision) | —                         | 1.88                      |
| Advances recoverable in cash or in kind or for value to be received *                     |                           |                           |
| Considered Good                                                                           | 36.15                     | 27.90                     |
| Considered Doubtful                                                                       | 0.02                      | 0.02                      |
|                                                                                           | 36.17                     | 27.92                     |
| Less : Provision for Doubtful Advances / Deposits                                         | 0.02                      | 0.02                      |
|                                                                                           | 36.15                     | 27.90                     |
|                                                                                           | 36.15                     | 29.78                     |
| * Includes Advance to Suppliers, Prepaid Expenses, Employee loans etc.                    |                           |                           |
| <b>NOTE 17 OTHER CURRENT ASSETS</b>                                                       |                           |                           |
| Security Deposits                                                                         | —                         | 1.21                      |
|                                                                                           | —                         | 1.21                      |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

| <b><u>NOTE 18 OTHER INCOME</u></b>                           | <b><u>For the year ended<br/>31st March, 2013</u></b> | <b><u>For the year ended<br/>31st March, 2012</u></b> |
|--------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| Interest Income                                              | 4.55                                                  | 4.38                                                  |
| Other non operating income                                   | 5.58                                                  | 6.10                                                  |
|                                                              | <u>10.13</u>                                          | <u>10.48</u>                                          |
| <b><u>NOTE 19 COST OF MATERIALS CONSUMED</u></b>             |                                                       |                                                       |
| <b>Raw Material and Packing Material</b>                     |                                                       |                                                       |
| Opening Stock                                                | 72.48                                                 | 83.47                                                 |
| Add : Purchased during the year                              | 599.47                                                | 543.84                                                |
| Less : Closing Stock                                         | 74.79                                                 | 72.48                                                 |
|                                                              | <u>597.16</u>                                         | <u>554.83</u>                                         |
| <b>Finished Goods</b>                                        |                                                       |                                                       |
| (Increase) / Decrease in Stocks                              |                                                       |                                                       |
| Opening Stock                                                | 93.90                                                 | 84.91                                                 |
| Closing Stock                                                | 82.42                                                 | 93.90                                                 |
|                                                              | <u>11.48</u>                                          | <u>(8.99)</u>                                         |
| Excise Duty on increase / (decrease) in stock                | 0.89                                                  | 1.82                                                  |
|                                                              | <u>12.37</u>                                          | <u>(7.17)</u>                                         |
| <b><u>NOTE 20 EMPLOYEE BENEFIT EXPENSE</u></b>               |                                                       |                                                       |
| Salaries, Wages and Bonus                                    | 32.87                                                 | 24.08                                                 |
| Contribution to Provident & Other Funds                      | 2.39                                                  | 1.75                                                  |
| Contribution to Employee Retirement Benefits                 | 4.89                                                  | 3.11                                                  |
| Staff Welfare Expenses                                       | 2.66                                                  | 2.19                                                  |
|                                                              | <u>42.81</u>                                          | <u>31.13</u>                                          |
| <b><u>NOTE 21 FINANCE COST</u></b>                           |                                                       |                                                       |
| Interest on Bank Borrowings                                  | 0.21                                                  | 1.10                                                  |
|                                                              | <u>0.21</u>                                           | <u>1.10</u>                                           |
| <b><u>NOTE 22 DEPRECIATION AND AMORTIZATION EXPENSES</u></b> |                                                       |                                                       |
| Depreciation of tangible assets                              | 9.20                                                  | 9.23                                                  |
| Amortization of Intangible assets                            | 0.11                                                  | 0.15                                                  |
| Less : Transfer from Revaluation Reserve                     | 0.11                                                  | 0.12                                                  |
|                                                              | <u>9.20</u>                                           | <u>9.26</u>                                           |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Figures in Rs. Crores unless otherwise mentioned)

