

# TIDE WATER OIL CO. (INDIA) LTD.

Regd. Office: Yule House | 8 Dr. Rajendra Prasad Sarani | Kolkata 700 001

Tel: 033 2242 1086 | Fax: 033 2242 1087 | Email: tidecal@tidewaterindia.co.in | www.tidewaterindia.com

CIN : L23209WB1921PLC004357

An ISO 9001 : 2008 Company

Ref: TWO/2017/SG/0462-0464

Date: 1<sup>st</sup> July, 2017

National Stock Exchange of India Ltd.

(Scrip ID – TIDEWATER)

Exchange Plaza,

Plot No.C/1, Block – G,

Bandra-Kurla Complex, Bandra (E)

Mumbai – 400051

Fax No. (022) 2659 8237 / 8238 / 66418124 / 8125

The Secretary,

(Scrip Code – 10030026)

The Calcutta Stock Exchange Ltd.

7, Lyons Range,

Kolkata – 700001

Fax No. (033) 2210-4500 / 2514 / 2210 / 2223 / 4486

Bombay Stock Exchange Ltd.

(Scrip Code – 590005)

Corporate Relationship Department,

1<sup>st</sup> Floor, New Trading Ring,

Rotunda Building, P. J. Towers,

Dalal Street, Fort,

Mumbai – 400001

Fax No. (022) 2272 3121

Dear Sir,

## **Sub: Notice of 94<sup>th</sup> Annual General Meeting**


Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith Notice of Ninety Fourth Annual General Meeting of the Company scheduled to be held on Wednesday, July 26, 2017 at 10:00 a.m. at Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata – 700001, West Bengal, India to transact the business contained in the 94<sup>th</sup> Annual General Meeting Notice of the Company dated 30<sup>th</sup> May, 2017.

This is for your information and records.

Thanking you,

Yours faithfully

For Tide Water Oil Co. (India) Ltd.



(Saptarshi Ganguli)

Company Secretary

Encl.: As above.

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**Board of Directors** SHRI D.S. CHANDAVARKAR (DIN: 00176277)  
SHRI SUBIR DAS (DIN: 00199255)  
SHRI R. N. GHOSAL (DIN: 00308865)  
SHRI B. J. MAHANTA (DIN: 07487571)  
SHRI ASHIM MUKHERJEE (DIN: 02135462)  
SHRI SUNIL MUNSHI (DIN: 02749579)  
SMT. NAYANTARA PALCHOUDHURI (DIN: 00581440)  
SHRI S. ROY CHOUDHURY (DIN: 00130803)  
SHRI S. SUNDARESHAN (DIN: 01675195)  
SHRI VINOD S. VYAS (DIN: 00176206)

**Executive Directors** SHRI J. RAMESH  
SHRI S. K. VAIDYA

**Group CFO** SHRI S. BASU

**Secretary** SHRI S. GANGULI

**Auditors** RAY & RAY, *Chartered Accountants*

**Registered Office** 'YULE HOUSE'  
8, DR. RAJENDRA PRASAD SARANI  
KOLKATA 700 001  
Tel : 033 2242 1086  
Fax : 033 2242 1087  
www.tidewaterindia.com; www.veedolindia.com  
tidecal@tidewaterindia.co.in

**CIN** L23209WB1921PLC004357

**MUMBAI OFFICE**

C.T.S.- 90, Kachwadi  
Govandi, Deonar  
Mumbai - 400 088

**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

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(\*) Name(s) of any Director specified anywhere in this Report shall be read alongwith the Director Identification Number (DIN) stated against his / her name and the Registered Office Address shall be construed as his / her address for all practical purposes. Name(s) of Shri Kallol Datta, Shri R.K.Singh and Shri Praveen P. Kadle wherever appearing in this Report shall be read alongwith their respective DINs which are 00172325, 06459343 and 00016814, respectively.

### NOTICE TO MEMBERS

Notice is hereby given that the Ninety Fourth 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 Wednesday, the 26<sup>th</sup> day of July, 2017 at 10:00 a.m. to transact the following business:

1. To consider and adopt the Statement of Profit & Loss Account for the year ended 31<sup>st</sup> March, 2017, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of interim dividend and to declare final dividend for the financial year ended 31<sup>st</sup> March, 2017.
3. To appoint a Director in place of Shri Subir Das who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Vinod S. Vyas who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED that Messrs. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) who have offered their services and who are not disqualified under Section 139 of the Companies Act, 2013, be appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Ninety Fifth Annual General Meeting at such a remuneration plus applicable tax, out of pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

#### **SPECIAL BUSINESS**

To consider and, if thought fit, to pass with or without modification the following resolutions:

6. As an Ordinary Resolution  
“RESOLVED that Shri D. S. Chandavarkar be and is hereby appointed a Director of the Company.”
7. As a Special Resolution

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri S. Sundareshan, who was appointed as an Independent Director of the Company for a term up to 2<sup>nd</sup> November 2017 by the shareholders, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri S. Sundareshan as candidate for the office of a Director of the Company, be and is hereby reappointed as an Independent Director of the Company with effect from 3<sup>rd</sup> November, 2017 to 2<sup>nd</sup> November, 2020, not liable to retire by rotation.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorized to delegate all or any powers conferred herein, to any Committee of Directors, with power to further delegate to any executive(s)/officer(s) of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard.”

8. As a Special Resolution

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Smt. Nayantara Palchoudhuri, who was appointed as an Independent Director of the Company for a term up to 6<sup>th</sup> April, 2018 by the shareholders, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Smt. Nayantara Palchoudhuri as candidate for the office of a Director of the Company, be and is hereby reappointed as an Independent Director of the Company with effect from 7<sup>th</sup> April, 2018 to 6<sup>th</sup> April, 2021 not liable to retire by rotation.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorized to delegate all or any powers conferred herein, to any Committee of Directors, with power to further delegate to any executive(s)/officer(s) of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard.”

9. As a Special Resolution

“RESOLVED that pursuant to the provisions of Sections 177 and 188 of the Companies Act, 2013, (Act) read together with the provisions of the Rules under Chapter XII of the Act and read with all circulars, notifications, provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other provisions of law, as applicable for the time being, consent of the members of the Company be and is hereby accorded to the Company for entering into transactions involving sale, purchase or supply of any goods or material and/or availing or rendering of any services with Standard Greases & Specialities Private Limited, a related party as per the definition of the term under the Act, upto an amount of Rs. 205 Crores (Rupees Two Hundred and Five Crores only) during the financial year ending on 31<sup>st</sup> March, 2018.”

“RESOLVED FURTHER that the Board of Directors (Board) of the Company be and is hereby authorised to execute, transact, enter into any contract to carry out or perform all such acts, deeds, matters, things, agreements, contracts, etc. as may be required to be done to give effect to the instant resolution or for the matters incidental to or ancillary thereof, through decisions of the Board or through delegation of relevant authority to any person or to any committee of persons.”

10. As a Special Resolution

“RESOLVED that pursuant to the provisions of Sections 177 and 188 of the Companies Act, 2013, (Act) read together with the provisions of the Rules under Chapter XII of the Act and read with all circulars, notifications, provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other provisions of law, as applicable for the time being, consent of the members of the Company be and is hereby accorded to the Company for entering into transactions involving sale, purchase or supply of any goods or material and/or availing or rendering of any services with JX Nippon TWO Lubricants India Private Limited, a related party as per the definition of the term under the Act, upto an amount of Rs. 183 Crores (Rupees One Hundred and Eighty Three Crores only) during the financial year ending on 31<sup>st</sup> March, 2018.”

“RESOLVED FURTHER that the Board of Directors (Board) of the Company be and is hereby authorised to execute, transact, enter into any contract to carry out or perform all such acts, deeds, matters, things, agreements, contracts, etc. as may be required to be done to give effect to the instant resolution or for the matters incidental to or ancillary thereof, through decisions of the Board or through delegation of relevant authority to any person or to any committee of persons.”

11. As an Ordinary Resolution

“RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 1,50,000 (Rupees One Lakh and Fifty Thousand only) plus out-of-pocket expenses payable to Messrs. DGM & Associates, Cost Accountants (Firm Registration No. 000038) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2018.”

12. As an Ordinary Resolution

“RESOLVED that consent of the shareholders be and is hereby accorded to the Board of Directors of the Company for extending the term of appointment of Shri R.N. Ghosal, Managing Director of the Company till the close of business on 28<sup>th</sup> February, 2019.”

The Register of the Members and the Transfer Register of the Company will remain closed from 20<sup>th</sup> July, 2017 (Thursday) to 26<sup>th</sup> July, 2017 (Wednesday) both days inclusive.

Registered Office :  
“Yule House”  
8, Dr. Rajendra Prasad Sarani,  
Kolkata - 700 001  
Date : 30<sup>th</sup> May, 2017

By Order of the Board  
**S. Ganguli**  
Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

**Item No. 6**

Shri D. S. Chandavarkar was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> May, 2017. Accordingly, he will hold office up to the date of the 94<sup>th</sup> Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

Shri D. S. Chandavarkar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director, if appointed.

Shri D. S. Chandavarkar is having more than 35 years of experience in lube and greases industry. He is in the Board of various companies, which inter alia deal in manufacturing of greases, automotive and industrial lubricants.

The Board recommends appointment of Shri D. S. Chandavarkar as a Director.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Shri D. S. Chandavarkar and Shri Vinod S.Vyas is in any way concerned or interested in this Resolution proposed to be passed.

**Item No. 7**

Shri S. Sundareshan is due for retirement from his first term as Independent Director. Based on his skills, experience, knowledge and performance evaluation, it is proposed that Shri S. Sundareshan be re-appointed for another term of three years from 3<sup>rd</sup> November, 2017 to 2<sup>nd</sup> November, 2020 as an Independent Director of the Board.

In accordance with Section 149 (10) and (11) of the Companies Act, 2013 an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

As Shri S. Sundareshan fulfills the requirement of Independent Directors as laid down under Section 149(6) of the Companies Act, 2013 hence his re-appointment is being proposed.

Shri S. Sundareshan joined the Board of Directors (the Board) of the Company on 3<sup>rd</sup> November, 2014 and he was appointed as an Independent Director by the shareholders pursuant to the Companies Act, 2013 through shareholders' resolution dated 22<sup>nd</sup> July, 2015 for a term up to 2<sup>nd</sup> November, 2017 (first term under the Companies Act, 2013).

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member alongwith a deposit of requisite amount as specified in the said section proposing the candidature of Shri S. Sundareshan for the office of Independent Director, to be re-appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Shri S. Sundareshan (i) consent in writing to act as a Director in Form DIR 2 pursuant to Rule 8 of The Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of The Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration confirming his eligibility that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. Performance of Shri S. Sundareshan has been evaluated by the Board and Nomination and Remuneration Committee (NRC) thereof. The Board and NRC considered and noted the valuable guidance and contribution provided by Shri Sundareshan to the Board and the Company during his tenure. This may be deemed to be disclosure as required under applicable Secretarial Standards with regard to re-appointment of Independent Director(s).

In the opinion of the Board and based on the Board's evaluation, Shri S. Sundareshan fulfills the condition specified in the Companies Act, 2013 and Rules made thereunder for his re-appointment as an Independent

Director of the Company and is independent of the management. A copy of the draft letter for the appointment of Shri S. Sundareshan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto 26<sup>th</sup> July, 2017. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri S. Sundareshan as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Shri S. Sundareshan as an Independent Director, for the approval by Members of the Company.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Shri S. Sundareshan, is in any way concerned or interested in this Resolution proposed to be passed.

**Item No. 8**

Smt. Nayantara Palchoudhuri is due for retirement from her first term as Independent Director. Based on her skills, experience, knowledge and performance evaluation, it is proposed that Smt. Nayantara Palchoudhuri be re-appointed for another term of three years from 7<sup>th</sup> April, 2018 to 6<sup>th</sup> April, 2021 as an Independent Director of the Board.

In accordance with Section 149 (10) and (11) of the Companies Act, 2013 an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

As Smt. Nayantara Palchoudhuri fulfills the requirement of Independent Directors as laid down under Section 149(6) of the Companies Act, 2013 hence her re-appointment is being proposed.

Smt. Nayantara Palchoudhuri joined the Board of Directors (the Board) of the Company on 7<sup>th</sup> April, 2015 and she was appointed as an Independent Director by the shareholders pursuant to the Companies Act, 2013 through shareholders' resolution dated 22<sup>nd</sup> July, 2015 for a term up to 6<sup>th</sup> April, 2018 (first term under the Companies Act, 2013).

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member alongwith a deposit of requisite amount as specified in the said section proposing the candidature of Smt. Nayantara Palchoudhuri for the office of Independent Director, to be re-appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Smt. Nayantara Palchoudhuri (i) consent in writing to act as a Director in Form DIR 2 pursuant to Rule 8 of The Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of The Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration confirming her eligibility that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. Performance of Smt. Nayantara Palchoudhuri has been evaluated by the Board and Nomination and Remuneration Committee (NRC) thereof. The Board and NRC considered and noted the valuable guidance and contribution provided by Smt. Nayantara Palchoudhuri to the Board and the Company during her tenure. This may be deemed to be disclosure as required under applicable Secretarial Standards with regard to re-appointment of Independent Director(s).

In the opinion of the Board and based on the Board's evaluation, Smt. Nayantara Palchoudhuri fulfills the condition specified in the Companies Act, 2013 and Rules made thereunder for her re-appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for the appointment of Smt. Nayantara Palchoudhuri as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto 26<sup>th</sup> July, 2017. The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Smt. Nayantara Palchoudhuri as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment

of Smt. Nayantara Palchoudhuri as an Independent Director, for the approval by Members of the Company.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Smt. Nayantara Palchoudhuri, is in any way concerned or interested in this Resolution proposed to be passed.

**Item No. 9**

Your Company has been procuring lubricating oil and other chemicals from Standard Greases and Specialities Private Limited (SGSPL), which has been offering competitive rates for its products to your Company. SGSPL is one of the largest grease producers in Asia and they are processing grease on behalf of your Company to meet the needs of Western Region of the Company as there is no grease plant thereat.

Section 2(76) of the Companies Act, 2013, inter alia, states that 'related party' with reference to a Company, will include any private company in which a Director or manager is a member or Director. Since Shri Vinod S. Vyas and Shri D. S. Chandavarkar are Directors of SGSPL and also are in the Board of your Company, SGSPL will be deemed to be a related party as per the definition of the term in Section 2 of the Companies Act, 2013. Further SGSPL is a joint promoter of your Company.

Under Regulation 23 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 'Material Related Party Transaction', has been defined to include transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeding 10% (ten percent) of the annual consolidated turnover, as per the last audited financial statement of the Company and that material related party transactions must have prior approval of the members of the Company by way of a Resolution.

Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 inter alia states that except with the prior approval of the Company by a Special Resolution, a company shall not enter into a transaction or transactions involving sale, purchase or supply of any goods or materials, directly or through appointment of agent where the transaction or transactions to be entered into exceed(s) 10% (ten percent) of the turnover of the Company or Rs. 100 (One Hundred) crores, whichever is lower.

As your Company proposes to procure lubricating oil and other chemicals from SGSPL and also process grease through them, cumulative transaction value whereof during the financial year ending on 31<sup>st</sup> March, 2018 (i.e. Rs. 205 crores), is envisaged to exceed the limits stated under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 read with Rules framed thereunder, your approval is sought by way of passing a Special Resolution. This may be deemed to be a disclosure as required under Rule 15 of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014.

The Board of Directors of your Company considers that the proposed Special Resolution is in the interest of the Company and recommends the same for your approval.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Director(s) nominated by SGSPL on the Board of Directors of the Company is in any way concerned or interested in this Resolution proposed to be passed.

The Audit Committee of your Company has approved this resolution in the meeting of the said Committee held on 10<sup>th</sup> February, 2017.

As per the provisions of Section 188(1) of the Companies Act, 2013 and Regulation 23 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling under the definition of related parties shall abstain from voting on this resolution irrespective of whether the entity is a party to this transaction or not.

**Item No. 10**

During 2014-15 pursuant to a Joint Venture Agreement between JXTG Nippon Oil & Energy Corporation (formerly JX Nippon Oil & Energy Corporation), Japan and your company, JX Nippon TWO Lubricants India Private Limited



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

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(JXTL) was formed, wherein the business segment relating to 'ENEOS' range of products was transferred. JXTL is a Joint Venture Company and is also an Associate Company as your Company holds 50% stake therein. JXTL is construed to be a 'related party' in terms of Section 2(76) read with Section 2(6) of the Companies Act, 2013. Shri R. N. Ghosal, Managing Director is also a Director of JXTL.

As per the agreement, your company acts as toll manufacturer of the Joint Venture Company with respect to Factory Fill oil segment (FF segment) and provides manufacturing, warehousing & logistics, sales, invoicing, accounting and collection services in relation to Service Fill oil segment (SF segment). As such, the said arrangement(s) may be construed to invoke provisions as contained in Section 188 of the Companies Act, 2013 and rules made thereunder.

Under Regulation 23 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 'Material Related Party Transaction' has been defined to include transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeding 10% of the annual consolidated turnover, as per the last audited financial statement, of the Company and that material related party transactions must have prior approval of the members of the company by way of a Resolution.

Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 inter alia states that except with the prior approval of the Company by a Special Resolution, a company shall not enter into a transaction or transactions involving sale, purchase or supply of any goods or materials, directly or through appointment of agent where the transaction or transactions to be entered into exceed(s) 10% (ten percent) of the turnover of the Company or Rs. 100 (One Hundred) crores, whichever is lower.

As your Company manufactures/supplies oils relating to FF segment and SF segment on behalf of / to the Joint Venture Company viz. JX Nippon TWO Lubricants India Private Limited and also provides allied services, referred above, with respect to the concerned business, cumulative transaction value whereof during the financial year ending on 31<sup>st</sup> March, 2018 (i.e. Rs. 183 crores), is envisaged to exceed the limits stated under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 read with Rules framed thereunder your approval is sought by way of passing a Special Resolution. This may be deemed to be a disclosure as required under Rule 15 of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014.

The Board of Directors of your company considers that the proposed Special Resolution is in the interest of the Company and recommends the same for your approval.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Shri R.N. Ghosal, Managing Director, is in any way concerned or interested in this Resolution proposed to be passed. The existing Promoters, Directors and Key Managerial Personnels of your Company do not hold any equity shares in JXTL.

The Audit Committee of your company has approved this resolution in the meeting of the said committee held on 10<sup>th</sup> February, 2017.

As per the provisions of Section 188(1) of the Companies Act, 2013 and Regulation 23 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling under the definition of related parties shall abstain from voting on this resolution irrespective of whether the entity is a party to this transaction or not.

### **Item No. 11**

The Company is required under Section 148 of the Companies Act, 2013 (Act) read with Companies (Cost Records and Audit) Amendment Rules, 2016 to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of Messrs. DGM & Associates, Cost Accountants to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Amendment Rules, 2016 for the financial year ending on 31<sup>st</sup> March, 2018, at a remuneration of Rs. 1,50,000 (Rupees One Lakh Fifty Thousand only) plus reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the said Rules, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought by way of passing an Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31<sup>st</sup> March, 2018.

The Board of Directors of your company considers that the proposed Ordinary Resolution is in the interest of the Company and recommends the same for your approval.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, is in any way concerned or interested in this Resolution proposed to be passed.

**Item No. 12**

Shri R.N. Ghosal was appointed as the Managing Director of the Company vide shareholders' resolution no. 8 dated 16<sup>th</sup> August, 2012 for a period of 4 (four) years with effect from 2<sup>nd</sup> November, 2011 or upto the date of his superannuation, whichever is earlier. Subsequently, the tenure of his appointment as Managing Director was extended till the close of business on 28<sup>th</sup> February, 2017 vide shareholders' resolution no. 12 dated 29<sup>th</sup> August, 2014.

However, considering his extra-ordinary performance and valuable guidance provided to the Company, the Board of Directors (Board) on recommendation of the Nomination & Remuneration Committee of the Board decided to further extend the term of appointment of Shri Ghosal till the close of business on 28<sup>th</sup> February, 2019.

As variation of term of appointment of any Whole Time Director requires sanction of shareholders, your approval is hereby sought for extension of term of appointment of Shri R.N. Ghosal, Managing Director of the Company till 28<sup>th</sup> February, 2019.

The Board considers that the proposed resolution is in the interest of the Company and recommends the same for your approval.

No person, as specified under Section 102(1)(a) of the Act, other than Shri R.N. Ghosal is in any way concerned or interested in this Resolution proposed to be passed.

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**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. A person can act as a proxy on behalf of Members not exceeding 50(fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
3. Since the present term of appointment of Messrs. Ray & Ray, Chartered Accountants will conclude at the closure of this 94<sup>th</sup> Annual General Meeting, the Board of Directors of the Company, vide its resolution dated 30<sup>th</sup> May, 2017, subject to the approval of the shareholders, appointed Messrs. Price Waterhouse Chartered Accountants LLP, who have expressed their willingness and eligibility, as Auditors to conduct the statutory audit of the company for the year ended 31<sup>st</sup> March, 2018 and accordingly their name has been proposed for appointment. Section 139 of the Companies Act, 2013, is applicable to the Company and therefore, it is necessary to pass a Special Resolution for appointment of the Auditors.
4. Dividend that may be declared by the Company will be paid to those members whose names will appear on the Register of Members of the Company on 26<sup>th</sup> July, 2017.

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

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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 dematerialized 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 26<sup>th</sup> July, 2017.
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 dematerialized form should approach the Depository Participant with whom they are maintaining account for change in address, bank mandate and nomination, if any. Other members who have not furnished the details and/or whose details have since changed are requested to forward the following details immediately under the signature of the named shareholder:

Folio No.	No. of shares.
Bank Account No.	Nature of Bank Account
Bank name & address (with pin code)	Nine digit code no. of the Bank & Branch as appearing in the cheque book (with photocopy of a cheque)

9. Dividend for the financial year ended 31<sup>st</sup> March, 2009, 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 31<sup>st</sup> March, 2010 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. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28<sup>th</sup> September, 2016 (date of last Annual General Meeting) on the website of the Company ([www.tidewaterindia.com](http://www.tidewaterindia.com)), as also on the website of the Ministry of Corporate Affairs.
10. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. This may be effected by way of a written request to the Company.
12. 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 31<sup>st</sup> March, 2017 to those shareholders, whose email-ids were registered with the respective Depository Participants and down-loadable from the depositories viz., NSDL/CDSL. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 94<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL).