| <b>NOTE 23 OTHER EXPENSES</b>       | <b>For the year ended<br/>31st March, 2013</b> | <b>For the year ended<br/>31st March, 2012</b> |
|-------------------------------------|------------------------------------------------|------------------------------------------------|
| Repairs - Buildings                 | 0.45                                           | 0.37                                           |
| Repairs - Machinery                 | 1.15                                           | 1.01                                           |
| Repairs - Others                    | 1.57                                           | 1.10                                           |
| Rent                                | 5.36                                           | 5.42                                           |
| Rates & Taxes                       | 1.48                                           | 2.78                                           |
| Consumption of Stores               | 0.69                                           | 1.14                                           |
| Commission                          | 3.29                                           | 4.20                                           |
| Power & Fuel                        | 2.25                                           | 2.01                                           |
| Insurance                           | 1.62                                           | 1.62                                           |
| Freight & Cartage                   | 12.68                                          | 11.63                                          |
| Travelling & Conveyance             | 5.74                                           | 3.98                                           |
| Advertising Expenses                | 11.71                                          | 12.25                                          |
| Selling and Marketing Expenses      | 51.39                                          | 44.93                                          |
| Director's Fees                     | 0.02                                           | 0.04                                           |
| Provisions for Doubtful Debts       | 0.31                                           | 0.26                                           |
| Loss on Foreign Exchange (Net)      | 0.45                                           | 1.83                                           |
| Loss on Fixed Asset Scrapped / Sold | 0.03                                           | —                                              |
| Royalty                             | 29.39                                          | 21.25                                          |
| Research & Development Expenditure  | 1.07                                           | 0.93                                           |
| Depot Operating Expenses            | 4.22                                           | 3.76                                           |
| Processing & Filling Charges        | 4.70                                           | 7.01                                           |
| Miscellaneous Expenses              | 11.40                                          | 9.94                                           |
| Auditors' Remuneration              |                                                |                                                |
| - For Audit Fees                    | 0.18                                           | 0.14                                           |
| - For Tax Audit Fees                | 0.02                                           | 0.02                                           |
| - For Other Services                | 0.05                                           | 0.01                                           |
| - For Reimbursement of Expenses     | 0.00*                                          | 0.00*                                          |
|                                     | <u>151.22</u>                                  | <u>137.63</u>                                  |

\* Rs. 19269 (Previous year Rs. 9648)

(All Figures in Rs. Crores unless otherwise mentioned)

**NOTE 24**

**Significant Accounting Policies to the Consolidated Financial Statements for the year ended 31.03.2013**

**24.1 Basis of Accounting and Preparation of Financial Statements**

The Consolidated Financial Statements relate to Tide Water Oil Co. (India) Ltd (the Parent / Company), and its subsidiary companies. The Financial Statements of the Parent and its subsidiary companies have been prepared under the historical cost convention in accordance with Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act, 1956 and on accrual basis. Financial Statements of the subsidiary companies which are incorporated outside India have been prepared following the Accounting Standards applicable in their respective countries but suitably modified to conform to the uniform accounting policies, except where disclosed otherwise.

**24.2 Principles of Consolidation**

The Consolidated Financial Statements have been prepared on the following basis :

- i) The financial statements of the Parent and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS-21) – “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- ii) In respect of subsidiaries, which are consolidated as non integral operations, assets and liabilities both monetary and non monetary are converted at the rate of exchange prevailing on the date of the Balance Sheet. Revenue items are converted at the average of the exchange rates prevailing during the period. The exchange differences arising on consolidation of non integral operations is accumulated in a foreign currency translation reserve until the disposal of the net investment.
- iii) The difference between the cost of investment in the Subsidiary over the net assets at the time of acquisition of shares in the Subsidiary is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

24.3 Investments other than in subsidiaries, associates have been accounted for as per Accounting Standard on “Accounting for Investments”(AS-13) issued by The Institute of Chartered Accountants of India.

**24.4 Other significant accounting policies**

These are set out under “Significant Accounting Policies” as given in the respective Financial Statements of Tide Water Oil Co.(India), Ltd. and its subsidiaries.

(All Figures in Rs. Crores unless otherwise mentioned)

**NOTE 25****Other Notes to the Consolidated Financial Statements**

25.1 Details of subsidiaries whose financial statements have been considered for consolidation in pursuance of Accounting Standard on "Consolidated Financial Statements" (AS-21) are given below.

| <u>Name</u>                      | <u>Country of Incorporation</u> | <u>Proportion of Ownership Interest<br/>as at 31st March, 2013</u> |
|----------------------------------|---------------------------------|--------------------------------------------------------------------|
| (i) Veedol International Limited | United Kingdom                  | 100%                                                               |
| (ii) Veedol International DMCC   | United Arab Emirates            | 100%                                                               |
| (iii) Veedol International BV    | Netherlands                     | 100%                                                               |

25.2 Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs. 0.61 crores. (previous year Rs. 2.43 crores)

**25.3 Contingent Liabilities**

Contingent Liabilities not provided for :

|                                                                                        | <u>31.03.2013</u><br>(Rs. in crores) | <u>31.03.2012</u><br>(Rs. in crores) |
|----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| a. Bills Discounted                                                                    | 6.96                                 | 42.88                                |
| b. Income tax                                                                          | 1.88                                 | 2.46                                 |
| c. Sales tax/ VAT                                                                      | 1.83                                 | 2.18                                 |
| d. Excise Demands                                                                      | 0.65                                 | 0.65                                 |
| e. Navi Mumbai Municipal Corporation cess                                              | 1.36                                 | 1.36                                 |
| f. Fringe Benefit tax                                                                  | 0.01                                 | 0.01                                 |
| g. Bank Guarantees                                                                     | 0.00*                                | 0.05                                 |
| h. Other guarantees given to bank against financial facilities availed by subsidiaries | 5.44                                 | 5.12                                 |

\* Rs 40,000

25.4 The Group has reviewed the impairment of assets at year end and noted that none of the assets has been impaired as on 31.03.2013.

25.5 Loans and advances include Rs.3.48 crores (previous year Rs 3.48 crores) given as advance by the Parent towards proposed issue of shares by Yule Agro Industries Limited (YAIL). In view of the present status of activities of YAIL, shares have not been issued. Hence the status of recoverability of the aforesaid advance of Rs.3.48 crores and the corresponding provision, if any, as may be required is not ascertainable at this stage.

25.6 The diminution in value of Long Term Investments made by the Parent amounting to Rs.0.60 crores (previous year Rs 0.60 crores) is in the opinion of the management, not of a permanent nature and accordingly no provision has been made.

# TIDE WATER OIL CO. (INDIA), LTD.

(All Figures in Rs. Crores unless otherwise mentioned)

## NOTE 25 (Contd.)

25.7 The details of transactions entered into with Related parties during the year are as follows

### (A) Name of the Related parties :

#### (a) Associated Companies

- i) Andrew Yule & Co. Ltd.
- ii) Standard Greases & Specialities Pvt. Ltd.

#### (b) Key Managerial Personnel

Mr. R. N. Ghosal, Managing Director

#### (c) Relative of Key Managerial Personnel

Mr. S. Ghosal, son of Mr. R. N. Ghosal

### (B) Transactions with Related parties during the Financial year outstanding balances are as below :

| Sl. No. | Nature of Transactions                                           | 31st March, 2013 |                          |                                      | 31st March, 2012 |                          |                                      |
|---------|------------------------------------------------------------------|------------------|--------------------------|--------------------------------------|------------------|--------------------------|--------------------------------------|
|         |                                                                  | Associates       | Key Managerial Personnel | Relative of Key Managerial Personnel | Associates       | Key Managerial Personnel | Relative of Key Managerial Personnel |
| 1       | Remuneration                                                     | —                | 0.26                     | —                                    | —                | 0.25                     | —                                    |
| 2       | Sports sponsorship for National Squash Champion & Arjuna Awardee | —                | —                        | 0.05                                 | —                | —                        | 0.05                                 |
| 3       | Purchase of Goods                                                | 117.35           | -                        | -                                    | 126.63           | —                        | —                                    |
| 4       | Sale of Goods                                                    | 1.02             | —                        | —                                    | 4.24             | —                        | —                                    |
| 5       | Directors' Fees                                                  | 0.01             | —                        | —                                    | 0.02             | —                        | —                                    |
| 6       | Dividend Paid                                                    | 5.17             | —                        | —                                    | 2.13             | —                        | —                                    |
| 7       | Rent Paid                                                        | 1.20             | —                        | —                                    | 1.20             | —                        | —                                    |
| 8       | Royalty Paid                                                     | 2.83             | —                        | —                                    | 2.65             | —                        | —                                    |
| 9       | Payment for Common Services                                      | 4.56             | —                        | —                                    | 3.46             | —                        | —                                    |
| 10      | Processing Charges Paid                                          | 2.41             | —                        | —                                    | 2.59             | —                        | —                                    |
| 11      | Amount due from as of 31st March                                 | 0.01             | —                        | —                                    | 1.34             | —                        | —                                    |
| 12      | Amount due to as of 31st March                                   | 3.34             | —                        | —                                    | 7.56             | —                        | —                                    |

(All Figures in Rs. Crores unless otherwise mentioned)

NOTE 25 (Contd.)