The instructions for remote e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
  - i. Open the e-mail and also open PDF file namely "TWO e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user/login ID and password for e-voting. Please note that the password is an initial password.

- ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
  - iii. Click on Shareholder – Login.
  - iv. If you are already registered with NSDL for e-voting then you can use your existing user / login ID and password.
  - v. If you are logging in for the first time, please enter the user/login ID and password provided in the PDF file attached.
  - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
  - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
  - viii. Select “EVEN” (E-Voting Event Number) of Tide Water Oil Company (India) Limited. Now you are ready for e-voting as Cast Vote page opens.
  - ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - x. Upon confirmation, the message “Vote cast successfully” will be displayed.
  - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
  - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [shawmanoj2003@gmail.com](mailto:shawmanoj2003@gmail.com) and/or [shawmanoj2003@yahoo.co.in](mailto:shawmanoj2003@yahoo.co.in), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.1800-222-990
  - xiv. You can also update your mobile number and e-mail id in the User profile details of the folio which may be used for sending future communication(s).
  - xv. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as on 21<sup>st</sup> July, 2017 may obtain user / login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com).
  - xvi. However, if you are already registered with NSDL for e-voting then you can use your existing user/ login ID and password for casting your vote. If you forgot your password, you can reset your Password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.1800-222-990.
- B. In case a Member receives physical copy of the Notice of Annual General Meeting (for Members whose email addresses are not registered with the Company/Depositories):
- i. Initial password is provided in the enclosed form: EVEN (E-Voting Event Number), user / login ID and password.
  - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
- C. Other Instructions:
- i. The remote e-voting period commences on Sunday, 23<sup>rd</sup> July, 2017 (10.00 a.m. IST) and ends on Tuesday, 25<sup>th</sup> July, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 21<sup>st</sup> July, 2017, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
  - ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 21<sup>st</sup> July, 2017.
  - iii. Shri M.P. Shaw, Practising Company Secretary (Membership No. FCS 5517), Proprietor of Manoj Shaw & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

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- iv. Facility for voting through polling paper shall be made available at the 94<sup>th</sup> Annual General Meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their rights at the concerned meeting.
- v. The Scrutinizer shall, after conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting within a period not exceeding three working days from the conclusion of the remote e-voting period, in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the meeting who will counter sign the same and declare the results of voting forthwith.
- vi. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- vii. Members of the company holding shares either in physical form or in dematerialized form, as on 21<sup>st</sup> July, 2017, may opt for remote e-voting or voting at the AGM through polling paper.
- viii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.tidewaterindia.com](http://www.tidewaterindia.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately on declaration of result by the Chairman and communicate to the National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE), where the shares of the Company are listed.

(14) Pursuant to Regulation 36(3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are provided as under :-

1.	Name of Director	<b>Shri Subir Das</b>
2.	Date of Birth (Age in years)	24 <sup>th</sup> November, 1958 (58)
3.	Date of Appointment	2 <sup>nd</sup> August, 2007
4.	Expertise in specific functional area (Experience in years)	Finance, Legal & Management (More than 28 years)
5.	Qualification	Chartered Accountant
6.	Shareholding in the Company (either personally or on beneficial basis)	NIL
7.	List of other Public Limited Companies in which Directorship held	Rydak Syndicate Ltd. and Allbank Finance Ltd.
8.	Chairman/Member of the Committees of the Board across all Public Companies in which he is a Director	Chairman of Audit Committee - Allbank Finance Ltd. Chairman of CSR Committee - Allbank Finance Ltd. Member of Audit Committee - Rydak Syndicate Ltd. Member of Nomination and Remuneration Committee - Allbank Finance Ltd. and Rydak Syndicate Ltd. Chairman of Independent Directors' Committee - Allbank Finance Ltd. Member of Independent Directors' Committee - Rydak Syndicate Ltd. Member of Performance Appraisal Committee - Allbank Finance Ltd.
9.	Chairman/Member of the Committees of the Board of the Company	Member – Audit Committee and Corporate Social Responsibility Committee
10.	Disclosure of relationships between Directors inter-se and other Key Managerial Personnel.	No relationship shared between Directors inter-se. No relationship shared with any Key Managerial Personnel of the Company.
11.	Terms and Conditions of appointment / re-appointment	As per prevailing practice, Non-Executive Director(s) and Independent Director(s) are entitled to sitting fees only.
12.	Remuneration sought to be paid / last drawn	As mentioned in Corporate Governance Report.
13.	Number of Board Meetings attended during the year	As mentioned in Corporate Governance Report.

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1.	Name of Director	<b>Shri Vinod Somalal Vyas</b>
2.	Date of Birth (Age in years)	15 <sup>th</sup> March, 1951 (66)
3.	Date of Appointment	14 <sup>th</sup> March, 2016
4.	Expertise in specific functional area (Experience in years)	Administrative & Management Functions (More than 41 years)
5.	Qualification	Bachelors Degree in Science
6.	Shareholding in the Company (either personally or on beneficial basis)	NIL
7.	List of other Public Limited Companies in which Directorship held	Royal Castor Products Ltd. and Sky Bio-Pharma (India) Ltd.
8.	Chairman/Member of the Committees of the Board across all Public Companies in which he is a Director	NIL
9.	Chairman/Member of the Committees of the Board of the Company	NIL
10.	Disclosure of relationships between Directors inter-se and other Key Managerial Personnel.	No relationship shared between Directors inter-se. No relationship shared with any Key Managerial Personnel of the Company.
11.	Terms and Conditions of appointment / re-appointment	As per prevailing practice, Non-Executive Director(s) and Independent Director(s) are entitled to sitting fees only.
12.	Remuneration sought to be paid / last drawn	As mentioned in Corporate Governance Report.
13.	Number of Board Meetings attended during the year	As mentioned in Corporate Governance Report.

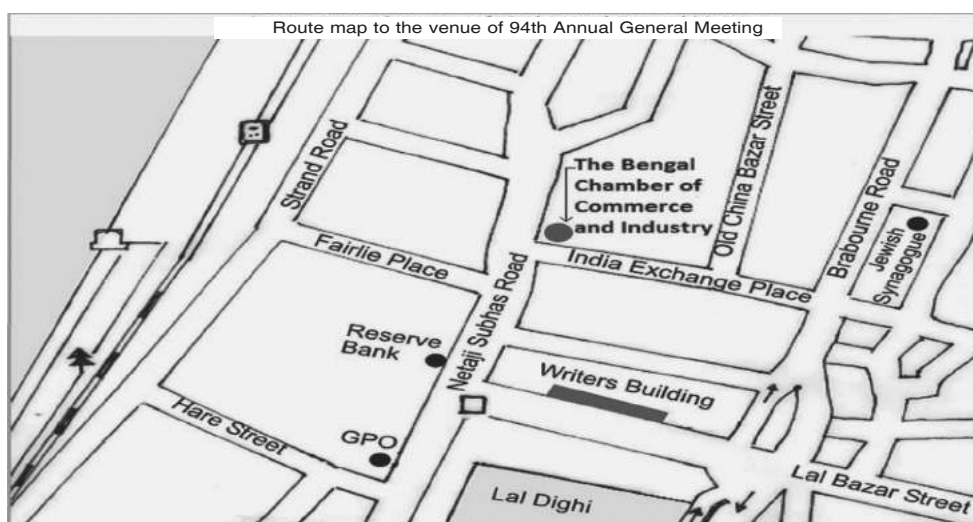
1.	Name of Director	<b>Shri D. S. Chandavarkar</b>
2.	Date of Birth (Age in years)	7 <sup>th</sup> February, 1942 (75)
3.	Date of Appointment	30 <sup>th</sup> May, 2017
4.	Expertise in specific functional area (Experience in years)	Administrative & Management Functions (More than 35 years)
5.	Qualification	NA.
6.	Shareholding in the Company (either personally or on beneficial basis)	NIL
7.	List of other Public Limited Companies in which Directorship held	Royal Castor Products Ltd. and Sky Bio-Pharma (India) Ltd.
8.	Chairman/Member of the Committees of the Board across all Public Companies in which he is a Director	NIL
9.	Chairman/Member of the Committees of the Board of the Company	NIL
10.	Disclosure of relationships between Directors inter-se and other Key Managerial Personnel.	No relationship shared between Directors inter-se. No relationship shared with any Key Managerial Personnel of the Company.
11.	Terms and Conditions of appointment / re-appointment	As per prevailing practice, Non-Executive Director(s) and Independent Director(s) are entitled to sitting fees only.
12.	Remuneration sought to be paid / last drawn	As mentioned in Corporate Governance Report.
13.	Number of Board Meetings attended during the year	As mentioned in Corporate Governance Report.

1.	Name of Director	<b>Shri S. Sundareshan</b>
2.	Date of Birth (Age in years)	28 <sup>th</sup> October, 1952 (64)
3.	Date of Appointment	3 <sup>rd</sup> November, 2014
4.	Expertise in specific functional area (Experience in years)	Administration & Management (More than 38 years)
5.	Qualification	Master of Arts and Master of Business Administration
6.	Shareholding in the Company (either personally or on beneficial basis)	NIL
7.	List of other Public Limited Companies in which Directorship held	Patspin India Ltd., GTN Textiles Ltd., India Power Corporation Ltd., Krishnapatnam Port Company Ltd., Great Eastern Energy Corporation Ltd. and Indian Clearing Corporation Ltd.
8.	Chairman/Member of the Committees of the Board across all Public Companies in which he is a Director	Member of Audit Committee – Krishnapatnam Port Company Ltd., Patspin India Ltd., GTN Textiles Ltd., India Power Corporation Ltd., Indian Clearing Corporation Ltd. and Great Eastern Energy Corporation Ltd. Member of Nomination and Remuneration Committee – Patspin India Ltd., GTN Textiles Ltd., Indian Clearing Corporation Ltd. and Great Eastern Energy Corporation Ltd., Member of Stakeholders Relationship Committee – Patspin India Ltd. and GTN Textiles Ltd.
9.	Chairman/Member of the Committees of the Board of the Company	Member – Audit Committee and Nomination and Remuneration Committee
10.	Disclosure of relationships between Directors inter-se and other Key Managerial Personnel.	No relationship shared between Directors inter-se. No relationship shared with any Key Managerial Personnel of the Company.
11.	Terms and Conditions of appointment / re-appointment	As per prevailing practice, Non-Executive Director(s) and Independent Director(s) are entitled to sitting fees only.
12.	Remuneration sought to be paid / last drawn	As mentioned in Corporate Governance Report.
13.	Number of Board Meetings attended during the year	As mentioned in Corporate Governance Report.

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1.	Name of Director	<b>Smt. Nayantara Palchoudhuri</b>
2.	Date of Birth (Age in years)	24 <sup>th</sup> June, 1962 (54)
3.	Date of Appointment	7 <sup>th</sup> April, 2015
4.	Expertise in specific functional area (Experience in years)	Management, Operations and Administrations (More than 22 years)
5.	Qualification	Master of Arts and M. Phil.
6.	Shareholding in the Company (either personally or on beneficial basis)	NIL
7.	List of other Public Limited Companies in which Directorship held	Rossell India Ltd., Vesuvius India Ltd., Ludlow Jute & Specialities Ltd., West Bengal Tea Development Corporation Ltd., Amba River Coke Ltd. and JSW Bengal Steel Ltd.
8.	Chairman/Member of the Committees of the Board across all Public Companies in which he is a Director	Member of Audit Committee – Rossell India Ltd., Vesuvius India Ltd. and Amba River Coke Ltd. Member of Nomination and Remuneration Committee – Vesuvius India Ltd. and Amba River Coke Ltd. Member of Finance Committee - JSW Bengal steel Ltd. Member of Share Transfer & Investor Grievance & Redressal Committee – Vesuvius India Ltd. Member of Corporate Social Responsibility Committee - Vesuvius India Ltd. Member of Risk Management Committee - Rossell India Ltd.
9.	Chairman/Member of the Committees of the Board of the Company	NIL
10.	Disclosure of relationships between Directors inter-se and other Key Managerial Personnel.	No relationship shared between Directors inter-se. No relationship shared with any Key Managerial Personnel of the Company.
11.	Terms and Conditions of appointment / re-appointment	As per prevailing practice, Non-Executive Director(s) and Independent Director(s) are entitled to sitting fees only.
12.	Remuneration sought to be paid / last drawn	As mentioned in Corporate Governance Report.
13.	Number of Board Meetings attended during the year	As mentioned in Corporate Governance Report.

1.	Name of Director	<b>Shri R. N. Ghosal</b>
2.	Date of Birth (Age in years)	1 <sup>st</sup> March, 1955 (62)
3.	Date of Appointment	2 <sup>nd</sup> November, 2011
4.	Expertise in specific functional area (Experience in years)	Marketing Management & Chemistry (More than 40 years)
5.	Qualification	M.Sc. Chemistry from IIT, Delhi and M.Tech. (Credits) form IIT, Delhi
6.	Shareholding in the Company (either personally or on beneficial basis)	NIL
7.	List of other Public Limited Companies in which Directorship held	NIL
8.	Chairman/Member of the Committees of the Board across all Public Companies in which he is a Director	NIL
9.	Chairman/Member of the Committees of the Board of the Company	Chairman – Risk Management Committee Member – Corporate Social Responsibility Committee and Stakeholders' Relationship Committee
10.	Disclosure of relationships between Directors inter-se and other Key Managerial Personnel.	No relationship shared between Directors inter-se. No relationship shared with any Key Managerial Personnel of the Company.
11.	Terms and Conditions of appointment / re-appointment	As mentioned in resolution no. 12, explanatory statement thereof and Corporate Governance Report.
12.	Remuneration sought to be paid / last drawn	As mentioned in Corporate Governance Report.
13.	Number of Board Meetings attended during the year	As mentioned in Corporate Governance Report.



**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors take pleasure in presenting their Ninety Fourth Annual Report on the operations of the Company together with audited accounts for the year ended 31<sup>st</sup> March, 2017.

	Amount (Rs. in Crores)	
	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
The Accounts before charging depreciation show a profit of	158.40	140.38
From which has been deducted		
Depreciation (Net)	7.37	7.11
Provision for Taxation	48.83	50.88
Other Comprehensive Income(OCI)	2.11	2.27
	<u>58.31</u>	<u>60.26</u>
	100.09	80.12
To which is added the balance brought forward from the last accounts of	508.33	467.09
	<u>608.42</u>	<u>547.21</u>
The Directors have transferred to General Reserve	-	-
Leaving a balance of	608.42	547.21
The Directors have paid Interim Dividend @ 1000% (p.y. 750%) on the Ordinary Shares amounting to	17.43	13.07
The Directors have paid final dividend @ 1750% (p.y. 1250%) on the Ordinary Shares amounting to	30.49	21.78
Tax on Dividend	9.75	7.09
	<u>550.75</u>	<u>505.27</u>
To which is added OCI adjustment and Tax thereon	2.84	3.06
Leaving a balance to be carried forward	<u>553.59</u>	<u>508.33</u>

Note: Percentages of Interim Dividend for the Financial Year 2015-16 and Final Dividend For the Financial year 2014-15 have been adjusted to factor in the effect of issue of sub divided and bonus shares in 2015-16.

**PERFORMANCE AND STATE OF COMPANY'S AFFAIRS**

The performance of your Company during the year under review was commendable. The turnover recorded significant increase to reach Rs. 1317.29 crores (net of discount and rebates Rs. 1132.02 crores), the highest in the history of the Company, compared to Rs.1275.34 crores (net of discount and rebates Rs. 1098.30 crores)

in the previous year, an increase of 3.29%. The volume of sales also recorded a satisfactory increase partially due to the Company's continued focus on building its brand equity and bazaar sales. However, the overall lubricant industry remained depressed due to constant upgradation of engine design and presence of long drain lubes. As a result of the negligible generic growth the market witnessed intensified competition among the existing market players for a greater share. On the other hand, the rising input costs and volatility in the market led to greater pressure on margins. Notwithstanding the adverse factors, the Company achieved a Profit before Tax (PBT) of Rs. 151.03 crores as compared to a PBT of Rs. 133.27 crores (Rs. 157.76 crores before adjustment of exceptional item) in the preceding year.

Premium segment remained a major focus area during the year. Your Company has adopted 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 (OEMs), helped your Company to achieve improved results and increase its presence in new markets.

The Company's Plants at Silvassa, Turbhe, Oragadam and Faridabad continue to be accredited under ISO 9001:2008 for quality standards. Plant at Ramkristopur has obtained accreditation under ISO 9001:2015 for quality standards. The Silvassa and Oragadam Plants had obtained accreditation under ISO 14001:2004 for environmental standards. The support provided by the Company's accredited R&D Centers have helped in improving the quality of products and upgrading product formulation.

Your Company's products primarily marketed under the 'VEEDOL' brand name are well established and accepted in the industry for their quality and range. The Joint Venture Company (JVC) viz. JX Nippon TWO Lubricants India Private Limited (JXTL), wherein your Company and JXTG Nippon Oil & Energy Corporation (formerly JX Nippon Oil & Energy Corporation), Japan, have 50:50 stake, continues to undertake marketing of the 'ENEOS' brand of products in India. The production



facilities, warehousing, logistic and other ancillary support continue to be extended by your Company to the JVC. Details of performance of this joint venture are stated in the later part of the report.

#### **CHANGE IN SHAREHOLDING STATUS**

Subsequent to the open offer for acquisition of further shares of the Company, Standard Greases & Specialities Private Limited (SGSPL) emerged as a single largest shareholder of this Company. Post completion of the offer SGSPL requested for re-classification of their status from 'public shareholder' to 'joint promoter' along with Andrew Yule & Company Limited and re-classification of status of Janus Consolidated Finance Private Limited, Person Acting in Concert in the concerned open offer, from 'public shareholder' to 'part of promoter group'.

The matter was considered by the Board of Directors at its 309<sup>th</sup> meeting held on 11<sup>th</sup> August, 2016. On meeting the requisite eligibility criteria, the Board pursuant to the provisions of Regulation 31A(2) and 31A(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 approved the said re-classification and necessary disclosure thereof was made to the Stock Exchanges and required effect was given in the shareholding pattern of the Company.

#### **BRAND 'VEEDOL'**

With the acquisition of Veedol International Limited, the Company got the global rights to a wide portfolio of registered trademarks for the master brand 'VEEDOL' as well as its associate product sub-brands and iconic logos. The Company has exploited this opportunity for marketing lubricants under the 'VEEDOL' brand to various geographies around the world.

#### **INTERNATIONAL OPERATIONS**

During the year your Company has invested in 100% shares of Price Thomas Holdings Limited (PTHL), having a wholly owned subsidiary viz. Granville Oil & Chemicals Limited (GOCL), which is engaged in manufacturing and selling of lubricants and automotive after care products. Since GOCL has its own manufacturing facility, it has resulted in competitive product pricing internationally. Also, the range of products and its sales distribution network have been

beneficial for the Company's international operations. GOCL mainly operates in United Kingdom and key brands marketed inter alia include Granville, Gunk, Nova, Autosol and Turtle Wax.

Other than as stated above and besides holding 100% shares of Veedol International Limited the Company has two wholly owned subsidiaries viz. Veedol International DMCC (VID), Dubai and Veedol International BV (VIBV), Netherlands to cater to the Middle East Asian Region and Europe, respectively.

Veedol Deutschland GMBH (VDG) has been incorporated as a 100% subsidiary of Veedol International BV to relaunch the brand in Germany, Austria and Switzerland.

Further Veedol International Americas Inc. has also been floated as a wholly owned subsidiary of Veedol International Limited, UK. This has relaunched Veedol in Andean region of South America.

Veedol International Limited has also licensed the Veedol brand to a licensee in North America and Mexico and other licensees in Bangladesh, Ecuador and Republic of South Africa for sales thereat.

#### **WIND ENERGY BUSINESS**

During the year 2016-17, the revenue generated from the Wind Energy Project amounted to Rs.1.70 crores. The Company produces enough clean energy to offset its electricity consumption from fossil fuel sources. The sector is poised to provide adequate returns over the years.

#### **DIVIDEND**

In view of present financial results, your Directors have the pleasure in recommending a final Dividend of 2000% (Rs.100.00 per ordinary share) on the Ordinary Shares of Rs. 5/- each for the financial year 2016-17 as against 1750% (Rs.87.50 per ordinary share) for the previous year to the equity shareholders of the Company. The Directors at its 310<sup>th</sup> Meeting held on 25<sup>th</sup> November, 2016 declared interim dividend of 1000% (Rs.50.00 per ordinary share) involving a total dividend outflow of Rs.17.42 crores. The same was distributed to the Shareholders on 12<sup>th</sup> December, 2016. The final dividend is in addition to the interim dividend, as already distributed. The Dividend Distribution Policy is enclosed with this report. The same is also available at the official

website of the Company at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/02/DIVIDEND%20DISTRIBUTION%20POLICY.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/DIVIDEND%20DISTRIBUTION%20POLICY.pdf)

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with a certificate from the Statutory Auditors of the Company and declaration by the Managing Director forms part of this report.

### **SUBSIDIARY COMPANIES**

On acquisition of 100% shares, Veedol International Limited had become a wholly owned subsidiary of the company with effect from October, 2011. Further to explore possibilities of marketing the products under 'Veedol' brand in the Middle East Asian Markets, your Company had floated another wholly owned subsidiary under the name Veedol International DMCC at Dubai, UAE. With a view to cater to the European Markets (excepting the DACH region), the company had set up another wholly owned subsidiary viz. Veedol International BV, having its office at Amsterdam, the Netherlands.

As the 'Veedol' brand enjoys considerable brand equity in the DACH region, Veedol Deutschland GMBH had been set up as a 100% subsidiary of Veedol International BV. Veedol Deutschland GMBH had initiated its marketing operations for the DACH region and the same operates from Langenfeld, Germany.

Veedol International Americas Inc. has been incorporated as a 100% subsidiary of Veedol International Limited. Veedol International Americas Inc. markets Veedol products in the Andean region of South America. This Company operates from Ontario, Canada.

During the year your Company has also acquired 100% shares of Price Thomas Holdings Limited (PTHL), having a wholly owned subsidiary viz. Granville Oil & Chemicals Limited, which has its own manufacturing facility and is engaged in manufacturing and selling of lubricants and automotive after care products throughout United Kingdom (UK). GOCL operates from Rotherham, UK.

The Statement of Accounts along with the Report of the Board of Directors and Auditors relating to your Company's Overseas Subsidiaries viz. Veedol International Limited, Veedol International DMCC, Veedol International BV and Price Thomas Holdings Limited for the financial year 2016-17 are not annexed. 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 till 26<sup>th</sup> July, 2017.

### **PERFORMANCE OF SUBSIDIARIES AND JOINT VENTURE COMPANIES AS PER RULE 8(4) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

A report on the performance and the financial position of each of the Subsidiaries and Joint Ventures Companies as per the Companies Act, 2013 is annexed to the Consolidated Financial Statement and hence not repeated here for the sake of brevity.

The policy for determining material subsidiaries, as approved may be referred to at the official website of the Company at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/02/Material-Subsidiary-Policy.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/Material-Subsidiary-Policy.pdf)

### **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 Indian Accounting Standards (IndAS) on Consolidated Financial Statements notified by the Companies (Indian Accounting Standards) Rules, 2015. 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. 159.31 crores for the financial year 2016-17 as compared to Rs. 128.83 crores, as achieved in the preceding year.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2017, the applicable accounting standards had been followed along with the proper explanation relating to material departures, if any;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and loss of the company for that period;
- iii. The Directors had 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;
- iv. The Directors had prepared the annual accounts on a going concern basis;
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and
- vi. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Particulars of loan given, investment made and guarantee given alongwith the purpose for which the loan or guarantee is proposed to be utilized by the recipient is provided in the financial statements (Please refer Note 4,5 and 27.1 to the Standalone Financial

Statement). No loan / advance is outstanding to any subsidiary, associate or any firm / company in which the Directors are interested. This may be regarded as a disclosure as required under Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 also.

#### **TRANSFER OF AMOUNTS AND SHARES TO INVESTOR EDUCATION & PROTECTION FUND**

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, read with Notification No. G.S.R. 178(E) dated 28<sup>th</sup> February, 2017 as issued by the Ministry of Corporate Affairs all shares in respect of which dividend has remained unpaid or unclaimed for a period of seven years are being transferred by the Company, within the stipulated due dates, to the Investor Education and Protection Fund (IEPF). A list of such shareholders alongwith their folio number or DP. ID.-Client ID., who have not claimed their dividends for the last seven consecutive years i.e. 2009-10 to 2015-16 (2008-09 being the base year) and whose shares are therefore liable for transfer to the IEPF Demat account, has been displayed on the website of the Company at [www.tidewaterindia.com/wp-content/uploads/2017/05/Shareholders-details.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/05/Shareholders-details.pdf) besides sending individual communication to the concerned shareholders and issuance of public notice.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28<sup>th</sup> September, 2016 (date of last AGM) on the Company's website ([www.tidewaterindia.com](http://www.tidewaterindia.com)) and also on the Ministry of Corporate Affairs' website.

#### **CORPORATE WEBSITE**

The websites of your company, [www.tidewaterindia.com](http://www.tidewaterindia.com) and [www.veedolindia.com](http://www.veedolindia.com) carry 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, corporate policies and others.

#### **CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business, during the period under review.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

During the year, there were no material changes and commitments, affecting the financial position of the Company which have occurred between 1<sup>st</sup> April, 2017 and the date of this report.

### **REPORTABLE FRAUDS**

No fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013, during the period under review.

### **DIRECTORS**

Shri D. S. Chandavarkar has been appointed as Additional Director with effect from 30<sup>th</sup> May, 2017. 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 160 of the Companies Act, 2013 proposing his appointment as Director.

In accordance with the provisions of Section 152(6)(c) of the Companies Act, 2013 and your Company's Articles of Association, Shri Subir Das and Shri Vinod S. Vyas, Directors retire by rotation and are eligible for re-appointment.

The Board on recommendation of the Nomination and Remuneration Committee has recommended re-appointment of Shri S.Sundareshan and Smt. N. Palchoudhuri, Independent Directors till 2<sup>nd</sup> November, 2020 and 6<sup>th</sup> April, 2021, respectively. Special Resolutions in connection with the said re-appointments are appearing in the Notice convening the 94<sup>th</sup> Annual General Meeting of the Company.

Appropriate resolution seeking appointment of Shri D.S. Chandavarkar as Director is also appearing in the Notice convening the 94<sup>th</sup> Annual General Meeting of the Company.

The Notice convening the 94<sup>th</sup> Annual General Meeting of the Company also contains an Ordinary Resolution with respect to extension of term of appointment of Shri R. N. Ghosal, Managing Director of the Company. Considering his extra-ordinary performance and valuable guidance provided to the Company, the Board of Directors (the Board) on recommendation of the Nomination & Remuneration Committee of the Board

decided to extend the term of appointment of Shri Ghosal till the close of business on 28<sup>th</sup> February, 2019.

Brief resume/details relating to Shri R.N. Ghosal, Shri D. S. Chandavarkar, Shri S. Sundareshan, Shri Subir Das, Shri Vinod S. Vyas and Smt. N. Palchoudhuri are furnished in the said notice.

Shri Praveen P. Kadle resigned from the Board of Directors of the Company with effect from 15<sup>th</sup> May, 2017 in view of re-organisation of capital structure of nominating entity. The same have been noted by the Board at its 312<sup>th</sup> meeting held on 30<sup>th</sup> May 2017. The Board of Directors also placed on record the valued guidance received from him during his tenure of directorship in the Company.

Pursuant to Regulation 36(3)(c) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is disclosed that no Directors share any relationship inter-se.

### **DECLARATIONS BY THE INDEPENDENT DIRECTORS**

All Independent Directors have given declarations to the Company stating their independence pursuant to Section 149 of the Companies Act, 2013 and the same have been noted by the Board.

### **POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION**

Section 178 of the Companies Act, 2013 is applicable to the Company. The Company appoints Independent Directors, being persons having rich experience and domain knowledge, to serve on the Board. Independent Directors are initially appointed by the Board on recommendation of the Nomination & Remuneration Committee. Non-Executive Directors are appointed by the Board from time to time, subject to the approval of the shareholders. Executive Director(s) are appointed based on their performance and their contribution towards the Company. Appointment(s) of all Directors are formalized on approval of the shareholders.

The Company has framed a Remuneration Policy, in relation to remuneration of Directors, Key Managerial Personnel and Senior Management, as recommended by the Nomination & Remuneration Committee of the Board of Directors. The same, inter-alia contains matters

stated under Section 178 of the Companies Act, 2013 read with Securities & Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. The criteria of making payment to Non-Executive Directors are also stated in the aforesaid policy. The details of such policy i.e. summary, weblink, etc. have been furnished in the Corporate Governance Report forming part of this Annual Report.

The Nomination & Remuneration Policy, as framed, is enclosed with the Directors' Report as Annexure II.

Shri R. N. Ghosal, Managing Director does not receive any remuneration from any other subsidiary company. This may be deemed to be a disclosure as required under Section 197(14) of the Companies Act, 2013.

A statement indicating manner in which annual evaluation of the Board (including Committees) and individual Directors is carried out has been provided separately in this report.

Necessary disclosure as required under Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been provided under Corporate Governance report in relation to remuneration of Shri R. N. Ghosal, Managing Director.

#### **ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

In compliance with the Companies Act, 2013 and applicable regulations, the performance evaluation of the Board was carried out during the year under review. The Board Evaluation and Diversity Policy which had been framed by the Company for the purpose of establishing, inter-alia, qualifications, positive attributes, independence of Directors and determination of criteria based on which such evaluation is required to be carried out has been amended during the year in terms of guidance notes issued by the Securities & Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5<sup>th</sup> January, 2017 thereby modifying the evaluation process.

Separate meeting of Independent Directors was held on 10<sup>th</sup> February, 2017, wherein the required evaluation was carried out in terms of the modified policy thereof. More details on the same are given in the Corporate Governance Report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company recognizes that its operations impact a wide community of stakeholders, including investors, employees, customers, business associates and local communities and that appropriate attention to the fulfillment of these social responsibilities can enhance overall performance.

The Board of Directors of the Company, in this regard, has devised a Corporate Social Responsibility (CSR) Policy which, inter-alia states mode of constitution of CSR Committee, activities which can be undertaken, mode of implementation, quantum of investment, etc. The same is available on the Company's website at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/02/CSR-Policy.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/CSR-Policy.pdf). The said policy is also enclosed with the Directors' Report as Annexure III. Imparting of training to mechanics/garage owners for skill development by way of setting up an auto-mechanic school had been identified as a CSR activity being covered under Schedule VII of the Companies Act, 2013.

The CSR Committee has also been constituted by the Board, which as on 31<sup>st</sup> March, 2017 comprises of Shri A. Mukherjee, as Chairman, Shri R. N. Ghosal and Shri S. Das. The Committee met twice during the year on 13<sup>th</sup> May, 2016 and 30<sup>th</sup> May, 2016 to monitor CSR activities undertaken, review scope of CSR activities, etc. The Company has set up auto-mechanic schools at Kolkata, Silvassa and Faridabad. Utkarsh continued to provide consultancy service for CSR activities, during the year under review.

The details in relation to CSR reporting as required under Rule 8 of Companies (CSR Policy) Rules, 2014 is enclosed with this report as Annexure IV.

Other relevant details in relation to CSR Committee, such as terms of reference of the CSR Committee, number and dates of meetings held and attendance of the Directors are given separately in the attached Corporate Governance Report.

#### **VIGIL MECHANISM**

Fraud-free and corruption-free work culture has been core to the Company. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the Company has put even greater emphasis to address this risk.

To meet this objective, a Vigil Mechanism Policy akin to Whistle Blower Policy has been laid down. More details about the policy are given in the Corporate Governance Report.

#### RISK MANAGEMENT

The Company has identified various risks faced by it from different areas. As required under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted a Risk Management Plan for the Company which includes inter-alia identification of elements of risks which may threaten the existence of the Company. Structures are present so that risks are inherently monitored and controlled.

Relevant details of the Risk Management Plan including implementation thereof and the Risk Management Committee have been furnished under the Corporate Governance Report.

#### EMPLOYEE WELFARE SCHEME & TRUST

In terms of the approval of the shareholders dated 2<sup>nd</sup> March, 2011, your Company implemented Tide Water Oil Co. (India) Ltd. Employee Welfare Scheme for granting/allotting options to the eligible employees of the Company through Tide Water Oil Co. (India) Ltd. Employee Welfare Trust. With the promulgation of Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations) the existing scheme and the provisions of the existing Trust had been aligned with that of the provisions contained in the said Regulation. Subsequent to the sanction of the shareholders, the scheme and the trust had been rechristened as Tide Water Oil Company (India) Limited Employee Benefit Scheme and Tide Water Oil Company (India) Limited Employee Benefit Trust respectively.

Pursuant to Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, the required details, for the year 2016-17, are stated as under:

a. Options granted	Nil
b. Options vested	Not Applicable
c. Options exercised	Not Applicable
d. The total number of shares arising as a result of exercise of option	Not Applicable

e. Options lapsed	Not Applicable
f. The exercise price	Not Applicable
g. Variation of terms of options	Not Applicable
h. Money realized by exercise of options	Not Applicable
i. Total number of options in force	Nil
j. Employee wise details of options granted to	
i. Key managerial personnel (s)	Nil
ii. Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during the year	Nil
iii. Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil

There has been no material change in the concerned scheme during the year under review. The provisions of aligned scheme are in compliance with the SBEB Regulations. Necessary detail as referred in Regulation 14 of SBEB Regulations read with Circular number CIR/CFD/POLICY CELL/2/2015 dated 16<sup>th</sup> June, 2015 as issued by SEBI, is uploaded on the Company's website at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/03/SEBI-SBEB-Regulation14.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/03/SEBI-SBEB-Regulation14.pdf)

A Certificate from the Auditors of the Company as required under Regulation 13 of SBEB Regulations is enclosed as Annexure V.

#### FURTHER DISCLOSURES UNDER THE COMPANIES ACT, 2013

i. Extract of the Annual Return	The details forming part of the extract of the Annual Return is enclosed as Annexure - VI.
ii. Number of Board Meetings	

There were 5 (Five) meetings of the Board of Directors held during the year 2016-17 on 13<sup>th</sup> May, 2016, 30<sup>th</sup> May, 2016, 11<sup>th</sup> August, 2016, 25<sup>th</sup> November, 2016 and 10<sup>th</sup> February, 2017. The details of attendance of the Directors in the said Board Meetings have been furnished in the Corporate Governance Report. Details of Committee Meetings held during 2016-17 and attendance thereof by each Director is also furnished in the said Corporate Governance Report.

iii. Changes in Share Capital

There has been no change in the share capital of the Company during the year. Your Company has not issued any ordinary shares or shares with differential voting rights nor granted stock options nor sweat equity, during the year. As on 31<sup>st</sup> March, 2017 none of the Directors of the Company hold shares or convertible instruments of the Company.

iv. Composition of Audit Committee

The Board has constituted the Audit Committee which comprises of Shri A. Mukherjee as the Chairman, Shri S. Sundareshan, Shri S. Roy Choudhury and Shri Subir Das. All recommendations of the Audit Committee have been accepted by the Board of Directors.

More details on the Committee are given in the Corporate Governance Report.

v. Related Party Transactions

During the year 2016-17, the Company entered into transactions, cumulative value whereof amounts to Rs. 108.33 crores with Standard Greases & Specialities Pvt. Ltd. (SGSPL), Joint Promoter of the Company which is close to the threshold limit stated under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 but exceeds the limit stated under Rule 15 of the Companies (Meetings of Board & its Powers) Second Amendment Rules, 2015 as further amended by Notification No. GSR 309(E) dated 30<sup>th</sup> March, 2017 issued by the Ministry of Corporate Affairs. SGSPL is one of the largest grease producers in Asia and they process grease on behalf of the

Company to meet the needs of Western Region as there is no grease plant thereat. Further the Company also procures lubricating oil and other chemicals from SGSPL. All these products are offered on competitive rates and the same is in ordinary course of business.

During the year 2016-17, the Company also entered into transactions, cumulative value whereof amounts to Rs. 114.15 crores with JX Nippon TWO Lubricants India Pvt. Ltd. (JXTL), Associate Company which is close to the threshold limit stated under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 but exceeds the limit stated under Rule 15 of the Companies (Meetings of Board & its Powers) Second Amendment Rules, 2015 as further amended by Notification No. GSR 309(E) dated 30<sup>th</sup> March, 2017 issued by the Ministry of Corporate Affairs. Pursuant to the Joint Venture Agreement, as executed between JXTL, JXTG Nippon Oil & Energy Corporation (formerly JX Nippon Oil & Energy Corporation) and the Company, Tide Water Oil Co. (I) Ltd. pays franchise fees to JXTL, in connection with manufacturing and selling of 'ENEOS' range of products. This is on arms length and in ordinary course of business.

The details in Form AOC-2 of material transaction(s) entered into by the Company with its related parties are enclosed as Annexure VII. There were no other materially significant related party transactions with 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. Other than as stated above there were no related party transaction during 2016-17, which were material in nature in terms of provisions of the Companies Act, 2013 and rules made thereunder, requiring disclosure as prescribed under Section 188(2) of the Companies Act, 2013.

All related party transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. While granting omnibus approval, the Company complied with the provisions of Securities & Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015. Shareholders' sanction is also obtained for material related party transactions proposed to be entered into during the year.

The related party transaction policy for determining materiality of related party transaction and also on dealing with related parties is uploaded on the Company's website at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/02/RELATED-PARTY-TRANSACTION-POLICY-1.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/RELATED-PARTY-TRANSACTION-POLICY-1.pdf). The details of the transactions with related party are provided in the accompanying financial statement. The details of the said policy and other relevant details have also been furnished in the Corporate Governance Report.

**DISCLOSURES UNDER RULE 8(5) OF COMPANIES (ACCOUNTS) RULES, 2014**

- i. Financial summary or highlights: As detailed under the heading 'Performance and State of Company's Affairs'
- ii. Change in the nature of business, if any: None
- iii. Details of Directors or Key Managerial Personnel (KMP), who were appointed or resigned during the year:
  - a. Directors appointed : Shri B.J.Mahanta  
Shri D. S. Chandavarkar
  - b. Directors resigned : Shri Kallol Datta  
Shri R.K.Singh  
Shri Praveen P. Kadle
  - c. Change in KMPs : None (term of appointment of Shri R. N. Ghosal, Managing Director has been proposed to be extended till the close of business on 28<sup>th</sup> February, 2019)
- iv. Names of Companies which have become or ceased to be Subsidiaries, Joint Venture Companies or Associate Companies during the year
  - a. Subsidiaries: During the year your Company has acquired 100% shares of Price Thomas Holdings Limited (PTHL), having a wholly

owned subsidiary viz. Granville Oil & Chemicals Limited. As such PTHL is now considered to be a wholly owned subsidiary and GOCL is considered to be a step down subsidiary.

Other than above, there has been no change in the subsidiaries during the year 2016-17.

- b. Joint Venture Company (JVC): There has been no change in JVC during the year 2016-17.
- c. Associate Companies: There are no Associate Companies, in terms of provisions of the Companies Act, 2013.
- v. Details relating to deposits: There were no fixed deposits of the Company from the public outstanding at the end of the financial year.
 

No fixed deposit has been accepted during the year and as such, there is no default in repayment of the said deposits.
- vi. There has not been any deposit, which is not in compliance with the requirements of Chapter V of the Companies Act, 2013.
- vii. No significant and material orders have been passed by any regulator(s) or Court(s) or Tribunal(s) impacting the going concern status and Company's operations in future.
- viii. Adequacy of Internal Financial Control: Your Company has an adequate system of internal financial control as commensurate with the size and nature of business, which ensures that all assets are safeguarded and protected against loss and all transactions are recorded and reported correctly.
 

The internal control system of the Company is monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are placed before the Board for reference.

The scope of Internal Audit includes audit of Purchase Policy, Sales Promotion Expenditure and



Incentive Scheme, Debtors and Creditors Policy, Inventory Policy, Taxation matters and others, which are also considered by the Statutory Auditors while conducting audit of the Annual Financial Statements.

**DISCLOSURE AS PER RULE 5(1) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016**

The disclosure as required under Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Amendment Rules, 2016 is enclosed with this report as Annexure VIII.

Your company has not paid any remuneration attracting the provisions of Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Amendment Rules, 2016. Necessary information as required under the said Rule has been appended to this report.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

No cases were filed / reported to the Company pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review. Prevention of Sexual Harassment Committee(ies) have been formed at the corporate and regional levels to monitor compliance with the provisions of the said Act and complaints thereof, if any.

**AUDITOR & AUDITOR'S REPORT**

Since the present term of appointment of Messrs. Ray & Ray, Chartered Accountants will conclude at the closure of this 94<sup>th</sup> Annual General Meeting, the Board of Directors of the Company, vide its resolution dated 30<sup>th</sup> May, 2017, subject to the approval of the shareholders, appointed Messrs. Price Waterhouse Chartered Accountants LLP, who have expressed their willingness and eligibility, as Auditors to conduct the statutory audit of the company for the year ended 31<sup>st</sup> March, 2018 and accordingly their name has been proposed for appointment. Members are requested to consider the appointment of M/s Price Waterhouse Chartered Accountants LLP as the Statutory Auditors

of the Company for the financial year ending on 31<sup>st</sup> March, 2018 and authorize the Board of Directors to decide on their remuneration.

There are no qualifications made by the statutory auditors in their report

A statement detailing significant Accounting Policies of the Company is annexed to the Accounts.

**SECRETARIAL AUDIT**

A Secretarial Audit was conducted during the year 2016-17 by the Secretarial Auditor, Shri Manoj Prasad Shaw of M/s. Manoj Prasad Shaw & Co., Practising Company Secretaries, in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached as Annexure IX and forms a part of this report of Directors. There are no qualifications made by the Secretarial Auditor in his Report.

**BUSINESS RESPONSIBILITY REPORT**

As stipulated under Regulation 34(2)(f) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company from environmental, social and governance perspective forms a part of the Annual Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

**A. CONSERVATION OF ENERGY**

1. Steps taken or impact on conservation of energy.

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

**SILVASSA**

- i. Centralised air conditioner in some parts of the plant were replaced with split air conditioners which resulted in reduction of power consumption upto 18000 units per year.
- ii. 36 watt electrical fittings were replaced with 18 watt EEELED lights, saving power consumption to the extent of 4500 units per year.

- iii. Re-orientation of on/off switch in 1 litre line conveyor resulted in decrease of power consumption upto 500 units per year.
- iv. Existing pump of additive tank was replaced with energy efficient pump which resulted in decrease of power consumption by 672 units for 2016-17.

**TURBHE**

Capping machine and filling machine were replaced with a monoblock filling machine alongwith single belt conveyor and other accessories saving electricity consumption to the extent of 1500 units per year.

**ORAGADAM**

- i. Detuning of Harmonics was introduced in the electrical supply to avoid distribution loss and to protect electrical equipments.
  - ii. Existing luminaries were replaced with LED systems.
2. Steps taken by the Company for utilising alternate sources of energy  
None in particular
3. Capital investment on energy conservation equipments  
None in particular

**B. TECHNOLOGY ABSORPTION**

1. Efforts made towards technology absorption  
New products are developed by the R&D centers of the Company incorporating latest technology.
2. Benefits derived  
The Company is able to produce quality products in view of the above.

3. Information regarding imported technology  
Not applicable.
4. Expenditure incurred on Research and Development
- a. Capital : Rs. 0.40 crores  
(last year Rs. 0.07 crores)
  - b. Recurring : Rs. 1.44 crores  
(last year Rs. 1.47 crores)
  - c. Total : Rs. 1.84 crores  
(last year Rs. 1.54 crores)
  - d. Total R&D : 0.16 %  
Expenditure (last year 0.14 %)  
as percentage  
of total  
turnover

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange earnings during the year under review was Rs. 2.41 crores (last year Rs. 3.09 crores) while Foreign Exchange outgo was Rs. 150.15 crores (last year Rs. 155.56 crores).

**ACKNOWLEDGEMENT**

The Board of Directors would like to place on record their appreciation of the support and assistance received from the Government of India and the State Government. The Directors are thankful to the Company's Bankers / Shareholders / all other Stakeholders and the esteemed customers for their continued support.

The Board deeply appreciates the commitment and the invaluable contribution of all the employees towards the satisfactory performance of your Company.