25.8 The Group has adopted Accounting Standard – 15 (AS-15) (Revised 2005) on “Employee Benefits”. These Consolidated Financial Statements include the obligations as per requirements of this Standard, except for those subsidiaries which are incorporated outside India who have determined the valuation / provision for employee benefits as per requirements of their respective countries. In the opinion of the management, the impact of this deviation is not considered material.

25.9 Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard – 17, the Group is predominantly engaged in the business of a single reportable segment of Lubricants during the year. Therefore disclosure requirements of AS 17 on Segment Reporting are not applicable.

|                                                    |                |                |
|----------------------------------------------------|----------------|----------------|
| 25.10 Earnings Per Share                           | <u>2012-13</u> | <u>2011-12</u> |
| Net Profit for the year (Rs. in crores)            | 62.91          | 57.92          |
| Number of Equity shares (Face value Rs. 10/- each) | 8,71,200       | 8,71,200       |
| Basic and Diluted earnings per share (Rs.)         | 722.04         | 664.86         |

25.11 The audited / unaudited financial statements of foreign subsidiaries have been prepared in accordance with the generally accepted accounting principles of its country of incorporation or International Financial Reporting Standards. There are no material transactions from 1st January,2013 to 31st March,2013 in respect of a subsidiary having financial year ended 31st December,2012. Therefore no adjustments in respect of transactions of the aforesaid subsidiary between 1st January,2013 to 31st March,2013 have been made in the consolidated financial statements of the Group.

25.12 Previous year figures have been reclassified to conform to this year's classification and have been regrouped, recast, and rearranged wherever necessary to make it comparable with current year figures.

On behalf of the Board,

**Kallol Datta** *Chairman*

**R.N.Ghosal** *Managing Director*

**S. Basu**  
*CFO*

**S. Ganguli**  
*Secretary*

Kolkata, 30th May, 2013

TIDE WATER OIL CO. (INDIA), LTD.

(All Figures in Rs. Crores unless otherwise mentioned)

**Statement in accordance with the Government of India, Ministry of Corporate Affairs circular no 51/12/2007-CL-III DT. 08/02/2011 for disclosure under Section 212 (8) of the Companies Act 1956**

| Sr. No. | Particulars                       | 31.03.2013                   |                           |                           | 31.03.2012                   |                           |
|---------|-----------------------------------|------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
|         |                                   | Veedol International Limited | Veedol International DMCC | Veedol International BV # | Veedol International Limited | Veedol International DMCC |
| (A)     | Reporting Currency                | GBP                          | AED                       | EURO                      | GBP                          | AED                       |
| (B)     | Capital                           | 0.00*                        | 2.00                      | 0.07                      | 0.00*                        | 0.07                      |
| (C)     | Reserves                          | (0.12)                       | (1.02)                    | -                         | (0.17)                       | (0.99)                    |
| (D)     | Total Assets                      | 0.18                         | 15.03                     | 0.07                      | 0.24                         | 0.71                      |
| (E)     | Total Liabilities                 | 0.18                         | 15.03                     | 0.07                      | 0.24                         | 0.71                      |
| (F)     | Investments                       | -                            | -                         | -                         | -                            | -                         |
| (G)     | Turnover (including other income) | 1.22                         | 36.24                     | -                         | 0.12                         | -                         |
| (H)     | Profit / (Loss) before Taxation   | (0.05)                       | 0.02                      | -                         | (0.16)                       | (0.99)                    |
| (I)     | Provision for Taxation            | -                            | -                         | -                         | -                            | -                         |
| (J)     | Profit / (Loss) after Taxation    | (0.05)                       | 0.02                      | -                         | (0.16)                       | (0.99)                    |
| (K)     | Proposed Dividend                 | -                            | -                         | -                         | -                            | -                         |
| (L)     | Country of Incorporation          | U.K.                         | U.A.E.                    | NETHERLANDS               | U.K.                         | U.A.E.                    |

1 GBP = Rs. 82.32 (Previous year Rs. 81.80)

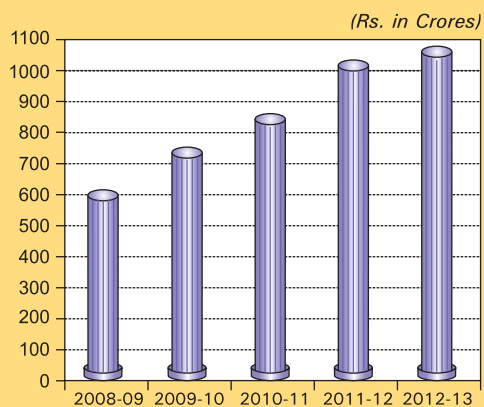
1 AED = Rs. 14.79 (Previous year Rs. 14)

1 EURO = Rs. 69.54

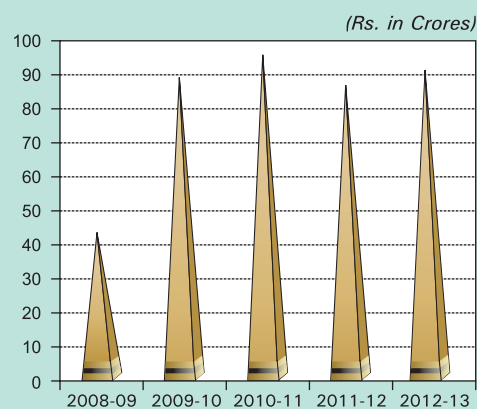
\* Rs. 164.64 (Previous year Rs. 163.60)