Kolkata  
30<sup>th</sup> May, 2017

On behalf of the Board  
**Sunil Munshi**  
Chairman

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Industry Structure and Developments

The Indian lubricant market remains the third largest after USA and China. Over the past years, the lubricant industry has witnessed a moderate and steady growth. With continued growth in the economy, the industry has also recorded growth. However, with the introduction of smaller, efficient engines and long drain lubes, there has been a structural decline in the per-vehicle lube consumption. As such though realisations improved on account of premiumisation, yet the headline volume growth weakened offsetting the advantage. During the year the crude oil prices increased which had its adverse effect on the base oil and additive prices. However, India's move to BS-VI by 2020 is expected to open up scope for innovation and modification in lubricant properties which may lead to higher realisations and margins. 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 and exploit envisaged opportunities. Further, acquisition of Veedol International Limited and Price Thomas Holdings Limited bestowed competitive edge unfolding promising opportunities globally.

### Opportunities and Threats

In lube industry innovation and brand building are the main focus areas. Though new products are launched based on homogenous specifications, promotional activities create product differentiation and aid in gaining market share. With greater focus on pollution and emission control, industry players are bracing for cleaner oils. While OEMs continue to remain significant player in the after-market, the bazaar trade is lucrative in terms of margin and volume, particularly with the advent of new multi brand service centers, presence of second-hand fleet and associate workshops. Your Company is also in constant effort to build strong partnerships with key OEMs across vehicle categories. The Company has a wide range of excellent products in different segments under its umbrella brand "VEEDOL" to cater the industry demand. This is supported by an effective and efficient network of dedicated distributors, dealers and consignment depots across the country. The Company's various other sub-brands such as Prima, Turbo and Take Off have also been able to create goodwill in the market for their quality.

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

Volatility in input prices is one of the most material threats. An adverse foreign exchange situation and high inflation could also put pressure on margins. Further, the newly promulgated taxation system is also expected to have its effect in the industry in terms of volume and profitability in the short term.

### Segment-wise Performance

The Company is a single segment company as mentioned in Note 2.2 of the Accounts.

### Outlook

In the coming year, your Directors expect the Company to continue its focus on core strategies and line of business besides leveraging other opportunities to extend the distribution base and network for increasing

its market share. Given your Company's brand salience, sound R&D set up, innovative business plan and wide distribution network, it is expected to meet the expectation of the shareholders in times to come.

With an overall growth in the Indian economy, the growth in lubricant industry is expected to remain healthy. Accordingly, it is anticipated that the Company will continue to grow in future. Further with acquisition of Veedol International Ltd. and Price Thomas Holdings Limited and establishment of multiple subsidiaries in foreign countries, your Company is well poised to explore global opportunities.

However, with the advent of technological changes, the volume growth is expected to remain moderate.

### **Risks & Concerns**

Your Company is exposed to usual industry risks, which inter-alia includes, market risk, product liability risk, product failure risk, research and development risk, technical obsolescence risk, credit risk, inventory risk, manpower risk, foreign exchange fluctuation risk, regulatory and compliance risk and capacity utilization risk. Apart from the aforesaid 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 Statement of Profit & Loss Account for the year. During the year, the Profit before Tax has increased by 13.33% after considering exceptional item.

### **Human Resources**

During the year, employer/employee relationships remained cordial.

Kolkata  
30<sup>th</sup> May, 2017

On behalf of the Board  
**Sunil Munshi**  
Chairman

## REMUNERATION POLICY

Tide Water Oil Co. (India) Ltd. ("Company") has constituted a Nomination and Remuneration Committee (Committee) at its Board meeting held on 4<sup>th</sup> April, 2014 as per the terms and conditions provided under relevant statutes, presently in force. As per the applicable provisions, the Company is required to frame a policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), senior management personnel and other employees of the Company.

### 1. Objective of the Policy

The policy is framed with the objective(s) stated herein below:

- i) Whether based on the Company's size and financial position, the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ii) Whether relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii) Whether remuneration to Directors, Key Managerial Personnel (KMP) and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals

### 2. Applicability

This policy is applicable to:

- i) Directors viz. Executive, Non-executive and Independent
- ii) Key Managerial Personnel (KMP)
- iii) Senior Management Personnel
- iv) Other Employees of the Company

### 3. Matters relating to the remuneration, perquisites for the Whole-time/Executive/Managing Director

- i) The remuneration / compensation / profit-linked commission, etc. to the Whole-time/Executive/Managing Directors will be recommended by the Committee and approved by the Board of Directors. In the event, the same requires shareholders' sanction, it should be suitably obtained. The remuneration / compensation / profit-linked commission, etc. shall be in accordance with the provisions laid in the Companies Act, 2013 and shall be subject to such approval, as stated therein.
- ii) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director / Executive / Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, then previous approval of the Central Government shall be obtained for such payment.

- iii) Increments to the Whole-time Director/Executive/Managing Director shall be within the slabs approved by the shareholders. Increments will be effective from 1<sup>st</sup> April in respect of a Whole-time Director/Executive/Managing Director as well as in respect of other employees of the Company, unless otherwise decided.

#### **4. Remuneration to Non-executive / Independent Director**

The Non-executive/Independent Directors of the Company shall be paid sitting fees as per the limit sanctioned by the Board, from time to time, subject to applicable Regulations. The Non-executive / Independent Directors, may also be paid Commission, within the limits as stated under the Companies Act, 2013 or any other relevant statute, agreement, etc. as amended from time to time, on profit achieved by the Company, subject to such approvals, as may be statutorily required.

#### **5. Stock Options**

Non-executive Directors shall not be entitled to any stock option of the Company.

#### **6. Remuneration to KMP, Senior Management Personnel and Other Employees**

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's policies. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, etc. shall be as per the Company's policies.

If the remuneration of KMPs or any other officer is to be specifically approved by the Committee and/or the Board of Directors under any statute, such approval will be accordingly procured.

This remuneration policy shall apply to all future / continuing employment with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes. The Board reserves its right to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever.

#### **7. Interpretation**

Words/phrases used in the Policy shall, in absence of any contrary specified hereinabove, carry the same meaning as stated under the Companies Act, 2013 read with rules framed thereunder further read with relevant clause(s) contained in the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

**1. Concept**

Corporate Social Responsibility is strongly connected with the principles of sustainability. An organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Tide Water Oil Company (India) Ltd. (TWO) to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

**2. Effective Date**

This policy will come into force with effect from 1<sup>st</sup> April, 2014

**3. CSR Committee**

- i. The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of three or more directors, out of which at least one shall be an Independent Director.
- ii. The Committee, referred above, shall
  - a. Formulate and recommend to the Board the CSR Policy and any amendments thereof;
  - b. Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
  - c. Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.
- iii. The CSR Committee shall meet as and when deemed necessary.
- iv. Quorum of meeting of CSR Committee shall be one third of the total strength or two members, whichever is higher.
- v. The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person(s) as it may consider necessary to attend the meetings of the Committee.

**4. Activities and implementation**

- i. The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force including but not limited to imparting of training to identified persons for skill development. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time for this purpose.

- ii. The Board of Directors of the Company may on recommendation of the CSR Committee, determine / approve the projects or programmes or activities (identified project or programme or activity) to be undertaken by the Company under CSR initiatives, from time to time. However, the Board shall ensure that the projects or programmes or activities undertaken are related and within the broad purview of the activities as stated under Schedule VII or any other relevant provision of the Companies Act, 2013.
- iii. The minimum eligibility criteria for any project or programme or activity and / or other incidental or ancillary matters, including but not limited to quantum of proposed expenditure, shall be finalized by the Board of Directors or any delegatee thereof, on recommendation of the CSR Committee.
- iv. The modalities of execution of CSR projects or programmes or activities and implementation thereof shall be determined by the Board of Directors or its Committee (excluding any Board Committee formed for some other specific purpose, however including but not limited to Committee of Directors) from time to time, upon recommendation of the CSR Committee.
- v. The CSR Committee shall frame rules or issue directives with regard to monitoring of the CSR projects or programmes or activities.
- vi. The CSR Committee may by resolution delegate or entrust any of the function, acts, deeds or things, etc. as may be required to be performed or complied by it, whether under Companies Act, 2013 or rules made thereunder or otherwise to any person, whether in employment of the Company or otherwise, and any such function, acts, deeds or things, etc. performed by such person pursuant to such resolution shall have effect, as if the same has been performed by the Committee itself.
- vii. The Board of Directors of the Company may on the recommendation of the CSR Committee, decide to undertake CSR projects or programmes or activities through a registered trust or a registered society or a company or an associate company established by Tide Water Oil Company (India) Limited or otherwise (Implementing Agency). Provided that, in such case the provisions relating to Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time, are required to be complied with.
- viii. The Board of Directors may on recommendation of the CSR Committee decide to collaborate with other Companies for undertaking CSR projects or programmes or activities.
- ix. While undertaking CSR projects or programmes or activities preference shall be given to the local area or area of operation of the Company. Such area of operation for any identified project or programme or activity shall be finalized by the Board of Directors or any Committee thereof, upon recommendation of the CSR Committee.

## **5. Quantum of investment**

- i. The Company shall spend, in every financial year, at least 2% of the average net profits of the Company made during the immediately 3 (three) preceeding financial years. Net profit in such case will have the meaning as stated under Rule 2(f) of the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.



- ii. CSR Expenditure shall include all expenditure including corpus for projects or programmes relating to CSR activities approved by the Board on recommendation of CSR Committee. However, the same will not include expenditure on any item not in conformity or in line with the activities stated under Schedule VII of the Companies Act, 2013.
- iii. CSR projects or programmes or activities undertaken in India only shall be considered as CSR Expenditure.
- iv. Projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.
- v. Contribution of any amount directly or indirectly to any political party shall not be regarded as a CSR activity.
- vi. Any expenditure incurred for building CSR capacity, whether own or that of eligible Implementing Agency, shall not exceed five percent of total CSR expenditure, in one particular financial year.
- vii. Surplus arising out of CSR projects or programmes or activities shall not form part of the business profit of the Company.
- viii. If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors' Report.

## **6. Allied Matters**

- i. With regard to CSR activities, Boards' Report to state such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.
- ii. The Company shall display such particulars relating to CSR Policy and activities undertaken thereunder as stated under Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.

## ANNEXURE IV

## CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programmes.	CSR activities at Tide Water Oil Co. (India) Ltd. (TWO) are carried out through Veedol Auto Mechanic Academy (VAMA). The chain of automotive training academy being instituted by TWO under its Corporate Social Responsibility initiative for socio-economically weaker section of the society. The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at the weblink <a href="http://www.tidewaterindia.com/wp-content/uploads/2017/02/CSR-Policy.pdf">www.tidewaterindia.com/wp-content/uploads/2017/02/CSR-Policy.pdf</a>
2. The composition of the CSR Committee	1) Shri Ashim Mukherjee (Chairman), Independent Director 2) Shri R. N. Ghosal, Managing Director 3) Shri Subir Das, Non-Executive Director
3. Average net profit of the Company for last three financial years (Amount in Crores)	Rs. 109.23
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) (Amount in Crores)	Rs. 2.18
5. Details of CSR spent during the financial year 1) Total amount to be spent for the financial year 2) Amount unspent, if any; 3) Manner in which the amount spent during the financial year	1) The Company has spent Rs. 0.70 Crores during 2016-17. The prescribed expenditure is stated above. 2) Rs. 1.48 Crores 3) The manner in which the amount spent is detailed under Note below.
6. Reason for not spending the amount earmarked	VAMA projects at other locations have not commenced.
7. Statement from the CSR Committee	The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

## Note

CSR Project or activity identified	Sector in which the project is covered	Project or programme (1) Local area or other (2) Specify the State and District where project or programme was undertaken	Amount outlay (Budget) Project or programme-wise	Amount spent on the project or programme Sub-heads : (1) Direct expenditure on project or programme (2) Overheads	Cumulative expenditure upto 31 <sup>st</sup> March, 2017	Amount spent direct or through implementing agency
Veedol Auto Mechanic Academy	Promoting employment enhancing vocational skills in automotive sector	West Bengal/ Kolkata, Dadra & Nagar Haveli / Silvassa and Haryana / Faridabad	Rs. 2.18 Crores	Rs. 0.70 Crores	Rs. 2.05 Crores	Spent through the CSR arm of TWO - Veedol Auto Mechanic Academy
Total			Rs. 2.18 Crores	Rs. 0.70 Crores	Rs. 2.05 Crores	

Sd/-  
R. N. Ghosal  
Managing Director

Sd/-  
A. Mukherjee  
Chairman - CSR Committee

**CERTIFICATE UNDER REGULATION 13 OF SECURITIES & EXCHANGE BOARD  
OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014**

We have examined the present Employees Stock Option Scheme of Tide Water Oil Company (India) Limited (the Company) namely, Tide Water Oil Company (India) Limited Employee Benefit Scheme (the Scheme) as administered through Tide Water Oil Company (India) Limited Employee Benefit Trust, for the purpose of issuing a Certificate pursuant to Regulation 13 of the Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in our opinion and according to the information and explanations given to us and on the basis of management's representation, we hereby certify that;

1. Vide shareholders' resolution dated 14<sup>th</sup> January, 2016 the old Employees Welfare Scheme of the Company has been amended and aligned in accordance with the provisions of the Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
2. No options were granted pursuant to the aforesaid aligned scheme during 2016-17; and
3. During 2016-17, there was no vesting of options under the concerned scheme; and
4. The Scheme has been implemented in accordance with these Regulations and with the resolution of the Company in the general meeting.

Kolkata  
30<sup>th</sup> May, 2017

For and on behalf of **RAY & RAY**  
*Chartered Accountants*  
*Firm's Registration No. 301072E*  
**Asish Kumar Mukhopadhyay**  
*Partner*  
Membership No. 056359

## ANNEXURE VI

**Form No. MGT - 9**  
**Extract of Annual Return**

as on the financial year ended on 31<sup>st</sup> March, 2017  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014 ]

**I. REGISTRATION AND OTHER DETAILS**

- i) CIN : L23209WB1921PLC004357
- ii) Registration Date : 26<sup>th</sup> October, 1921
- iii) Name of the Company : TIDE WATER OIL CO. (INDIA) LIMITED
- iv) Category / Sub-Category of the Company: Public Company / Limited by shares
- v) Address of Registered Office and contact details : 'Yule House', 8, Dr. Rajendra Prasad Sarani,  
Kolkata-700001, West Bengal, India  
Phone : +91 33 2242 8210 / 1086, Fax : +91 33 2242 1087  
Email : tidecal@tidewaterindia.co.in  
Websites : www.tidewaterindia.com, www.veedolindia.com
- vi) Whether listed company : Yes / No
- vii) Name, Address and contact details of Registrar and Transfer Agent : M/s MCS Share Transfer Agent Limited  
12/1/5, Manoharpukur Road, Kolkata-700026, West Bengal, India  
Phone : +91 33 4072 4051, Fax : +91 33 4072 4050  
Email : mcssta@rediffmail.com; helpdeskkol@mcsregistrars.com  
Website : www.mcsregistrars.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All business activities contributing 10% or more of the total turnover of the company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Veedol (Lubricating Oil)	Manufacturing- 19201; Selling - 4661 (*)	100

(\*) The Company manufactures Veedol (Lubricating Oil) and sells it, which forms 100% of the turnover of the Company.

TIDE WATER OIL CO. (INDIA), LTD.

**III. PARTICULARS OF SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Subsidiary / Associate	% of shares held	Applicable Section
1	Veedol International Limited (VIL) 1, Royal Bank Place, Buchanan Street, Glasgow, G1 3AA, United Kingdom.	Registration No: SC054624	Subsidiary Company	100 in VIL	Section 2(87)(ii) of the Companies Act, 2013
2	Veedol International DMCC (VID) Unit No. 1501, Indigo Icon, Jumeirah Lakes Towers, P.O. Box No. 117019 Dubai, United Arab Emirates	Registration No: DMCC3002	Subsidiary Company	100 in VID	Section 2(87)(ii) of the Companies Act, 2013
3	Veedol International BV (VIBV) Kabelweg 21, 1014BA, Amsterdam, The Netherlands	Registration No: 57181659	Subsidiary Company	100 in VIBV	Section 2(87)(ii) of the Companies Act, 2013
4	Price Thomas Holdings Limited (PTHL) Unit 29, Goldthorpe Industrial Estate, Goldthorpe, Rotherham, South Yorkshire, S63 9BL	Registration No: 3564422	Subsidiary Company	100 in PTHL	Section 2(87)(ii) of the Companies Act, 2013
5	Veedol Deutschland GmbH (VDG) Hans-Böckler-Straße 10, 40764 Langenfeld, Germany	Registration No: HRB 130129	Subsidiary Company of Veedol International BV	All shares (100%) of VDG are held by VIBV	Section 2(87)(ii)(a) of the Companies Act, 2013
6	Veedol International Americas Inc. (VIA) 3660, Hurontario Street, Suite 400 Mississauga, Ontario, Canada, L5B 3C4	Registration No: 676692	Subsidiary Company of Veedol International Limited	All shares (100%) of VIA are held by VIL	Section 2(87)(ii)(a) of the Companies Act, 2013
7	Granville Oil & Chemicals Limited (GOCL) Unit 29, Goldthorpe Industrial Estate, Goldthorpe, Rotherham, South Yorkshire, S63 9BL	Registration No: 1054646	Subsidiary Company of Price Thomas Holdings Limited	All shares (100%) of GOCL are held by PTHL	Section 2(87)(ii)(a) of the Companies Act, 2013
8	Andrew Yule & Co. Ltd. 8, Dr. Rajendra Prasad Sarani Kolkata-700 001	L63090WB1919GOI003229	Promoter	NIL	As per applicable Accounting Standards
9	Standard Greases & Specialities Pvt. Ltd. 101, Ketan Apartments, 233, R.B. Mehta Marg, Ghatkopar (East) Mumbai - 400 077	U23201MH2007PTC174642	Joint Promoter	NIL	As per applicable Accounting Standards
10	Hooghly Printing Co. Ltd. 8, Dr. Rajendra Prasad Sarani Kolkata-700 001	U22219WB1922SGC004390	Subsidiary of Andrew Yule & Company Limited	NIL	As per applicable Accounting Standards
11	JX Nippon TWO Lubricants India Pvt. Ltd. (JXTL) Unit No:1003, 10th Floor, Vatika City Point, MG Road, Gurgaon, Haryana-122001	U74999HR2014PTC053015	Associate Company	50 in JXTL	Section 2(6) of the Companies Act, 2013

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

## (i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2016)				No. of shares held at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	–	–	–	–	–	–	–	–	–
a) Individual /HUF	–	–	–	–	–	–	–	–	–
b) Central Government	–	–	–	–	–	–	–	–	–
c) State Governments	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	913960	–	913960	26.23	1937956	–	1937956	55.61	29.38
e) Banks /Financial Institutions	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A) (1) :	913960	–	913960	26.23	1937956	–	1937956	55.61	29.38
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other- Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporates	–	–	–	–	–	–	–	–	–
d) Banks / Financial Institutions	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A) (2) :	–	–	–	–	–	–	–	–	–
Total Shareholding of Promoter (A) (A) = (A)(1) + (A)(2)	913960	–	913960	26.23	1937956	–	1937956	55.61	29.38
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	–	–	–	–	1000	–	1000	0.03	0.03
b) Banks / Financial Institutions	1188	1600	2788	0.08	2051	–	2051	0.06	(0.02)
c) Central Government(s)	–	–	–	–	–	–	–	–	–
d) State Government(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	386988	–	386988	11.11	386988	–	386988	11.11	0.00
g) Foreign Institutional Investors (FIIs)	2500	–	2500	0.07	12126	–	12126	0.35	0.28
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (Specify)	–	–	–	–	–	–	–	–	–
Foreign Portfolio Investors	6513	–	6513	0.19	–	–	–	–	(0.19)
Foreign National	–	–	–	–	–	528	528	0.01	0.01
Sub-total (B) (1) :	397189	1600	398789	11.45	402165	528	402693	11.56	0.11
(2) Non-Institutions									
a) Bodies Corporates									
i) Indian	1335307	5280	1340587	38.47	294310	2400	296710	8.51	(29.96)
ii) Overseas	–	–	–	–	–	–	–	–	–

TIDE WATER OIL CO. (INDIA), LTD.

Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2016)				No. of shares held at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	699306	33640	732946	21.03	729077	32440	761517	21.85	0.82
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)									
NBFCs registered with RBI	194	–	194	0.00	–	–	–	–	0.00
Trust	98324	–	98324	2.82	85924	–	85924	2.47	(0.35)
Sub-total (B) (2) :	2133131	38920	2172051	62.32	1109311	34840	1144151	32.83	(29.49)
Total Public Shareholding (B) (B)=(B)(1) + (B)(2)	2530320	40520	2570840	73.77	1511476	35368	1546844	44.39	(29.38)
<b>C. Shares held by Custodian for GDR &amp; ADRs</b>	–	–	–	–	–	–	–	–	–
<b>GRAND TOTAL (A+B+C)</b>	<b>3444280</b>	<b>40520</b>	<b>3484800</b>	<b>100.00</b>	<b>3449432</b>	<b>35368</b>	<b>3484800</b>	<b>100.00</b>	<b>–</b>

(ii) Shareholding of Promoters & Promoter Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Standard Greases & Specialities Pvt. Ltd. (SGSPL)	NA	NA	NA	964996	27.69	NIL	NIL
2	Andrew Yule & Co. Limited	913960	26.23	NIL	913960	26.23	NIL	NIL
3	Janus Consolidated Finance Pvt. Ltd. (JANUS)	NA	NA	NA	59000	1.69	NIL	NIL
	TOTAL	913960	26.23	NIL	1937956	55.61	NIL	NIL

Note : SGSPL & JANUS acquired the status of Joint Promoter and part of the Promoter Group respectively during the quarter ended 30<sup>th</sup> September, 2016, hence their shareholding as on 01.04.2016 has not been shown under 'Shareholding of Promoters & Promoter Group'.

TIDE WATER OIL CO. (INDIA), LTD.

(iii) Change in Promoter's Shareholding (please specify if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Andrew Yule & Co. Limited a) At the beginning of the year b) Changes during the year c) At the end of the year	913960	26.23 NO CHANGE DURING THE YEAR	913960	26.23
2	Standard Greases & Specialities Pvt. Ltd. a) At the beginning of the year b) Changes during the year c) At the end of the year	964996	27.69 NO CHANGE DURING THE YEAR	964996	27.69
3	Janus Consolidated Finance Pvt. Limited a) At the beginning of the year b) Changes during the year c) At the end of the year	59000	1.69 NO CHANGE DURING THE YEAR	59000	1.69

Note : Entities falling within the category of 'Promoter' and 'Part of Promoter Group' as on 31.03.2017 have been considered.