# Incorporated during the year

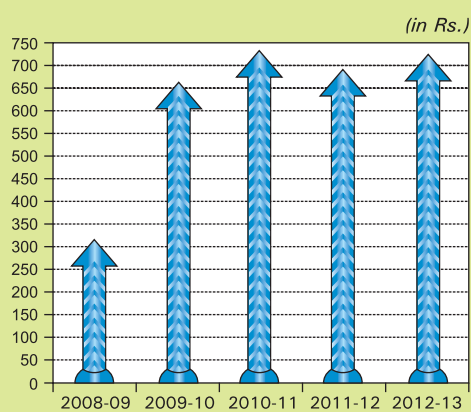
### SALES REVENUE



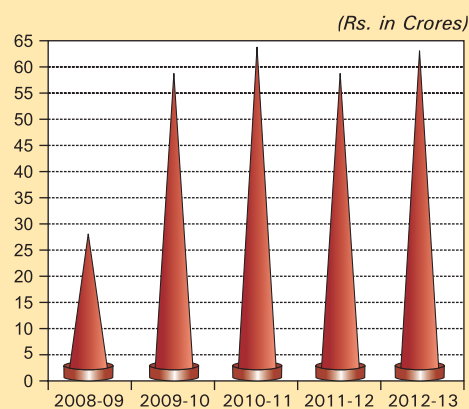
### PROFIT BEFORE TAX



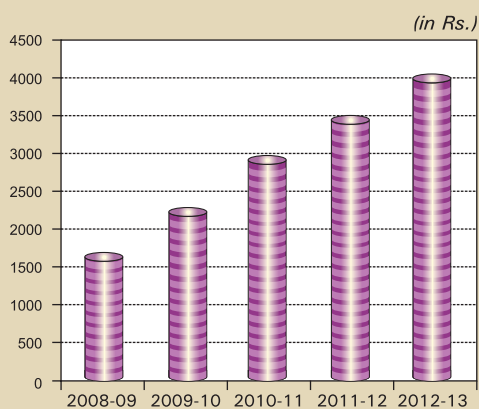
### EPS



### PROFIT AFTER TAX



### BOOK VALUE PER SHARE





|                            | 03-04  | 04-05   | 05-06   | 06-07   | 07-08   | 08-09   | 09-10   | 10-11   | 11-12   | 12-13   |
|----------------------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Sales                      | 218.31 | 255.75  | 304.74  | 420.58  | 504.83  | 610.48  | 751.58  | 861.42  | 1006.45 | 1086.72 |
| Other Income               | 2.71   | 4.79    | 2.13    | 2.44    | 4.09    | 6.53    | 6.59    | 7.00    | 10.65   | 10.13   |
| Raw Material Consumed      | 122.48 | 152.01  | 156.73  | 235.01  | 243.10  | 301.72  | 332.26  | 414.33  | 545.84  | 583.97  |
| Excise Duty                | 31.04  | 38.13   | 48.07   | 61.15   | 76.43   | 81.44   | 100.18  | 109.65  | 132.93  | 140.71  |
| Expenses                   | 54.44  | 57.49   | 88.45   | 108.63  | 150.21  | 183.22  | 229.41  | 239.41  | 241.81  | 268.88  |
| Interest                   | 1.00   | 1.06    | 1.77    | 3.52    | 1.36    | 1.46    | 0.81    | 0.86    | 1.07    | NIL     |
| Gross Profit               | 12.06  | 11.85   | 11.85   | 14.71   | 37.82   | 49.17   | 95.51   | 104.17  | 95.45   | 103.29  |
| Depreciation               | 1.92   | 1.81    | 1.76    | 1.76    | 2.50    | 3.39    | 6.18    | 9.71    | 9.26    | 9.09    |
| Profit Before Tax          | 10.14  | 10.04   | 10.09   | 12.95   | 35.32   | 45.78   | 89.33   | 94.46   | 86.19   | 94.20   |
| Taxation                   | 2.47   | 2.69    | 2.56    | 3.98    | 12.14   | 18.23   | 31.54   | 30.30   | 27.11   | 31.27   |
| Profit After Tax           | 7.67   | 7.34    | 7.53    | 8.97    | 23.18   | 27.55   | 57.79   | 64.16   | 59.08   | 62.93   |
| Dividend                   | 0.87   | 0.87    | 1.31    | 1.31    | 1.74    | 2.61    | 4.36    | 5.23    | 10.46   | 13.07   |
| Dividend (%)               | 100.00 | 100.00  | 150.00  | 150.00  | 200.00  | 300.00  | 500.00  | 600.00  | 1200    | 1500*   |
| Net Fixed Assets           | 19.69  | 18.86   | 18.63   | 20.99   | 27.69   | 42.14   | 77.87   | 73.01   | 75.41   | 71.45   |
| Investments                | 0.60   | 0.60    | 0.60    | 0.60    | 0.60    | 0.60    | 0.60    | 0.60    | 51.75   | 53.88   |
| Net Current Assets         | 84.22  | 81.16   | 114.86  | 98.25   | 103.66  | 111.13  | 127.79  | 190.54  | 182.89  | 231.78  |
| Misc. Expenses             | 0.00   | 0.00    | 0.00    | 0.00    | 0.00    | 0.00    | 0.00    | 0.00    | 0.00    | NIL     |
| Net Assets                 | 104.52 | 100.62  | 134.09  | 119.85  | 131.95  | 153.87  | 206.26  | 264.15  | 332.50  | 379.86  |
| Share Capital              | 0.87   | 0.87    | 0.87    | 0.87    | 0.87    | 0.87    | 0.87    | 0.87    | 0.87    | 0.87    |
| Reserves / Surplus         | 86.10  | 92.37   | 98.81   | 104.77  | 125.81  | 150.21  | 202.76  | 260.70  | 307.50  | 355.03  |
| Net Worth                  | 84.28  | 90.63   | 97.16   | 103.22  | 124.36  | 148.85  | 201.56  | 259.64  | 306.56  | 354.20  |
| Borrowing                  | 16.52  | 6.33    | 33.77   | 14.25   | 5.95    | 2.99    | 0.00    | 0.00    | 0.00    | NIL     |
| EPS (Rs.)                  | 88.07  | 84.29   | 86.38   | 102.96  | 266.04  | 316.23  | 663.33  | 736.44  | 678.11  | 722.40  |
| Debt Equity Ratio          | 0.20   | 0.07    | 0.35    | 0.14    | 0.05    | 0.02    | 0.00    | 0.00    | 0.00    | NIL     |
| No. of Ordinary Shares     | 0.09   | 0.09    | 0.09    | 0.09    | 0.09    | 0.09    | 0.09    | 0.09    | 0.09    | 0.09    |
| Book Value Per Share (Rs.) | 967.35 | 1040.31 | 1115.29 | 1184.81 | 1427.45 | 1708.58 | 2313.60 | 2980.26 | 3518.82 | 4065.66 |