(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters, Promoter Group and Holders of GDRs and ADRs )(At the beginning of the year signifies 01.04.2016 and at the end of the year signifies 31.03.2017)

SL. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	United India Insurance Co. Limited a) At the beginning of the year b) Changes during the year c) At the end of the year	239848	6.88 NO CHANGE DURING THE YEAR	239848	6.88
2	PQR Consultants Pvt. Limited a) At the beginning of the year b) Changes during the year Date Reason 07.10.2016 Sell c) At the end of the year	160800 10000	4.61 0.28	150800 150800	4.33 4.33
3	Life Insurance Corporation of India a) At the beginning of the year b) Changes during the year c) At the end of the year	147140	4.22 NO CHANGE DURING THE YEAR	147140	4.22



TIDE WATER OIL CO. (INDIA), LTD.

SL. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	Tide Water Oil Co. (I) Ltd. Employee Benefit Trust				
	a) At the beginning of the year	85828	2.46		
	b) Changes during the year		NO CHANGE DURING THE YEAR		
	c) At the end of the year			85828	2.46
5	Rati Holding Private Limited				
	a) At the beginning of the year	20840	0.60		
	b) Changes during the year				
	Date                    Reason				
	07.10.2016            Buy	60	0.00	20900	0.60
	28.10.2016            Buy	100	0.00	21000	0.60
	07.12.2016            Buy	100	0.01	21100	0.61
	31.12.2016            Buy	50	0.00	21150	0.61
	06.01.2017            Buy	20	0.00	21170	0.61
	03.02.2017            Buy	10	0.00	21180	0.61
	c) At the end of the year			21180	0.61
6	Play-Fair Capital and Investment (P) Limited				
	a) At the beginning of the year	12236	0.35		
	b) Changes during the year		NO CHANGE DURING THE YEAR		
	c) At the end of the year			12236	0.35
7	Girish Kumar Sharda				
	a) At the beginning of the year	10504	0.30		
	b) Changes during the year		NO CHANGE DURING THE YEAR		
	c) At the end of the year			10504	0.30
8	Bonanza Portfolio Limited				
	a) At the beginning of the year	14639	0.42		
	b) Changes during the year				
	Date                    Reason				
	08.04.2016            Buy	5207	0.15	19846	0.57
	15.04.2016            Buy	251	0.01	20097	0.58
	22.04.2016            Sell	2331	0.07	17766	0.51
	29.04.2016            Sell	8493	0.24	9273	0.27
	06.05.2016            Buy	133	0.00	9406	0.27

TIDE WATER OIL CO. (INDIA), LTD.

SL. No.	Shareholder's Name		Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	13.05.2016	Sell	6949	0.20	2457	0.07
	20.05.2016	Buy	126	0.00	2583	0.07
	27.05.2016	Sell	153	0.00	2430	0.07
	03.06.2016	Sell	115	0.00	2315	0.07
	10.06.2016	Buy	6	0.00	2321	0.07
	17.06.2016	Buy	190	0.00	2511	0.07
	24.06.2016	Sell	62	0.00	2449	0.07
	30.06.2016	Sell	83	0.00	2366	0.07
	08.07.2016	Buy	43	0.00	2409	0.07
	15.07.2016	Buy	6	0.00	2415	0.07
	22.07.2016	Sell	2	0.00	2413	0.07
	29.07.2016	Buy	855	0.02	3268	0.09
	05.08.2016	Sell	14	0.00	3254	0.09
	12.08.2016	Buy	115	0.01	3369	0.10
	19.08.2016	Sell	89	0.01	3280	0.09
	26.08.2016	Buy	26	0.00	3306	0.09
	02.09.2016	Buy	440	0.02	3746	0.11
	09.09.2016	Buy	19	0.00	3765	0.11
	16.09.2016	Buy	322	0.01	4087	0.12
	28.09.2016	Buy	3527	0.10	7614	0.22
	07.10.2016	Sell	370	0.01	7244	0.21
	14.10.2016	Sell	5244	0.15	2000	0.06
	21.10.2016	Buy	2665	0.07	4665	0.13
	28.10.2016	Buy	576	0.02	5241	0.15
	04.11.2016	Sell	229	0.01	5012	0.14
	11.11.2016	Buy	1069	0.03	6081	0.17
	18.11.2016	Buy	1910	0.06	7991	0.23
	25.11.2016	Buy	291	0.01	8282	0.24
	02.12.2016	Sell	6282	0.18	2000	0.06
	31.12.2016	Sell	500	0.02	1500	0.04
	17.02.2017	Buy	184	0.01	1684	0.05
	24.02.2017	Buy	638	0.02	2322	0.07
	03.03.2017	Buy	1269	0.03	3591	0.10

TIDE WATER OIL CO. (INDIA), LTD.

SL. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	10.03.2017 Buy	1164	0.04	4755	0.14
	17.03.2017 Buy	1312	0.03	6067	0.17
	24.03.2017 Buy	1613	0.05	7680	0.22
	31.03.2017 Buy	2138	0.06	9818	0.28
	c) At the end of the year			9818	0.28
9	Centbank Financial Services Limited (**)				
	a) At the beginning of the year	12412	0.36		
	b) Changes during the year		NO CHANGE DURING THE YEAR		
	c) At the end of the year			12412	0.36
10	Girdhar Lal Sharda (**)				
	a) At the beginning of the year	9280	0.27		
	b) Changes during the year		NO CHANGE DURING THE YEAR		
	c) At the end of the year			9280	0.27

(\*\*) Not in the list of top ten shareholders as on 01.04.2016. The same has been reflected above since the shareholders were one of the top ten shareholders as on 31.03.2017.

## (V) Shareholding of Directors and Key Managerial Personnel (KMP)

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Non-Executive Directors					
1	Shri S. Das Director	-	-	-	-
2	Shri Praveen P. Kadle Director	-	-	-	-
3	Shri B. J. Mahanta Director	-	-	-	-
4	Shri A. Mukherjee Director	-	-	-	-
5	Shri Sunil Munshi Chairman	-	-	-	-
6	Smt. Nayantara Palchoudhuri Director	-	-	-	-
7	Shri S. Roy Choudhury Director	-	-	-	-
8	Shri S. Sundareshan Director	-	-	-	-
9	Shri Vinod S. Vyas Director	-	-	-	-
10	Shri K. Datta Director	-	-	N.A	N.A
11	Shri R. K. Singh Director	-	-	N.A	N.A
Executive Director					
1	Shri R. N. Ghosal Managing Director	-	-	-	-
Others					
1	Shri S. Basu Group Chief Financial Officer	-	-	-	-
2	Shri S. Ganguli Company Secretary	-	-	-	-

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. on 01.04.2016				
i) Principal amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total ( i + ii + iii )	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
Addition	NIL	NIL	NIL	NIL
Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year i.e. as on 31.03.2017				
i) Principal amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total ( i + ii + iii )	NIL	NIL	NIL	NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Shri R. N. Ghosal, Managing Director for the year 2016-17

Sl. No.	Particulars of Remuneration	Total Amount (Rs. in lakhs)
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	26.74
	(b) Value of perquisites as per provisions contained in Section 17(2) of the Income Tax Act, 1961	6.07
	(c) Profits in lieu of salary as per provisions contained in Section 17(3) of the Income Tax Act, 1961	—
2	Stock Option	—
3	Sweat Equity	—
4	Commission	6.00
	Total (A)	38.81
	Ceiling as per the Companies Act, 2013	757.73

## B. Remuneration to other Directors :

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (Rs. in lakhs)	
		Shri Kallol Datta (Rs. in lakhs)	Shri Subir Das (Rs. in lakhs)	Shri Praveen P. Kadle (Rs. in lakhs)	Shri B. J. Mahanta (Rs. in lakhs)	Shri Vinod S. Vyas (Rs. in lakhs)		Shri Sunil Munshi (Rs. in lakhs)
<b>Non- Executive Directors</b>								
1	Fee for attending Board/ Committee meetings	0.02	1.95	0.75	–	1.00	1.71	5.43
2	Commission	–	–	–	–	–	–	–
3	Others	–	–	–	–	–	–	–
	<b>Total (1)</b>	<b>0.02</b>	<b>1.95</b>	<b>0.75</b>	<b>–</b>	<b>1.00</b>	<b>1.71</b>	<b>5.43</b>

Note : Shri Rajesh Kumar Singh and Shri Kallol Datta had resigned from the Board of Directors of the Company on 22<sup>nd</sup> April, 2016 & 11<sup>th</sup> August, 2016 respectively and Shri Bhaskar Jyoti Mahanta was appointed on 13<sup>th</sup> May, 2016. As Shri R.K.Singh did not attend any meeting during 2016-17, his particulars have not been included under Point VI(B).

Sl. No.	Particulars of Remuneration	Shri S. Sundareshan (Rs. in lakhs)	Shri Ashim Mukherjee (Rs. in lakhs)	Shri Subir Roy Choudhury (Rs. in lakhs)	Smt. N. Palchoudhuri (Rs. in lakhs)	Total Amount (Rs. in lakhs)
<b>Independent Directors</b>						
1	Fee for attending Board/ Committee meetings	2.15	2.04	2.15	1.10	7.44
2	Commission	–	–	–	–	–
3	Others	–	–	–	–	–
	<b>Total (2)</b>	<b>2.15</b>	<b>2.04</b>	<b>2.15</b>	<b>1.10</b>	<b>7.44</b>
	<b>Total (B)=(1+2)</b>					<b>12.87</b>
	<b>Total Managerial Remuneration (A+B)</b>					<b>51.68</b>
	<b>Overall Ceiling as per the Companies Act, 2013</b>					<b>1667.01</b>

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri S. Basu Group CFO (Rs. in lakhs)	Shri S. Ganguli Company Secretary (Rs. in lakhs)	Total (Rs. in lakhs)
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	27.97	12.84	40.81
	(b) Value of perquisites as per provisions contained in Section 17(2) of the Income Tax Act, 1961	1.07	0.26	1.33
	(c) Profits in lieu of salary as per provisions contained in Section 17(3) of the Income Tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	<b>Total</b>	<b>29.04</b>	<b>13.10</b>	<b>42.14</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding Fees Imposed	Authority	Appeals made, if any
<b>A. COMPANY</b>					
Penalty	NIL	NA	NIL	NA	NA
Punishment	NIL	NA	NIL	NA	NA
Compounding	NIL	NA	NIL	NA	NA
<b>B. DIRECTORS</b>					
Penalty	NIL	NA	NIL	NA	NA
Punishment	NIL	NA	NIL	NA	NA
Compounding	NIL	NA	NIL	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NA	NIL	NA	NA
Punishment	NIL	NA	NIL	NA	NA
Compounding	NIL	NA	NIL	NA	NA

## ANNEXURE VII

## FORM NO. AOC -2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.

To the best of available information and knowledge, there were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2017, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at arm's length basis.

The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31<sup>st</sup> March, 2017 are as follows:

Name of related party	Nature of relationship	Duration of the contract	Salient terms(*)	Amount (Rs. in crores)
Nature of contracts : Purchase of goods				
Standard Greases & Specialities Pvt. Ltd.	Joint Promoter	Ongoing	On actual cost basis	106.63
Nature of contracts : Processing Charges Paid				
Standard Greases & Specialities Pvt. Ltd.	Joint Promoter	Ongoing	On actual cost basis	1.53
Nature of Contacts: Sale of goods				
Standard Greases and Specialities Pvt. Ltd.	Joint Promoter	Ongoing	On actual cost basis	0.17
Total Related Party Transactions with Standard Greases and Specialities Pvt. Ltd.				108.33
Nature of Contacts: Manufacture Supply of oil				
JX Nippon TWO Lubricants India Pvt. Ltd.	Associate Company	Ongoing	Franchise Fee as per Joint Venture Agreement	114.10
Nature of Contacts: Rent received				
JX Nippon TWO Lubricants India Pvt. Ltd.	Associate Company	Ongoing	On mutual agreed terms	0.05
Total Related Party Transactions with JX Nippon TWO Lubricants India Pvt. Ltd.				114.15

(\*) Appropriate approvals have been taken for related party transactions.

Kolkata  
30<sup>th</sup> May, 2017

On behalf of the Board  
**Sunil Munshi**  
Chairman



## ANNEXURE VIII

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED VIDE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016**

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2016-17 (Rs. in Lakhs)	% increase in remuneration in the financial year 2016-17	Ratio of remuneration of each Director to median remuneration of employees
<b>Non-Executive Directors</b>				
1	Shri K. Datta* Director	0.02	(98.10)	0.00
2	Shri S. Sundareshan Director	2.15	–	0.34
3	Shri S. Roy Choudhury Director	2.15	16.22	0.34
4	Shri R.K. Singh* Director	Nil (Note 3)	Not Applicable	Not Applicable
5	Shri B. J. Mahanta* Director	Nil (Note 3)	Not Applicable	Not Applicable
6	Shri Sunil Munshi Director	1.71 (Note 2)	10.32	0.27
7	Shri S. Das Director	1.95	18.18	0.31
8	Shri A. Mukherjee Director	2.04	(0.49)	0.32
9	Shri Praveen P. Kadle Director	0.75	**	0.12
10	Shri Vinod S. Vyas Director	1.00 (Note 2)	300**	0.16
11	Smt. Nayantara Palchoudhuri Director	1.10	15.79	0.17
<b>Executive Director</b>				
1	Shri R.N. Ghosal Managing Director	48.36 (Note 1)	(6.26)	7.68
<b>Others</b>				
1	Shri S. Basu Group Chief Financial Officer	36.48 (Note 1)	12.59	5.79
2	Shri S. Ganguli Company Secretary	15.24 (Note 1)	14.16	2.42

\* Shri B. J. Mahanta joined the Board of Directors on 13<sup>th</sup> May, 2016. Shri R. K. Singh and Shri K. Datta resigned from the Board of Directors on 22<sup>nd</sup> April, 2016 and 11<sup>th</sup> August, 2016, respectively. Shri Singh attended no meeting and Shri Datta attended only a Committee meeting during the year 2016-17.

\*\* As Shri Praveen P. Kadle did not attend any meeting during 2015-16, therefore % increase in remuneration in the financial year 2016-17, has not been calculated. The increase in remuneration during the financial year 2016-17 for Shri Vinod S. Vyas has been calculated based on the sitting fees paid to him for part of the previous financial year i.e. 2015-16.

Note 1 Remuneration of Managing Director, Chief Financial Officer and Company Secretary as stated above have been computed based on cost to the company. As such, the same are different from the remuneration stated, in other parts of this Annual Report, in relation to the said persons.

Note 2 Remuneration of Shri Sunil Munshi and Shri Vinod S. Vyas, Directors were paid to Andrew Yule & Company Limited and Standard Greases And Specialities Private Limited, respectively as per the directions received from each of them.

Note 3 No remuneration has been paid to Shri R. K. Singh and Shri B. J. Mahanta, Directors, in view of the directions received from them.

- ii) Median remuneration of employees of the Company during the financial year 2016-17 was Rs. 6.30 lakhs.
- iii) In the financial year 2016-17, there was a decrease of 3.08% in the median remuneration of employees.
- iv) There were 506 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2017.
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 4.95 % whereas increase in managerial remuneration for the same financial year was 8.55%.
- vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

vii) Details of top ten employees in terms of remuneration drawn are provided below:

1	Name of employee	R. N. Ghosal	J. Ramesh	S. K. Vaidya	G. Deb Moulik	S. Basu	S. Rudra	N. Sharma	S. Bharadwaj	D. Anandan	R. Venugopal
2	Designation of employee	Managing Director	Executive Director	Executive Director (BD & IB)	Vice President (ER & CC)	Group Chief Financial Officer	General Manager (Sales & Mktg.), ER	General Manager (NR)	Dy. General Manager (Mfg.), WR	DGM (S&M), Kerala & Karnataka	DGM (S&M) TN, AP & Telangana
3	Remuneration received (Rs. in lakhs)	48.36	38.78	39.91	40.21	36.48	33.74	33.11	27.59	26.36	25.56
4	Nature of employment	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualification	B.Sc.(Hons), M.Sc, M.Tech (IIT) -Credits	B.E.(Mech.)	B.E.(Mech.)	B.E.(Chem.), AICWA, PGCGM	FCA, FCS, PGDM	B.E.(Mech.), ICWA(Inter)	B.E.(Mech.)	B.E.(Mech.), MBA	D.M.E., Degree in B.Mgt.	B.Sc.
6	Experience (years)	40	37	36	35	32	31	28	25	33	32
7	Date of commencement of employment	20-10-1995	15-06-1989	14-02-1983	21-06-1994	01-02-1993	01-07-1989	04-04-1990	01-11-1995	12-08-1987	04-05-1987
8	Last employment held before joining this Company	MRF Tyres Limited	M/s. Gillanders Arbuthnot & Co. Ltd, Adequate Weighers Divn. Madras	M/s. Kirloskar Oil Engines Limited	Andrew Yule & Co. Ltd.	Warren Tea Limited	Hindustan Motors Ltd.	Victor Cables, Faridabad	Grasim Industries Limited	Varun System (Fire Protection Engrs.)	Adair Dutt & Co. (I) Ltd., Chennai
9	% of equity shares held in the Company	Nil	200 equity shares (0.0057%)	Nil	Nil	Nil	Nil	4 equity shares (0.0001%)	Nil	120 equity shares (0.0034%)	80 equity shares (0.0023%)
10	Whether relative of any Director or Manager of the Company and if so, name of such Director or Manager	No	No	No	No	No	No	No	No	No	No

**ANNEXURE IX**

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
M/s Tide Water Oil Co. (India) Ltd.  
8, Dr. Rajendra Prasad Sarani,  
Kolkata - 700001, West Bengal, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s TIDE WATER OIL CO. (INDIA) LTD., (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act);
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period).
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company are as follows :-
- I. Factories Act, 1948
  - II. Industries (Development & Regulation) Act, 1951
  - III. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.
  - IV. Acts prescribed under prevention and control of pollution
  - V. Acts prescribed under Environmental protection
  - VI. Acts as prescribed under Direct Tax and Indirect Tax
  - VII. Land Revenue laws of respective States
  - VIII. Labour Welfare Act of respective States
  - IX. Local laws as applicable to various offices and plants
  - X. Maternity Benefit Act, 1961
  - XI. Legal Metrology Act, 2009
  - XII. The Negotiable Instruments Act, 1881
  - XIII. Indian Contract Act, 1872
  - XIV. Indian Stamp Act, 1899
  - XV. The Industrial Disputes Act, 1947

We have also examined compliance with the applicable clauses of the following:

- (i) The Company has complied with the applicable Clauses of SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India.
- (ii) The Company has complied with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with the stock exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions of the Board were unanimously passed and no dissenting views have been recorded in the Minutes of the Board.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has accorded the consent of members to the Board of Directors for the following specific events/actions having a major bearing on the Company's affairs :-

- Approval u/s 188 of the Companies Act, 2013 for entering into transaction involving sale, purchase or supply of goods or material and /or availing or rendering of any services with Standard Greases & Specialities Pvt. Ltd, a related party as per definition of the terms under the Act, upto an amount of Rs 180 crores during the financial year ending on 31<sup>st</sup> March, 2017.
- Approval u/s 188 of the Companies Act, 2013 for entering into transaction involving sale, purchase or supply of goods or material and /or availing or rendering of any services with JX Nippon TWO Lubricants India Private Limited, a related party as per definition of the terms under the Act, upto an amount of Rs 160 crores during the financial year ending on 31<sup>st</sup> March, 2017.

**We further report that** during the year vide Share Purchase Agreement dated 19<sup>th</sup> April, 2016, Tide Water Oil Co. (India) Ltd. had acquired 100% shares of Price Thomas Holdings Limited (PTHL), having a wholly owned subsidiary viz. Granville Oil & Chemicals Limited (GOCL), which is engaged in manufacturing and selling of lubricants and automotive after care products. After the said acquisition, Granville Oil & Chemicals Limited (GOCL) had acquired the status of a step down subsidiary of Tide Water Oil Co. (India) Ltd.

**We further report that** during the year Standard Greases & Specialities Private Limited (SGSPL) alongwith Persons Acting in Concert acquired further shares through an open offer and on request, the Company, pursuant to provisions of Regulations 31A (2) and 31A (8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, reclassified the status of SGSPL from 'Public Shareholder' to 'Joint Promoter' along with Andrew Yule & Company Limited and also reclassified the status of Janus Consolidated Finance Private Limited, being one of the Persons Acting in Concert in the concerned open offer, from 'Public shareholders' to 'part of promoters group'.

Kolkata  
30<sup>th</sup> May, 2017

For Manoj Shaw & Co.  
Company Secretaries  
Manoj Prasad Shaw  
FCS No. 5517  
C. P. No.: 4194

The report is to be read with our letter of even date which is annexed as **Annexure - A** and forms an integral part of this report.

To  
The Members  
M/s Tide Water Oil Co. (India) Ltd.  
8, Dr Rajendra Prasad Sarani  
Kolkata - 700001, West Bengal, India

Our report of even date is to be read along with this letter.

Management's Responsibility:

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Kolkata  
30<sup>th</sup> May, 2017

For Manoj Shaw & Co.  
Company Secretaries  
Manoj Prasad Shaw  
FCS No. 5517  
C. P. No.: 4194

## 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 Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or SEBI Listing Regulations, 2015 as notified by Securities and Exchange Board of India (SEBI) on 2<sup>nd</sup> September, 2015, which became effective on and from 1<sup>st</sup> December, 2015. 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 31<sup>st</sup> March, 2017.

The Board of Directors comprises of an Executive Director and nine Non-Executive Directors, out of whom four are Independent.

Details of the Board of Directors as on 31<sup>st</sup> March, 2017 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 S. Das	Director	Non - Executive	2	1	1
Shri R. N. Ghosal	Managing Director	Executive	-	-	-
Shri Praveen P. Kadle	Director	Non - Executive	9	2	2
Shri B. J. Mahanta	Director	Non - Executive	3	-	2
Shri A. Mukherjee	Director	Non - Executive & Independent	-	-	-
Shri Sunil Munshi	Chairman	Non - Executive	7	-	2
Smt. N. Palchoudhuri	Director	Non - Executive & Independent	6	-	4
Shri S. Roy Choudhury	Director	Non - Executive & Independent	1	-	-
Shri S. Sundareshan	Director	Non - Executive & Independent	6	-	8
Shri Vinod S. Vyas	Director	Non - Executive	2	-	-



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

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\* Excluding directorships in private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

# Only two Committees viz. the Audit Committee and the Stakeholders' Relationship Committee are considered.

None of the existing Directors and Key Managerial Personnel hold any equity shares in the Company. The Company has not issued any convertible instrument during the year.

No relationship shared between Directors inter-se.

*Number of Board Meetings, attendance at Board Meetings and at 93<sup>rd</sup> Annual General Meeting.*

There were 5 meetings of the Board of Directors held during the year 2016-17 on 13<sup>th</sup> May, 2016, 30<sup>th</sup> May, 2016, 11<sup>th</sup> August, 2016, 25<sup>th</sup> November, 2016 and 10<sup>th</sup> February, 2017.

### Attendance Record

Name of Director	No. of Board Meetings attended	93 <sup>rd</sup> Annual General Meeting held on 28 <sup>th</sup> September, 2016
Shri S. Das	5	Yes
Shri K. Datta	-	N.A.
Shri R. N. Ghosal	5	Yes
Shri Praveen P. Kadle	3	No
Shri B. J. Mahanta	5	No
Shri A. Mukherjee	4	No
Shri Sunil Munshi	5	Yes
Smt. N. Palchoudhuri	4	Yes
Shri S. Roy Choudhury	5	No
Shri R.K.Singh	-	N.A.
Shri S. Sundareshan	5	No
Shri Vinod S. Vyas	4	Yes

Note: Shri B. J. Mahanta joined the Board of Directors on 13<sup>th</sup> May, 2016. Shri K. Datta and Shri R. K. Singh resigned on 11<sup>th</sup> August, 2016 and 22<sup>nd</sup> April, 2016, respectively.

### **FAMILIARIZATION PROGRAMME**

The Independent Directors of the Company are the individuals having experience and expertise being leaders in their respective fields. Similarly other Non-Executive Directors also have long experience in their respective fields. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, strategy and risk involved, etc. so that they are updated on the business model, the risk profile of the business of the Company and also their roles and responsibilities as Directors of the Company.

The familiarization programme, may be referred to, at the official website of the Company at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/02/FAMILIARISATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS-1.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/FAMILIARISATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS-1.pdf) Details of the familiarization programmes imparted to Independent Directors are also available at the official website of the Company at the weblink [www.tidewaterindia.com/pdf/sebi/Details-of-Familiarization-Programmes.pdf](http://www.tidewaterindia.com/pdf/sebi/Details-of-Familiarization-Programmes.pdf).

**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 Regulation 18 of the SEBI Listing Regulations, 2015, read with Section 177 of the Companies Act, 2013 and the role as stipulated in Part - C of Schedule II of the SEBI Listing Regulations, 2015. The Chairman of the Audit Committee Shri A. Mukherjee had authorized Shri S. Das, Member of the said Committee, on his behalf to answer shareholder queries at the 93<sup>rd</sup> Annual General Meeting (AGM) of the Company, as he was not present at the venue due to some unavoidable reason.

There were 5 meetings of the Audit Committee held during the year 2016-17 on 13<sup>th</sup> May, 2016, 30<sup>th</sup> May, 2016, 11<sup>th</sup> August, 2016, 25<sup>th</sup> November, 2016 and 10<sup>th</sup> February, 2017.

The composition of Audit Committee as on 31<sup>st</sup> March, 2017 and the attendance of the members at the meeting(s) thereof during 2016-17 were as follows:

Name of Director	Designation	No. of meeting(s) attended
Shri S. Das	Member	5
Shri A. Mukherjee	Chairman	4
Shri S. Roy Choudhury	Member	5
Shri R. K. Singh	Member	Nil
Shri S. Sundareshan	Member	5

**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 Regulation 18 of the SEBI Listing Regulations, 2015.
2. Shri S. Das is having expert knowledge in financial and accounting matters. All other Directors are financially literate.
3. Shri R. K. Singh resigned on 22<sup>nd</sup> April, 2016.

Shri R. N. Ghosal, Managing Director and Shri S. Basu, Group 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.

**NOMINATION AND REMUNERATION COMMITTEE****Terms of reference, Composition, Name of Members and Chairman:**

The role and terms of reference of the Nomination and Remuneration Committee inter-alia include matters stated in Part - D of Schedule II of the SEBI Listing Regulations, 2015, read with Section 178 of the Companies Act, 2013.

All the members of the Nomination and Remuneration Committee are Non-Executive Directors. More than half of the members are Independent Directors. The Chairman of the Committee is also an Independent Director.

There were 3 meetings of the Nomination and Remuneration Committee held during the year 2016-17 on 11<sup>th</sup> August, 2016, 25<sup>th</sup> November, 2016 and 10<sup>th</sup> February, 2017.

The composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2017 and the attendance of the members at the meeting(s) thereof during 2016-17 were as follows:

Name of Director	Designation	No. of meeting(s) attended
Shri A. Mukherjee	Chairman	3
Shri Sunil Munshi	Member	3
Shri S. Roy Choudhury	Member	3
Shri R. K. Singh	Member	Nil
Shri S. Sundareshan	Member	3

Note: Shri R. K. Singh resigned on 22<sup>nd</sup> April, 2016.

### **PERFORMANCE EVALUATION**

The Securities & Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5<sup>th</sup> January, 2017 issued a guidance note on board evaluation in order to guide listed entities by elaborating various aspects of board evaluation that may help to improve the evaluation process, derive the best possible benefits and achieve the objective of the entire evaluation process. The existing Board Evaluation and Diversity Policy of the Company has been voluntarily modified by including suitable points as suggested by SEBI in the aforesaid circular and the same has been adopted by the Board of Directors to bring in transparency in the evaluation process.

The performance evaluation of the Non-Executive Directors, including Independent Directors, Executive Director(s), the Board as a whole and the Chairman of the Company is done as per the modified Board Evaluation and Diversity Policy, as framed. Separate meetings of Independent Directors are held, wherein performances of the concerned Directors are evaluated and the findings are subsequently reported to the Board. The Nomination and Remuneration Committee is also responsible to overview the process of evaluation, stated above.

The policy referred above inter-alia contains evaluation criteria for the Directors including Independent Directors, procedure for determination and review of remuneration of Directors, Key Managerial Personnels and other employees, etc.

The modified policy for Board evaluation and Board diversity may be referred to, at the official website of the Company at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/02/Board\\_Evaluation\\_and\\_Diversity\\_Policy-1.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/Board_Evaluation_and_Diversity_Policy-1.pdf).

### **REMUNERATION OF DIRECTORS**

#### **REMUNERATION POLICY**

The Remuneration Policy as recommended by the Nomination and Remuneration Committee has been accepted by the Board of Directors. The same is applicable for Directors viz. Executive and Non-Executive, Key Managerial Personnels, Senior Management Personnels and other employees of the Company. It inter-alia contains criteria for making payment to the said persons. The said policy may be referred to at the official website of the Company at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/02/REMUNERATION-POLICY-1.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/REMUNERATION-POLICY-1.pdf).

**DETAILS OF REMUNERATION****Executive Directors**

The Company pays remuneration by way of salary, allowances, perquisites and commission to the Managing Director. The overall remuneration is proposed by the Nomination and Remuneration 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 Section 197 of the Companies Act, 2013.

The details of the remuneration paid to Shri R. N. Ghosal, Managing Director during the year 2016-17, are given below:

Particulars	Remuneration Paid (Rs. in Lakhs)
a. All elements of remuneration package i.e. salary, perquisites, etc.	32.81
b. Details of fixed components and performance linked incentives i.e. Commission	6.00
	<u>38.81</u>

**Note:**

Criteria : Commission paid by the Company is based on the percentage of achieved profit as compared to the budgeted profit. There is no fixed component in the commission payable. However, the commission is subject to a maximum ceiling of Rs.6,00,000/-

c. Service Contract	Till the close of business on 28 <sup>th</sup> February, 2019 (Subject to shareholders' approval)
d. Notice Period	3 (Three) months
e. Severance Fees	No separate provision
f. Stock Option Details	No stock option had been granted during 2016-17

**Non-Executive Directors**

Remuneration payable to the Non-Executive Directors is in line with the Remuneration Policy, as adopted. The Non-Executive Directors are entitled to sitting fees for attending Board and Committee Meetings. Details of sitting fees paid to the Non-Executive Directors during the year 2016-17, are provided below:

Name of Director	Sitting fees paid/payable (Rs.)
Shri S. Das	1,95,000/-
Shri K. Datta	2000/-
Shri Praveen P. Kadle	75,000/-
Shri A. Mukherjee	2,04,000/-
Shri Sunil Munshi	1,71,000/-
Smt. N. Palchoudhuri	1,10,000/-
Shri S. Roy Choudhury	2,15,000/-
Shri S. Sunderashan	2,15,000/-
Shri Vinod S. Vyas	1,00,000/-

Remuneration of Non-Executive Directors is approved by the Board of Directors. Remuneration of the Non-Executive Directors is 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. This may be deemed to be the disclosure as required under Schedule V of the SEBI Listing Regulations, 2015.

#### **RETIREMENT POLICY OF THE DIRECTORS**

As per the present policy the Executive Chairman and Directors retire at the age of 60 years. This is in line with the policy adopted by the Andrew Yule Group of Companies. Vide resolution no. 12 dated 29<sup>th</sup> August, 2014, the shareholders extended the retirement date of Shri R. N. Ghosal, Managing Director till the close of business on 28<sup>th</sup> February, 2017. Subsequently, the Board of Directors and Nomination & Remuneration Committee thereof vide their resolutions no. 28 and 4 dated 25<sup>th</sup> November, 2016, respectively recommended extension of the term of appointment of Shri R. N. Ghosal as Managing Director of the Company for a further period of 2 (two) years, i.e. till 28<sup>th</sup> February, 2019. The notice of the 94<sup>th</sup> Annual General Meeting of the Company contains a resolution with regard to the aforesaid matter for approval of the shareholders.

The terms of appointment of Independent Directors are determined by the shareholders, in accordance with the provisions of applicable statutes on case to case basis. A format of the 'Letter of Appointment' containing detailed terms and conditions, as issued to the Independent Directors upon appointment, may be referred to, at the official website of the Company at the weblink [www.//tidewaterindia.com/wp-content/uploads/2017/02/APPOINTMENT-INDEPENDENT-DIRECTOR-1.pdf](http://tidewaterindia.com/wp-content/uploads/2017/02/APPOINTMENT-INDEPENDENT-DIRECTOR-1.pdf).

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Company had set up Stakeholders' Relationship Committee to consider and resolve the grievance of the security holders on issues like non-receipt of declared dividends, non-receipt of balance sheet, etc. Matters relating to transfer, transmission, duplicate issue, etc. continues to be looked after by the 'Committee of Directors'.

The Committee comprises of Shri Sunil Munshi as Chairman, Shri R. N. Ghosal and Shri A. Mukherjee.

The Company received Seven (7) 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 31<sup>st</sup> March, 2017. The Company also takes reasonable steps for redressal of grievances / complaints filed by the shareholders in SEBI Complaint Redressal System (SCORES).

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

#### **CODE OF CONDUCT**

The Board of Directors have laid down a Code of Conduct for all members of the Board of Directors and senior management of the company. The same inter-alia also contains duties of Independent Directors as laid down under the Companies Act, 2013. The Code of Conduct may be referred to at the official website of the Company at the weblink [www.tidewaterindia.com/code-of-conduct/](http://tidewaterindia.com/code-of-conduct/).

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 power of management
2. Granting of loan 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-materialization of shares

There were 8 meetings of the Committee held during the year 2016-17 on 22<sup>nd</sup> April, 2016, 13<sup>th</sup> May, 2016, 7<sup>th</sup> June, 2016, 23<sup>rd</sup> June, 2016, 19<sup>th</sup> August, 2016, 3<sup>rd</sup> October, 2016, 12<sup>th</sup> December, 2016 and 10<sup>th</sup> March, 2017.

The composition of the Committee as on 31<sup>st</sup> March, 2017 and the attendance of the members at the meeting(s) thereof during 2016-17 were as follows:

Name of Director	No. of meeting(s) attended
Shri K. Datta	1
Shri A. Mukherjee	8
Shri Sunil Munshi	8

Shri K. Datta chaired the meeting dated 22<sup>nd</sup> April, 2016 and all other subsequent meetings of this Committee were chaired by Shri Sunil Munshi.

Shri K. Datta resigned from the Committee on 11<sup>th</sup> August, 2016.

### **COMPENSATION COMMITTEE**

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

The Committee comprises of Shri A. Mukherjee, Chairman, Shri Sunil Munshi and Shri S. Roy Choudhury.

As no stock option had been granted/ allotted during the last financial year, the Committee did not meet during 2016-17.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Board of Directors, had constituted 'Corporate Social Responsibility Committee' as required under Section 135 of the Companies Act, 2013. The terms of reference of this Committee include matters required for the purpose of compliance of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other relevant compliances.

The Corporate Social Responsibility Policy has been framed and the same may be referred to, at the official website of the Company at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/02/CSR-Policy.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/CSR-Policy.pdf).

There were 2 meetings of the Corporate Social Responsibility (CSR) Committee held during the year 2016-17 on 13<sup>th</sup> May, 2016 and 30<sup>th</sup> May, 2016.

The composition of the Corporate Social Responsibility (CSR) Committee as on 31<sup>st</sup> March, 2017 and the attendance of the members at the meeting(s) thereof during 2016-17 were as follows:

Name of Director	Designation	No. of meeting(s) attended
Shri S. Das	Member	2
Shri R. N. Ghosal	Member	2
Shri A. Mukherjee	Chairman	1

### **RISK MANAGEMENT COMMITTEE AND RISK MANAGEMENT**

The Board of Directors, had constituted 'Risk Management Committee' for laying down risk assessment and minimization procedures. However, formation of such Committee is not mandatory to the Company as provided under Regulation 21 of the SEBI Listing Regulations, 2015. A Risk Management Plan has been devised which is monitored and reviewed by this Committee. The Risk Management Committee comprises of Shri R. N. Ghosal, Chairman, Shri Sunil Munshi and Shri S. Basu.

### **SUBSIDIARY COMPANIES**

The Company has four wholly owned subsidiary companies viz. Veedol International Limited, UK (VIL), Veedol International DMCC, Dubai (VID), Veedol International BV, Netherlands (VIBV) and Price Thomas Holdings Limited, UK (PTHL). Veedol International Americas Inc., Canada (VIA) has been floated as a step down subsidiary of the Company. VIA is a wholly owned subsidiary of VIL. Veedol Deutschland GMBH, Germany (VDG) has also been incorporated as step down subsidiary. VDG is a wholly owned subsidiary of VIBV. PTHL has a wholly owned subsidiary viz. Granville Oil & Chemicals Limited, UK (GOCL). With acquisition of 100% shares of PTHL, GOCL has also become a step down subsidiary of this Company.

Separate disclosure, in relation to the performance of the said subsidiaries is provided separately in the Annual Report.

There is no material non-listed Indian subsidiary company.

The Company has formulated a policy for determining material subsidiaries, which may be referred to at the official website of the Company at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/02/Material-Subsidiary-Policy.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/Material-Subsidiary-Policy.pdf).

**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
31 <sup>st</sup> March, 2014	29 <sup>th</sup> August, 2014	10.30a.m.	The Bengal Chamber of Commerce & Industry, Kolkata
31 <sup>st</sup> March, 2015	22 <sup>nd</sup> July, 2015	10.15a.m.	
31 <sup>st</sup> March, 2016	28 <sup>th</sup> September, 2016	10.00a.m.	

All resolutions set out in the respective notices were passed by the shareholders. The following Special Resolutions were passed in the previous 3 (Three) Annual General Meetings:

Meetings	Particulars of Special Resolutions passed
91 <sup>st</sup> Annual General Meeting held on 29 <sup>th</sup> August, 2014	<ol style="list-style-type: none"> <li>1. Reappointment of Statutory Auditor</li> <li>2. Resolution passed under Section 180(1)(a) of the Companies Act, 2013</li> <li>3. Resolution passed under Section 180(1)(c) of the Companies Act, 2013</li> <li>4. Resolution for entering into related party transactions with Standard Greases &amp; Specialities Private Limited</li> <li>5. Resolution for entering into related party transactions with JX Nippon TWO Lubricants India Private Limited</li> </ol>
92 <sup>nd</sup> Annual General Meeting held on 22 <sup>nd</sup> July, 2015	<ol style="list-style-type: none"> <li>1. Reappointment of Statutory Auditor</li> <li>2. Resolution for entering into related party transactions with Standard Greases &amp; Specialities Private Limited</li> <li>3. Resolution for entering into related party transactions with JX Nippon TWO Lubricants India Private Limited</li> </ol>
93 <sup>rd</sup> Annual General Meeting held on 28 <sup>th</sup> September, 2016	<ol style="list-style-type: none"> <li>1. Reappointment of Statutory Auditor</li> <li>2. Resolution for reappointment of Shri Ashim Mukherjee as Independent Director</li> <li>3. Resolution for reappointment of Shri Subir Roy Choudhury as Independent Director</li> <li>4. Resolution for entering into related party transactions with Standard Greases &amp; Specialities Private Limited</li> <li>5. Resolution for entering into related party transactions with JX Nippon TWO Lubricants India Private Limited</li> </ol>

No special resolution requiring a postal ballot is proposed to be conducted at the 94<sup>th</sup> Annual General Meeting of the Company.



## POSTAL BALLOT

No resolution requiring voting by means of postal ballot was conducted by the Company during the year 2016-17.

## MEANS OF COMMUNICATION

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

Name of newspaper	Region	Language
<b>The Telegraph</b> (For the quarter ended 31.12.2016 and year ended 31.03.2017)	Kolkata	English
<b>Aajkaal</b> (For the quarter ended 31.12.2016 and year ended 31.03.2017)	Kolkata	Bengali
<b>Hindustan Times</b> (For the quarter ended 30.06.2016 and 30.09.2016)	Kolkata	English
<b>Pratidin</b> (For the quarter ended 30.06.2016 and 30.09.2016)	Kolkata	Bengali

The quarterly results and shareholding pattern are also uploaded at the Company's website [www.tidewaterindia.com](http://www.tidewaterindia.com). The same are also filed online with National Stock Exchange and Bombay Stock Exchange.

The website also displays official news releases, as and when the same takes place. No presentation was made to institutional investors and to the analysts.

## GENERAL SHAREHOLDERS INFORMATION

- i. The 94<sup>th</sup> Annual General Meeting will be held on 26<sup>th</sup> July, 2017 (Wednesday) at Williamson Magor Hall, The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, N. S. Road, Kolkata - 700 001 at 10.00 am.
- ii. Financial Calendar: April to March (without considering any permitted modified timeline).  
Financial reporting for quarter ending June, 2017: Within 14<sup>th</sup> August, 2017.  
Financial reporting for half-year ending September, 2017: Within 14<sup>th</sup> November, 2017.  
Financial Reporting for quarter ending December, 2017: Within 14<sup>th</sup> February, 2018.  
Financial Reporting for the quarter and year ending March, 2018: Within 30<sup>th</sup> May, 2018.
- iii. Book Closure: 20<sup>th</sup> July, 2017 (Thursday) to 26<sup>th</sup> July, 2017 (Wednesday) (both days inclusive).
- iv. Dividend Payment date: Within 25<sup>th</sup> August, 2017

- 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)  
Exchange Plaza  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051  
Symbol: TIDEWATER

Trading is also permitted at the following Stock Exchange:

Bombay Stock Exchange Limited (BSE)  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai - 400 001  
Stock Code: 590005

- vi. The Company has paid the required listing fees and fees to the Depositories within specified time period. The company paid Rs. 2.49 lakhs towards listing fees and Rs.1.96 lakhs towards Annual Custodian fees during the year 2016-17.
- vii. Market Price High and Low during each month in last financial year is given at Annexure A.
- viii. Share price performance compared with broad based indices

	On 1 <sup>st</sup> April, 2016	On 31 <sup>st</sup> March, 2017	% change
Company's Share Price on CSE (Rs.)	No Trading	No Trading	N.A.
Company's Share Price on BSE (Rs.)	6535.00	6024.20	(7.82)
BSE SENSEX	25301.70	29620.50	17.07
Company's Share Price on NSE (Rs.)	6457.00	6019.05	(6.78)
CNX NIFTY	7718.05	9173.75	18.86

- ix. Registrar and Transfer agents: For both physical and dematerialized form:

M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata - 700 026

- x. 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.
- xi. 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.
- xii. Distribution of shareholding: As per Annexure B.
- xiii. The shareholding pattern: As per Annexure C.
- xiv. Dematerialized shares: The Company has entered into arrangements with National Securities

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

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Depository Limited and Central Depository Services (India) Limited whereby shareholders have an option to dematerialize their shares with either of depositories.

ISIN No.: INE484C01022

As on 31<sup>st</sup> March, 2017, 34,49,432 shares comprising 98.98% of the share capital stand dematerialized.

xv. **Commodity Price risk or foreign exchange risk and hedging activities:**

The Company is not dealing in commodity and does not speculate in forex, hence no disclosure relating to commodity price risk or foreign exchange risk and hedging activities thereof is required.

xvi. **Plant Location:**

Lubricants: Silvassa (Dadra & Nagar Haveli), Turbhe (Maharashtra), Faridabad (Haryana), Oragadam (Tamil Nadu) and Ramkristopur (West Bengal)

Windmill: Village(s): Kasthuriengapuram & Kumbikulam, Tirunelveli, Tamil Nadu

xvii. **Address for correspondence: Registered Office: 8, Dr. Rajendra Prasad Sarani, Kolkata - 700 001.**

### **NON-COMPLIANCE**

There are no non-compliances of any requirement of corporate governance report, provided above.

### **NON-MANDATORY REQUIREMENTS**

The Company has not adopted the discretionary requirements given under Schedule II Part-E of the SEBI Listing Regulations, 2015.

### **COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS**

The Company has made all disclosures regarding compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015, in the section on corporate governance of the annual report.

### **OTHER DISCLOSURES**

1. The Board has adopted Related Party Transaction Policy for determining materiality of related party transactions and also on the dealings with related parties. This policy has been placed in the website of the Company at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/02/RELATED-PARTY-TRANSACTION-POLICY-1.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/RELATED-PARTY-TRANSACTION-POLICY-1.pdf)

During the year 2016-17, the Company had entered into transactions, cumulative value whereof amounts to Rs.108.33 crores with Standard Greases & Specialities Private Limited and Rs.114.15 crores with JX Nippon TWO Lubricants India Private Limited, which exceeds limit stated under Regulation 23 of the SEBI Listing Regulations, 2015. There were no other 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 Company maintains a register, as required for all related party transactions.