Figures in Rs. Crores unless otherwise indicated  
\*Proposed - 1500%

**PROXY**

**TIDE WATER OIL CO. (INDIA), LTD.**

Regd. Office : 8, Dr. Rajendra Prasad Sarani, Kolkata 700 001

DP Id :

Client Id :

I/We, .....  
of .....  
.....being a Member/Members of Tide Water Oil Co. (India) Ltd.  
hereby appoint..... of .....  
or failing him ..... of .....  
or failing him ..... of .....  
as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf, at the Annual General Meeting of the Company to be held on Monday, the 19th day of August, 2013 and at any adjournment thereof.

As WITNESS my/our hand/hand(s) this ..... day  
of ..... 2013.

Signed by the said.....

Rs. 1/-  
Revenue  
Stamp

Date :

---

**Note :** The Proxy must be deposited at the Registered Office of the Company at 8, Dr. Rajendra Prasad Sarani, Kolkata 700 001, not less than 48 hours before the time for holding the Meeting.

FORM B

1. Name of the Company Tide Water Oil Co. (India) Ltd.
2. Annual financial statements for the year ended 31<sup>st</sup> March, 2013
3. Type of Audit Qualification  
Details of qualification as contained in the Report of the Statutory Auditors for the year ended 31<sup>st</sup> March, 2013 are as under:
  - a) No provision has been made in the accounts in respect of advance given to a company towards purchase of shares for Rs. 3.48 crores which is doubtful in nature with consequential impact on profit and Net Assets Position at the end of the year; (para 4.1 of the Independent Auditor's Report for the year ended 31.03.2013)
  - b) Investments in quoted equity shares made by the company have suffered diminution in value (amount not ascertained) for which no provision has been made in the accounts with consequential impact on Profit and Net Assets Position at the end of the year; (para 4.2 of the Independent Auditor's Report for the year ended 31.03.2013)
4. Frequency of Qualification Qualification stated in point 3(a) above  
From financial year 1996-97

Qualification stated in point 3(b)  
above

From financial year 1996-97

5. Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:

Comments of Auditors

Relevant Para of Auditor's Report  
(Para 4.1)

*No provision has been made in the accounts in respect of advance given to a company towards purchase of shares for Rs. 3.48 crores which is doubtful in nature with consequential impact on profit and Net Assets Position at the end of the year;*

Response of management

Relevant para of Notes to the Annual Accounts for the year ended for the year ended 31.03.2013 (Note No. 24.6)

Loan and advances include Rs. 3.48 Crores (previous year Rs. 3.48 Crores) given as advance towards proposed issue of shares by Yule Agro Industries Limited (YAIL). In view of the present status of activities of YAIL, shares have not been issued. Hence the status of recoverability of the aforesaid advance of Rs. 3.48 Crores and the corresponding provision, if any, as may be required is not ascertainable at this stage.

Comments of Auditors

Relevant Para of Auditor's Report  
(Para 4.2)

*Investments in quoted equity shares made by the company have suffered*

*diminution in value (amount not ascertained) for which no provision has been made in the accounts with consequential impact on Profit and Net Assets Position at the end of the year;*

Response of management

Relevant para of Notes to the Annual Accounts for the year ended for the year ended 31.03.2013 (Note No. 24.8)

The diminution in value of Long Term Investments amounting to Rs. 0.60 Crores (previous year Rs. 0.60 Crores) is in the opinion of the of the management, not of a permanent nature and accordingly no provision has been made.

6. Additional comments  
from the board/audit  
committee chair:

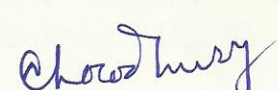
NONE

7. Signature

  
(R.N. Ghosal)  
Managing Director

  
(A. Mukherjee)  
Chairman, Audit Committee

  
(S. Basu)  
CFO

  
(Amitava Chowdhury)  
Partner  
Ray & Ray, Chartered Accountants