The details of all related party relationships and transactions (which include payments for certain common services on terms considered reasonable by the Management) as required under the applicable accounting standards are given under Note 29 of the Annual Audited Accounts as at 31<sup>st</sup> March, 2017.

Prior approval of the Audit Committee is taken for proposed related party transactions to be entered in the forthcoming year. Shareholders' sanction is also obtained for material related party transactions proposed to be entered in the ensuing year.

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.
3. The Company has in place a Vigil Mechanism Policy, under which Directors and employees are provided an opportunity to disclose any matter of genuine concern in prescribed manner. The policy may be referred to at the official website of the Company at the weblink i.e. [www.tidewaterindia.com/wp-content/uploads/2017/02/VIGIL-MECHANISM-POLICY-1.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/VIGIL-MECHANISM-POLICY-1.pdf). No personnel has been denied access to the Audit Committee to lodge their grievances.
4. The Company has in place a policy for determining 'material' subsidiaries which may be referred to at the official website of the Company at the weblink i.e. [www.tidewaterindia.com/wp-content/uploads/2017/02/Material-Subsidiary-Policy.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/Material-Subsidiary-Policy.pdf).
5. The Company has in place a policy on dealing with related party transactions which may be referred to at the official website of the Company at the weblink i.e. [www.tidewaterindia.com/wp-content/uploads/2017/02/RELATED-PARTY-TRANSACTION-POLICY.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/RELATED-PARTY-TRANSACTION-POLICY.pdf).

#### **CEO / CFO CERTIFICATION**

The necessary certificate under Schedule II Part-B of the SEBI Listing Regulations, 2015 has been placed before the Board of Directors.

Kolkata  
30<sup>th</sup> May, 2017

On behalf of the Board  
**Sunil Munshi**  
*Chairman*

**ANNEXURE A****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, 2016 TO MARCH, 2017**

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	Lowest
April, 16	Not Available		6660.00	6136.00	6700.00	6136.80	7992.00	7516.85
May, 16	Not Available		6214.00	5610.05	6226.90	5622.00	8213.60	7678.35
June, 16	Not Available		5955.55	5220.00	5960.00	5200.00	8308.15	7927.05
July, 16	Not Available		5909.00	5367.00	5923.70	5375.00	8674.70	8287.55
August, 16	Not Available		5732.25	5246.95	5735.00	5260.00	8819.20	8518.15
September, 16	Not Available		5968.00	5351.00	5975.00	5343.20	8968.70	8555.20
October, 16	Not Available		6425.00	5590.10	6425.00	5590.00	8806.95	8506.15
November, 16	Not Available		6350.00	5433.95	6359.80	5435.00	8669.60	7916.40
December, 16	Not Available		5843.55	5400.05	5848.00	5405.00	8274.95	7893.80
January, 17	Not Available		6239.45	5544.55	6243.00	5515.00	8672.70	8133.80
February, 17	Not Available		6555.00	5837.85	6595.00	5835.00	8982.15	8537.50
March, 17	Not Available		6231.00	5881.80	6241.00	5853.00	9191.70	8860.10

**ANNEXURE B****STATEMENT SHOWING DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2017**

No. of Shares (Range)	No. of Shares	%	No. of Shareholders	%
1-500	466761	13.39	19036	98.78
501-1000	82364	2.36	113	0.59
1001-2000	80789	2.32	54	0.28
2001-5000	131757	3.78	41	0.21
5001-10000	111925	3.22	15	0.08
10001 & Above	2611204	74.93	11	0.06
Total	3484800	100.00	19270	100.00

**ANNEXURE C****STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2017**

Category	No. of share held	Percentage of Shareholding
<b>FINANCIAL INSTITUTIONS</b>		
a. Life Insurance Corpn. of India	147140	4.22
b. General Insurance & Subsidiaries United India Insurance Co. Ltd.	239848	6.88
c. Nationalized Bank	2051	0.06
<b>MUTUAL FUNDS</b>	1000	0.03
<b>PROMOTER &amp; PROMOTER GROUP</b>		
a. Standard Greases & Specialities Pvt. Ltd.	964996	27.69
b. Andrew Yule & Co. Ltd.	913960	26.23
c. Janus Consolidated Finance Pvt. Ltd.	59000	1.69
<b>TRUST</b>	85924	2.47
<b>NON RESIDENT</b>		
a. Non Domestic Co.	12126	0.35
b. Indian Nationals	27282	0.78
c. Foreign Nationals	528	0.02
<b>OTHERS</b>		
a. Bodies Corporate	296710	8.51
b. Indian Public	734235	21.07
<b>GRAND TOTAL</b>	<b>3484800</b>	<b>100.00</b>

**ANNEXURE D**

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF  
CORPORATE GOVERNANCE**

**To**

**The Members of Tide Water Oil Company (India) Limited**

We have examined the compliance of conditions of Corporate Governance by Tide Water Oil Co. (India) Ltd ("the Company") for the year ended 31<sup>st</sup> March, 2017, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

**Restrictions on use**

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Kolkata  
30<sup>th</sup> May, 2017

For and on behalf of **RAY & RAY**  
*Chartered Accountants*  
*Firm's Registration. No. 301072E*  
**Asish Kumar Mukhopadhyay**  
*Partner*  
Membership No. 056359

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**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 2016-17.

Kolkata  
30<sup>th</sup> May, 2017

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

**BUSINESS RESPONSIBILITY REPORT****For the year 2016-17****SECTION A : GENERAL INFORMATION ABOUT THE COMPANY**

1.	Corporate Identity Number (CIN) of the Company	L23209WB1921PLC004357
2.	Name of the Company	TIDE WATER OIL CO. (INDIA) LIMITED
3.	Registered Address	'YULE HOUSE', 8 DR. RAJENDRA PRASAD SARANI, KOLKATA - 700001, INDIA.
4.	Website(s)	www.tidewaterindia.com; www.veedolindia.com
5.	E-mail id	tidecal@tidewaterindia.co.in
6.	Financial year reported	1st April, 2016 - 31st March, 2017.
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company manufactures and sells Veedol (Lubricating Oil) 19201 - Manufacturing 4661 - Selling
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	Lubricating Oils and Greases
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	No manufacturing activity is carried out on international locations by the company directly. Company's acquired step down subsidiary viz. Granville Oil & Chemicals Limited has its own manufacturing facility at Rotherham, U.K. Selling activities of Tide Water Oil Co. (I) Ltd. take place in Bhutan and Nepal.
	(b) Number of National Locations	Manufacturing activities are undertaken in the following plants: i) Silvassa, (Dadra and Nagar Haveli) ii) Turbhe (Maharashtra) iii) Faridabad (Haryana) iv) Oragadam (Tamil Nadu) v) Ramkrishtopur (West Bengal) Selling activities are undertaken on pan India basis.
10.	Markets served by the Company - Local / State / National / International	The manufactured products are mostly sold in National markets. However, a small portion of the products are sold in International markets, referred above.

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1.	Paid up Capital (INR)	Rs.1.74 Crores
2.	Total Turnover (INR)	Rs.1132.02 Crores (net of discounts and rebates)
3.	Total Profit after Taxes (INR) - before OCI	Rs. 102.93 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year, the Company has spent Rs.0.70 crores towards CSR activities. This amounts to 0.68% of the 'Profit after Tax' for the year 2016-17.
5.	List of activities in which expenditure in 4 above has been incurred.	Promoting employment and enhancing vocational skills in automobile sector.

**SECTION C: OTHER DETAILS**

1.	Does the Company have any Subsidiary Company / Companies?	The Company has 4 (four) wholly owned subsidiaries viz. Veedol International Ltd., U.K., Veedol International DMCC, Dubai, Veedol International BV, Netherlands and Price Thomas Holdings Limited, U.K. The Company also has 3 (three) step down subsidiaries viz. Veedol International Americas Inc. which is a wholly owned subsidiary of Veedol International Limited, Veedol Deutschland GMBH, which is a wholly owned subsidiary of Veedol International BV and Granville Oil & Chemicals Limited, which is a wholly owned subsidiary of Price Thomas Holdings Limited.
2.	Do the Subsidiary Company / Company(ies) participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(ies)	All the subsidiaries and step down subsidiaries contribute to the extent practicable, towards business responsibility initiatives as applicable in respective places of incorporation. However, their financial and non-financial numbers are not a part of Tide Water Oil Co. (India) Limited Business Responsibility Report.
3.	Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	Other entities are not directly involved with the business responsibility initiatives of the Company.

**SECTION D: BR INFORMATION**

## 1. Details of Director / Directors responsible for BR

## (a) Details of the Director / Directors responsible for implementation of the BR policy / policies

The existing Committee of Directors is responsible for implementation of BR policy. The said Committee consists of the following persons:

1.	DIN Number	02749579
	Name	Shri Sunil Munshi
	Designation	Chairman
2.	DIN Number	02135462
	Name	Shri A. Mukherjee
	Designation	Director

## (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	02749579
2	Name	Shri Sunil Munshi
3	Designation	Chairman
4	Telephone number	033 2242 8210
5	e-mail id	tidecal@tidewaterindia.co.in



TIDE WATER OIL CO. (INDIA), LTD.

2. Principle-wise (as per NVGs) BR Policy / policies

(a) Details of compliance (Reply in Y / N)

		Business Ethics	Sustainability	Employees' well-being	Stakeholders' Welfare	Human Rights	Environment	Regulatory Pricing	Equitable Development	Customer Responsibility
No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)(Refer note below)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified Committee of the Board / Director / Official to oversee the implementation of the Policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.tidewaterindia.com/wp-content/uploads/2017/03/business-responsibility-policy-1.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The BR policy has been communicated to all key internal stakeholders of the Company.								
8.	Does the Company have in-house structure to implement the policy / policies.	The Committee of Board of Directors is responsible for implementation of the policy at macro level. At micro level, the regional heads are responsible for its implementation.								
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	The Company has a Vigil Mechanism Policy and Risk Management Policy which provides redressal mechanisms for different stakeholders like employees, regulatory authorities, etc. Further the existing BR policy also contains additional grievance redressal mechanisms.								
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

Note :

Elements of all above referred 9 (nine) national voluntary guideline principles are enshrined in our BR Policy.

Framing or aligning of corporate policies with that of international standards are carried out to the extent statutorily mandated. BR Policy is available on-line for both internal and external stakeholders and has been approved by the Board.

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why :  
(Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The Company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Business Responsibility Policy has been approved by the Board vide its Resolution dated 30th May, 2016, there it was decided that the BR performance will be assessed by the Committee of Directors annually. The BR performance for the year 2016-17 has been assessed by the Committee of Directors at its meeting held on 22<sup>nd</sup> May, 2017.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This BR Report forms part of the annual report for 2016-17 and will continue to be a part of annual reports of ensuing years, so long regulatory regulations mandate such inclusion.

Further, a copy of this BR Report is available at the official website of the Company at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/03/business-responsibility-report-1.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/03/business-responsibility-report-1.pdf).

As per statutory requirements, the BR Report will be available on annual basis.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Clause 2.1 of the BR policy deals with the provisions relating to business ethics. The same applies to all employees of the Company and endeavor is to extend it to other business partners, to the extent feasible. The Company ensures that agreed contractual contracts are in line with ethical business practices ensuring actions where conduct of employees, vendors and other business partners are found inconsistent. Moreover, the Company has in place a Code of Conduct which is applicable for all the Directors and employees of the Company and each year your Company engages its Senior Management in Code of Conduct Certification.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year no complaint was received relating to ethics, bribery and corruption from any stakeholder.

**Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout your life cycle**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Given the nature of its business your Company is aware that its products could have environmental concern during production and consumption. Over the years it has been constantly investing efforts in producing products which are environment friendly. In order to successfully do this, it has a capable R&D team that works constantly on innovating new products and improving existing products. In a depleting natural resources scenario, these products are to bring in higher efficiency in vehicles, thus leading to lower fuel consumption. Some of our products which lead to higher fuel efficiency include:

- a) Take Off 4T premium 10W-30 SM
- b) Powertron 5W-30 SM
- c) Blue Blood 10W-30

Further, your Company has taken various energy efficiency measures at its plants which have been enumerated under the section 'Conservation of Energy' in the Directors' Report for 2016-17 and hence not repeated here for the sake of brevity.

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Your Company sources its inputs from reputed national and international sources / entities, which are expected to be well versed with BR obligations. Finished product movements take place through roadways. All safety and environmental protocols are followed, in course of such transportation. Transportation is carried out through specialized vehicles which ensure minimum loss.

3. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place or work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Packaging materials are sometimes sourced locally. Proper quality checks are in place to ensure adherence with industry accepted standards. Findings, if any are reported and proper guidance / assistance are provided for improvement, whether in terms of capacity or capability.

4. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The nature of business conducted by your Company does not provide for a high scope for using recycled material. The estimate of the percentage of waste recycled would be less than 5%. That being said your Company constantly looks for opportunities to recycle waste generated, if any as a result of its operations.

**Principle 3 : Businesses should promote the well-being of all employees**

1. Please indicate the Total number of employees - 506 (permanent), 802 (including temporary/contractual/casual)
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis - 296
3. Please indicate the number of permanent women employees - 28
4. Please indicate the number of permanent employees with disabilities - 1
5. Do you have an employee association that is recognized by management? Yes (4 nos.)

6. What percentage of your permanent employees is members of this recognized employee association?  
32%
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Not Applicable
2	Sexual harassment	Nil	Not Applicable
3	Discriminatory employment	Nil	Not Applicable

At each of four regions of the Company, Internal Complaints Committees have been set up in terms of Sexual Harassment Of Women At Workplace (Prevention, Prohibition & Redressal) Act, 2013 with a view to provide protection against sexual harassment of women at workplace and for prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
- (a) Permanent Employees - 58%
- (b) Permanent Women Employees - 39%
- (c) Casual/Temporary/Contractual Employees - 44%
- (d) Employees with Disabilities - N.A

**Principle 4 : Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

1. Has the Company mapped its internal and external stakeholders? Yes/No  
The Company has mapped its internal and external stakeholders as follows: employees, customers, dealers, suppliers, shareholders, regulatory authorities and members of the society who are directly or indirectly affected by your Company's operations.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.  
There has never been any discrimination in treatment and rights available to any of the stakeholders.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.  
Various social initiatives for facilitating quality of life of stakeholders operating or residing around the factories are provided, depending upon specific requirement to this effect. CSR initiatives of the Company include steps undertaken by the Company for providing skill development training to garage owners / mechanics.

**Principle 5 : Businesses should respect and promote human rights**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
Clause 2.5 of the BR Policy of the Company deals with provisions relating to promotion of human rights. As per Clause 2.5.3 of the said policy your Company recognizes and respects human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers, etc.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
The Company did not receive any complaint regarding human rights violation from any quarter during the financial year under review.

**Principle 6 : Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others.  
Clause 2.6 of the BR Policy of the Company deals with provisions relating to protection of environment, which covers only the Company.
2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.  
The Company recognized that climate change is a real threat facing not just the Company but the entire global community, of which it is just a part. Your Company also recognized it can play a meaningful role in trying to mitigate the problem by adopting certain strategies and initiatives in its day to day operations.  
Information in this regard is available at the official website of the Company at the weblink [www.tidewaterindia.com/wp-content/uploads/2017/02/Environment-Protection-1.pdf](http://www.tidewaterindia.com/wp-content/uploads/2017/02/Environment-Protection-1.pdf).
3. Does the Company identify and assess potential environmental risks? Y/N  
Your Company actively tries to identify, assess and address potential environmental risks and takes preemptive action to minimize such risks in a structured manner.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?  
The Company has 2 (two) windmills in Kasthuriengapuram and Kumbikulam in Tirunelveli, Tamil Nadu of 1.5 MW each. However, the Company has not registered itself for carbon credit in connection with the same.
5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.  
The Company has been progressively reducing its energy consumption. Constant efforts are in place to conserve energy and improve energy efficiency in all its plants. The 'Conservation of Energy' section of the Directors' Report for 2016-17, specifies steps taken in this regard. Further, the Company had invested in two windmills with a total capacity of 3MW for generation of renewable energy at Tamil Nadu. The Company produces enough clean energy to offset its electricity consumption from fossil fuel sources.
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
All factories of the Company comply with the prescribed emission norms of various State or Central Pollution Control Boards.
7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
During the year 2016-17, no show cause / legal notice has been received by the Company from CPCB / SPCB.

**Principle 7 : Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner**

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:  
Tide Water Oil Co. (I) Limited is a member of The Bengal Chamber of Commerce and Industry.
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No: If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).  
Your Company believes in promoting public policies and regulatory framework that serve the common good of the society. During 2015-16 the Company had contributed towards Swachh Bharat Kosh, which had been set up to attract funds from corporate sector, individuals and philanthropists in response to the call given by Hon'ble Prime Minister to achieve the objective of Clean India (Swachh Bharat) by the year 2019, the 150<sup>th</sup> year of the birth anniversary of Mahatma Gandhi through Swachh Bharat Mission.

**Principle 8 : Businesses should support inclusive growth and equitable development**

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Your Company's CSR initiatives aim at skill development of mechanics and garage owners. Veedol Auto Mechanic Academy (VAMA) has been set up for imparting necessary training to the mechanics / garage owners for skill development.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

A consultancy agency has been engaged to structure and review the scope of VAMA, from time to time. An existing in-house team is entrusted with the work of implementation of the CSR initiatives.

3. Have you done any impact assessment of your initiative?

Impact of CSR activities are assessed by Board from time to time. Considering the scale of activities assessment by an independent body is not deemed justified.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

VAMA initially was aimed at imparting training for four wheeler segment. Considering the increasing population of two and three wheelers and commuters thereof, it was felt that proper training need to be imparted to the garage owners and mechanics serving this sector as well. Training curriculums for two and three wheeler segments are being formulated.

Necessary particulars in connection with contribution towards CSR activities are provided in the CSR Report forming part of this Annual Report, hence not repeated for the sake of brevity.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

VAMA has been successfully set up at Kolkata, Silvassa and Faridabad. VAMA has received accreditation from National Skill Development Council. Till the date of this report, 210 persons have received training out of which 31 persons have received industry placements.

**Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Proper system is in place to track customer feedback. Though during the year the Company has received few minor customer complaints, however, none is pending as on 31<sup>st</sup> March, 2017. No consumer case has been lodged against the Company, during the year under review.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Product labels are reviewed and updated from time to time. Your Company endeavors to disclose not only informations mandated under local laws but also those which are required under applicable statutes, in force. Besides industry benchmarks are also adhered to, to the extent practicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Consumer surveys are undertaken on regular basis to understand the performance, quality, etc. of the products of the Company vis-à-vis industry standards.

## DIVIDEND DISTRIBUTION POLICY

### 1. Background and applicability

The Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires top 500 listed companies (by market capitalization as on March 31 of every financial year) to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors of Tide Water Oil Co. (I) Limited has adopted this Dividend Distribution Policy to comply with these requirements.

The Policy shall apply to the ordinary equity shares issued and outstanding and shall not apply to determination and declaration of dividend on preference shares or any other class of shares, as and when issued by the Company, as the same will be as per the terms of issue approved by the shareholders.

### 2. Objective

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

### 3. Definitions

"Applicable Laws" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

"Board" shall mean Board of Directors of the Company.

"Companies Act or Act" shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

"Company" shall mean Tide Water Oil Co. (I) Limited.

"Dividend" includes any interim dividend.

"Policy" means this Dividend Distribution Policy.

"Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India, as amended, from time to time.

### 4. Financial Parameters and Internal and external factors that would be considered for declaration of dividend

- Distributable surplus available as per the Act and Regulations;
- The Company's liquidity position and future cash flow needs;
- Track record of Dividends distributed by the Company;
- Payout ratios of comparable companies;
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Statutory provisions and guidelines;
- Macroeconomic and business conditions in general;
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

**5. Circumstances under which shareholders may or may not expect dividend**

The Dividend for any financial year shall normally be paid out of the Company profits for that year, as calculated in line with the applicable laws. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s), subject to compliance of applicable laws.

The shareholders of the Company may not expect Dividend under the following circumstances :

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- In case of significant higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- In the event of inadequacy of profits or whenever the Company has incurred losses;
- For any other reason as the Board may deem fit from time to time.

**6. Utilization of retained earnings**

Retained Earnings may be used for corporate actions in accordance with applicable law and for investments towards growth of the business.

**7. Procedure**

Final dividend is declared at the Annual General Meeting (AGM) of the shareholders on the basis of recommendations of the Board. The Board may, at its discretion, also declare an interim dividend.

**8. Parameters to be adopted with regard to various class of shares**

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably reviewed / amended at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

**9. Disclosures**

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company

**10. Modification of this Policy**

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, the Regulations, etc.

**11. Disclaimer**

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**TIDE WATER OIL CO. (INDIA), LTD.**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Tide Water Oil Co. (India) Ltd.** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements 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 including the Ind AS, of the financial

position of the Company as at 31st March, 2017, its financial performance including other comprehensive income, its cash flows and its changes in equity for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report to the extent applicable that:
  - (a) We have sought and 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 it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches;
  - (c) The reports on the accounts of the branch offices of the Company audited by us under section 143(8) of the Act have been properly dealt with by us in preparing this report;
  - (d) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branches;
  - (e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;
  - (f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with Companies (Audit & Auditors) Amendment Rules 2017, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 27.1 (a) to the standalone Ind AS financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company ; and
    - (iv) The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company. Refer Note 33 to the standalone Ind AS financial statements.

Place : Kolkata  
Date : 30th May, 2017

For **RAY & RAY**  
Chartered Accountants  
(Firm's Registration No. 301072E)  
**(Asish Kumar Mukhopadhyay)**  
Partner  
Membership no. 056359

**“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT**

**Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date :-**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, any material discrepancy noticed on such verification between book records and the physical records has been properly dealt with in the books of account.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, inventories have been physically verified by the Management during the year at reasonable intervals. Material discrepancies noticed on verification between the physical records and book records have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Therefore, clauses 3(iii) (a), (b) and (c) of the aforesaid Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year.
- (vi) The Company has maintained cost records specified by the Central Government under section 148(1) of the Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it.
- On the basis of the records of the Company and according to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess were outstanding, as at 31st March, 2017 for a period of more than six months from the date they became payable.
- (b) Details of dues of Income Tax, Sales-tax/Value Added Tax, Duty of Excise and Cess which have not been deposited as at 31st March, 2017 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 SalesTax Act of Various States	Sales tax/ Value Added Tax	Deputy Commissioner of Commercial Taxes West Bengal, Appellate Authority Orissa, Appellate Authority Jharkhand, Commercial Tax Tribunal Patna, Commissioner of Commercial Taxes Ranchi, Orissa High Court, Assistant Commissioner of Sales Tax, Delhi and Commissioner of VAT ( Appeals)	1994-95 to 2013-14	3.86
Central Excise Act, 1944	Duty of Excise	Commissioner of Central Excise Chennai, Madras High Court, Commissioner of Central Excise and Customs (Appeals), CESTAT, Kolkata, Asst. Commissioner, Faridabad.	1998-99, 2001-02 to 2008-09 and 2010-11	2.22

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amounts relates	Amount involved (Rs. in Crores)
Navi Mumbai Municipal Corporation Cess Act	Cess	Bombay High Court	1998-2004	1.36
Income Tax Act 1961	Income tax	DCIT	1998-99	0.14
		DCIT	1999-2000	0.13
		DCIT	2000-01	0.11
		DCIT	2003-04	0.17
		DCIT	2005-06	0.19
				0.74

- (viii) The Company does not have any loans or borrowings from any financial institution, bank, Government or dues to debenture holders during the year. Accordingly, clause 3(viii) of the Order is not applicable.
- (ix) The Company has not raised moneys during the year by way of initial public offer or further public offer (including debt instruments) or by way of term loans. Therefore clause 3(ix) of the aforesaid Order is not applicable.
- (x) During the course of our examination of the books of accounts carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, nor have we been informed of any such case by the Management.
- (xi) From the verification of records produced to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi company. Therefore clause 3(xii) of the aforesaid Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions entered with the related parties are in compliance with section 177 and 188 of the Act and the details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non- cash transactions with directors or persons connected with him.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **RAY & RAY**  
Chartered Accountants  
(Firm's Registration No. 301072E)  
**(Asish Kumar Mukhopadhyay)**  
Partner  
Membership no. 056359

Place : Kolkata  
Date : 30th May, 2017

## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT**

**The Annexure referred to in Paragraph 2(g) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Tide Water Oil Co. (India) Ltd** (“the Company”) as of 31st March, 2017 in conjunction with our audit of standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls considering the essential components of internal financial controls as per section 134(5)(e) of the Act and as stated in the applicable Standards of Auditing issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately

and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

In view of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

According to the information and explanations given to us, the Company has not fully documented its Internal Financial Control over Financial Reporting that is in vogue, based upon the criteria of the Guidance Note on audit of Internal Financial Control over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). However, we have carried out some walk through and other audit tests to ascertain the effectiveness of Internal Financial Control over Financial Reporting as practiced by the Company, so far as it affects the financial reporting on the key account balances and processes.

Based on our audit procedures, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Kolkata  
Date : 30th May, 2017

For **RAY & RAY**  
*Chartered Accountants*  
(Firm's Registration No. 301072E)  
**(Asish Kumar Mukhopadhyay)**  
*Partner*  
Membership no. 056359

TIDE WATER OIL CO. (INDIA), LTD.

**BALANCE SHEET AS AT 31ST MARCH, 2017**

(Figures in Rs. Crores)

ASSETS	Note No.	As At 31st March, 2017	As At 31st March, 2016	as at 1st April, 2015
<b>Non-current assets</b>				
Property, Plant and Equipment	3	96.22	96.09	89.09
Capital work-in-progress	3	0.44	1.52	-
Investment Property	3	0.31	0.32	0.33
Other Intangible Assets	3	0.58	0.47	0.43
<b>Financial Assets</b>				
Investments	4	211.79	114.45	120.56
Loans	5	17.58	18.72	19.76
Others	6	0.01	0.01	-
Other non-current assets	7	6.97	1.18	0.43
<b>Current assets</b>				
Inventories	8	185.86	156.49	152.03
<b>Financial Assets</b>				
Trade receivables	9	153.90	146.07	149.14
Cash and cash equivalents	10	110.95	110.28	77.71
Bank balances other than above	10	34.93	132.31	81.50
Loans	5	0.10	0.24	0.17
Others	6	2.62	3.74	1.91
Current Tax Assets (Net)	11	8.74	-	-
Other Current Assets	7	22.66	27.01	32.12
<b>Total Asset</b>		<b>853.66</b>	<b>808.90</b>	<b>725.18</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	12	1.74	1.74	0.87
Other Equity	13	641.21	598.79	561.48
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Other financial liabilities	14	19.86	18.47	17.23
Deferred tax liabilities (Net)	16	3.90	4.07	6.39
Provisions	15	19.74	16.26	16.61
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Trade payables	17	133.66	120.54	94.48
Other financial liabilities	14	0.71	2.00	0.48
Other current liabilities	18	27.04	31.39	23.71
Current Tax Liabilities (Net)	19	-	1.34	0.16
Provisions	15	5.80	14.30	3.77
<b>Total Equity and Liabilities</b>		<b>853.66</b>	<b>808.90</b>	<b>725.18</b>

The accompanying notes form an integral part of the Standalone Financial Statements.  
In terms of our report attached

For Ray & Ray  
Chartered Accountants  
Firm Registration No. 301072E  
**Asish Kumar Mukhopadhyay**  
Partner

Kolkata, 30th May, 2017

Membership No. 056359

On behalf of the Board,

**S. Munshi** Chairman

**R.N.Ghosal** Managing Director

**S. Basu**

GCFO

**S. Ganguli**

Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Figures in Rs. Crores)

	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>INCOME</b>			
Revenue From Operations	20	1,132.02	1,098.30
Other Income	21	28.66	24.00
<b>Total Income</b>		<b>1,160.68</b>	<b>1,122.30</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	533.38	512.82
Changes in inventories (Increase) / Decrease	23	(7.33)	0.96
Excise Duty		170.52	163.31
Employee benefits expense	24	54.94	49.28
Depreciation and amortization expense	25	7.37	7.11
Other expenses	26	250.77	231.06
<b>Total expenses</b>		<b>1,009.65</b>	<b>964.54</b>
Profit/(loss) before exceptional items and tax		151.03	157.76
Exceptional Items		-	24.49
Profit/(loss) before tax		151.03	133.27
Tax expense :			
Current tax	37	48.59	53.05
Deferred tax	38	(0.49)	(2.96)
Profit/ (Loss) for the period from continuing operations		102.93	83.18
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(2.11)	(2.27)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Current Tax	37	(0.41)	(0.15)
Deferred Tax	38	(0.32)	(0.64)
Total Comprehensive Income for the period		<b>100.09</b>	<b>80.12</b>
Earnings per equity share of face value of Rs 5 each			
Basic and Diluted (in Rs)	27.4	295.36	238.72

The accompanying notes form an integral part of the Standalone Financial Statement.

In terms of our report attached

For Ray & Ray  
Chartered Accountants  
Firm Registration No. 301072E  
**Asish Kumar Mukhopadhyay**  
Partner

Kolkata, 30th May, 2017

Membership No. 056359

On behalf of the Board,  
**S. Munshi** Chairman  
**R.N.Ghosal** Managing Director

**S. Basu**  
GCFO

**S. Ganguli**  
Secretary



## STATEMENT OF CHANGES IN EQUITY

(Figure In Rs. Crores)

Particulars	Equity Share Capital	Other Equity			Other Comprehensive Income	Total Equity attributable to equity holder of the Co.
		Securities Premium Reserve	Other Reserves (General Reserve)	Retained Earning		
Balance as on April 1, 2016	1.74	3.52	90.00	508.33	(3.06)	598.79
Changes in Accounting Policy or prior period errors	-	-	-	-	-	-
Restated balances as on April 1, 2016		3.52	90.00	508.33	(3.06)	598.79
<b>Total Comprehensive Income</b>						
Income for the year	-	-	-	102.93	-	102.93
Dividend	-	-	-	(47.92)	-	(47.92)
Dividend Distribution Tax	-	-	-	(9.75)	-	(9.75)
OCI due to actuarial Calculation as per IND AS 19	-	-	-	-	(2.84)	(2.84)
<b>Any other changes :</b>						
Restatement of employee loan due to change in interest rate	-	-	-	0.01	-	0.01
Restatement of Deferred Employee Cost due to change in interest rate	-	-	-	(0.01)	-	(0.01)
<b>Balance as on March 31, 2017</b>	<b>1.74</b>	<b>3.52</b>	<b>90.00</b>	<b>553.59</b>	<b>(5.90)</b>	<b>641.21</b>

Particulars	Equity Share Capital	Other Equity			Other Comprehensive Income	Total Equity attributable to equity holder of the Co.
		Securities Premium Reserve	Other Reserves (General Reserve)	Retained Earning		
Balance as on March 31, 2015	0.87	4.39	90.00	465.29	-	559.68
Changes in Accounting Policy or prior period errors	-	-	-	1.80	-	1.80
Restated balances as on April 1, 2015	-	4.39	90.00	467.09	-	561.48
<b>Total Comprehensive Income</b>						
Income for the year	-	-	-	83.18	-	83.18
Dividend	-	-	-	(34.85)	-	(34.85)
Dividend Distribution Tax	-	-	-	(7.09)	-	(7.09)
Issue of bonus shares	0.87	(0.87)	-	-	-	(0.87)
OCI due to actuarial Calculation as per IND AS 19	-	-	-	-	(3.06)	(3.06)
<b>Balance as on March 31, 2016</b>	<b>1.74</b>	<b>3.52</b>	<b>90.00</b>	<b>508.33</b>	<b>(3.06)</b>	<b>598.79</b>

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2017**

(Figures in Rs. Crores)

	31st March, 2017	31st March, 2016
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	151.03	133.27
<u>Adjustments for:</u>		
Actuarial Loss transferred to OCI	(2.11)	(2.27)
Accrued Interest on Employee Loan effect	0.01	(0.02)
Charge of Deffered Employee cost	(0.01)	0.01
Depreciation and Amortisation	7.37	7.11
Interest received	(14.49)	(17.17)
Loss / (Profit) on sale of fixed assets	0.33	0.07
Interest charge	1.49	1.16
Provision for doubtful debts/Advances(net)	(0.24)	0.30
Liabilities no longer required written back	(2.37)	(0.79)
Operating Profit before Working Capital changes	<u>141.01</u>	<u>121.67</u>
<u>Adjustments for:</u>		
Trade and Other Receivables	(8.73)	7.88
Other Financial Liabilities	13.11	1.24
Inventories	(29.37)	(4.46)
Other Non Financial Liabilities	(6.99)	40.31
Cash Generated From Operations	<u>109.03</u>	<u>166.64</u>
Direct Taxes Paid	(59.08)	(52.03)
Cash Flow before Exceptional Items	<u>49.95</u>	<u>114.61</u>
Provision for loss on Investment in subsidiary	-	24.49
Provision for loss on Investment	0.41	-
<b>Net Cash from Operating Activities</b>	<u><u>50.36</u></u>	<u><u>139.10</u></u>
<b>B. Cash Flow from Investing Activities</b>		
Change in Long Term Financial Asset	-	(0.01)
Purchase of Fixed Assets	(7.01)	(15.38)
Investment in Subsidiaries and Joint Venture	(97.75)	(7.49)
Proceeds from sale of Fixed Assets	0.14	0.48
Interest Received	15.35	15.10
<b>Net Cash used in Investing Activities</b>	<u><u>(89.27)</u></u>	<u><u>(7.30)</u></u>
<b>C. Cash Flow from Financing Activities</b>		
Recovery of Trust Loan	1.25	0.80
Interest Paid	(1.49)	(1.16)
Dividend Paid	(57.56)	(48.06)
<b>Net Cash used in Financing Activities</b>	<u><u>(57.80)</u></u>	<u><u>(48.42)</u></u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)</b>	<u><u>(96.71)</u></u>	<u><u>83.38</u></u>
Cash and Cash Equivalents at the beginning of the year	242.59	159.21
Cash and Cash Equivalents at the close of the year	<u>145.88</u>	<u>242.59</u>
	<u><u>(96.71)</u></u>	<u><u>83.38</u></u>
Restricted Cash	0.57	0.46

In terms of our report attached

For Ray & Ray  
Chartered Accountants  
Firm Registration No. 301072E  
**Asish Kumar Mukhopadhyay**  
Partner

Kolkata, 30th May, 2017

Membership No. 056359

On behalf of the Board,  
**S. Munshi** Chairman  
**R.N.Ghosal** Managing Director

**S. Basu**  
GCFO

**S. Ganguli**  
Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**1 Corporate Information**

Tide Water Oil Co. (India) Limited is a public limited company domiciled in India. The company is primarily engaged in the business of manufacturing and marketing of Lubricants. Its shares are listed on Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange. The registered office of the company is located at Kolkata.

The financial statements were approved for issue in accordance with the resolution of the Board of Directors on 30<sup>th</sup> May 2017

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

**2.1.1 Compliance with Indian Accounting Standards (Ind AS)**

The financial statements are prepared on accrual basis of accounting and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (The Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

The financial statements up to year ended 31<sup>st</sup> March 2016 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS and Ind AS 101 "First Time Adoption of Indian Accounting Standards" has been applied. Refer Note 40 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2.1.2 Basis of Measurement**

The financial statements have been prepared on accrual basis of accounting under historical cost conventions, except for the following financial assets and financial liabilities which are measured at fair value:

- i) certain financial assets and liabilities (including derivative instruments and car loan to employees) that is measured at fair value;
- ii) defined benefit plans – plan assets measured at fair value.

The methods used to measure fair values are discussed in Note 2.25

**2.1.3 Functional and Presentation Currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest crores (upto two decimals) for the Company.

**2.1.4 Use of estimates and management judgements**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures including contingent assets and liabilities at the Balance Sheet date. The estimates and management's judgements are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that may have the most significant effect on the amount recognised in the financial statements are included in the following notes:

**a) Useful life of Property, Plant and Equipment**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, completion and other economic factors (such as the stability of the industry and known technological advancement) and the level of maintenance expenditure required to obtain the expected future cash flows from the assets.

**b) Recoverable amount of property, plant and equipment and capital work in progress**

The recoverable amount of property, plant and equipment and capital work in progress is based on estimates and assumptions. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount resulting in impairment.

**c) Post-retirement benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increase, the inflation rate and expected rate of return on plan assets. The Company considers that the assumptions used to measure its obligation are appropriate and documented. However, any changes in the assumptions may have any impact on the resulting calculations

**d) Provisions and contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has been made on the basis of best judgement by management regarding probable outflow of economic resources. Such estimation can change due to unforeseeable developments.

**e) Impairment of the Trade Receivables**

Considering the historical credit loss experience for trade receivables, the Company applies the simplified approach of recognising the expected losses from initial recognition of the receivables on case to case basis as provision for impairment.

**f) Investment in Subsidiaries and Joint Venture**

Investment is carried at cost and provision is made for any indication of impairment on such investments.

**2.2 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors is collectively the Company's CODM. Based on the synergies, risks and returns associated with business operations and in terms of Ind AS 108, the Managing Director of the Company has assessed that the Company is predominantly engaged in the business of a single reportable segment of Lubricants during the year. Therefore disclosure requirements of Ind AS 108 on Operating Segments are not applicable to the Company.

**2.3 Foreign Currency Transactions**

Foreign currency transactions are translated into Indian Rupee (INR) which is the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit and loss are recognised in profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as Fair Value through Other Comprehensive Income (FVOCI) are recognised in Other Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

#### 2.4 Revenue Recognition and Other Income

Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyers and to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 on "Revenue" issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

##### 2.4.1 Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from sales is based on price specified in the Sales Contracts, net of discounts and schemes which are assessed based on published circulars and expected achievement threshold. No element of financing is deemed present as the sales are made generally with a credit term, which is consistent with market practice.

##### 2.4.2 Sale of Power

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

##### 2.4.3 Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

##### 2.4.4. Interest

Interest Income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

##### 2.4.5 Dividend

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**2.5 Income Taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Additional income taxes that arise from the distribution of dividends are recognised at the same time the liability to pay the related dividend is recognised.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**2.6 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the leases. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**As a lessee**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**2.7 Impairment of non financial assets other than inventories**

- a) The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.
- b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

**2.8 Statement of Cash Flows**

**a) Cash and Cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown under borrowings in current liabilities in the Balance Sheet.

- b) Statement of Cash Flows is prepared in accordance with the indirect method prescribed in Ind AS-7" Statement of Cash Flow"

**2.9 Trade receivables**

Trade receivables are recognised initially at transaction price and subsequently measured at amortised cost less provision for impairment.

**2.10 Inventories**

Raw Material (including Packing Materials), Stores and Spare parts and Finished Goods are stated at lower of cost and net realisable value. Cost of raw material comprises cost of purchases. Cost of Finished Goods comprise direct material, direct labour and appropriate portion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**2.11 Investments in subsidiaries and joint venture**

Investments in equity shares of subsidiaries and joint venture are carried at cost.

**2.12 Financial Assets other than Investments in subsidiaries and joint venture**

**2.12.1 Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- those measured at amortised cost

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

**2.12.2 Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit and loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its Debt instruments.

- Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair Value through Other Comprehensive Income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair Value through profit and loss

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit and loss and is not part of a hedging relationship is recognised in profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments are recognised in profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit and loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**2.12.3 Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 2.26 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach of recognising the expected losses from initial recognition of the receivables on case to case basis as provision for impairment.

**2.12.4 Derecognition of financial assets**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**2.13 Offsetting financial instruments**

Financial Assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.14 Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

**Transition to Ind AS**

Property, Plant and Equipment upto 31<sup>st</sup> March, 2015 were carried in the Balance Sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted by Ind AS 101 "First Time adoption of Ind AS" to regard those amounts as 'Deemed cost' at the date of transition to Ind AS (i.e. as on 1<sup>st</sup> April, 2015).

Stand-by equipments and servicing equipments which meet the recognition criteria of property, plant and equipment are capitalised.

Spare parts (procured along with Plant & Machinery) or subsequently which meet the recognition criteria are capitalised. Other spare parts are treated as "Stores & Spares" forming part of inventory.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, which are also supported by technical evaluation.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Leasehold land is amortised on a straight line basis over the period of lease.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss within other gains/ (losses).

**2.15 Capital Work-in-Progress]**

Capital Work-in-Progress upto 31<sup>st</sup> March, 2015 were carried in the Balance Sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted by Ind AS 101 "First time adoption of Ind AS " to regard those amounts as deemed cost at the date of the transition to Ind AS.

Expenditure incurred on assets under construction is carried at cost under Capital Work-in-Progress. Such costs comprise purchase price of assets, including duties and non-refundable taxes and other costs that are directly attributable to bringing the asset to the location and conditions necessary for it to be capable of operation in the manner indented by management.

**2.16 Investment Properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

**Transition to Ind AS**

Investment property upto 31<sup>st</sup> March, 2015 were carried in the Balance Sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted by Ind AS 101 "First time adoption of Ind AS" to regard those amounts as deemed cost at the date of transition to Ind AS.

**2.17 Intangible Assets**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Cost of purchased software are recorded as intangible assets and amortised from the point at which the asset is available for use. Intangible assets are amortized over their best estimated useful life ranging upto three years on straight line method. Costs associated with maintaining software programmes are recognised as an expense as incurred.

Intangible assets upto 31<sup>st</sup> March, 2015 were carried in the Balance Sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted by Ind AS 101 "First time adoption of Ind AS" to regard those amounts as deemed cost at the date of transition to Ind AS.

**2.18 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value/transaction value and subsequently measured at amortised cost using the effective interest method.

**2.19 Borrowings Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**2.20 Provisions, Contingent liabilities and Contingent Assets**

Provisions for legal claims, discounts, schemes and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company, such obligation is disclosed as contingent liability.

Contingent Assets are possible assets that arise from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in financial statements when in flow of economic benefits is probable on the basis of judgement of management.

**2.21 Employee Benefits**

**2.21.1 Short Term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

**2.21.2 Other Long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit and loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**2.21.3 Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans which are Gratuity and Post retirement medical scheme.
- (b) Defined contribution plans which are provident fund, Superannuation and Pension.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**2.22 Dividends**

Dividends and interim dividends payable to the Company's shareholders are recognised as change in equity in the period in which they are approved by the Company's shareholders and the Board of Directors respectively.

**2.23 Earnings per share**

**2.23.1 Basic Earnings per share**

Basic earnings per share is calculated by dividing :

- The profit/ loss attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year.

**2.23.2 Diluted Earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.24 Financial liabilities**

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

**a) Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value minus transactions costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**b) Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, when the liabilities are derecognised as well through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

**c) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**2.25 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

**2.26 Financial risk management**

The entity's activities expose it to market risk, liquidity risk and credit risk. In order to minimize effects of the above, various arrangements are entered into by the entity. The following table explains the sources of risk and how the entity manages the risk in its financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost	Ageing analysis, Credit analysis	Credit limits and letters of credit
Liquidity Risk	Borrowings and other liabilities	Cash Flow forecasts	Credit facilities
Market Risk – foreign exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow forecasts	Monitoring of currency movements
Market Risk – interest rate	Long term borrowings / liabilities	-	Monitoring of interest rate movements
Market Risk – security prices	Investment in Securities	-	Portfolio management

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**A) Credit risk**

Credit risk arises from cash and cash equivalents, investment carried at amortized cost, deposit with banks and financing institutions as well as credit exposure to customer and other parties.

For banks and financial institutions, only high rated banks/ institutions are accepted. For other financial assets, the entity assesses and manages credit risk based on internal credit evaluation. It monitors partywise exposure and based on evaluation credit rating is allotted for each party. Thereafter a credit limit is assigned to each party depending on the solvency of the said party.

The entity considers the probability of default on ongoing basis and at each reporting period.

Microeconomic information is incorporated as part of internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 60 days past due.

Reconciliation of provisions for doubtful assets has been provided as under:

Particulars	Amount
Provision for Doubtful Debts on 01.04.2015	3.19
Charges during 2015 - 2016	0.27
Provision for Doubtful Debts on 31.03.2016	3.46
Charges during 2016 - 2017	-0.29
Provision for Doubtful Debts on 31.03.2017	3.17

**B) Liquidity risk**

Prudent risk liquidity management implies maintaining sufficient cash and cash equivalents and the availability of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the group's liquidity position on the basis of expected cash flow. The entity has access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Bank Overdraft	57.50	57.50	57.50
Letter of Credit	47.50	47.50	47.50

Bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

The following table gives the contractual discounted cash flows falling due within the next 12 (twelve) months.

Maturity of financial liabilities

Contractual maturities	Upto 1 year	Below 2 & 3 year	Above 3 year	Total
Obligation under financial lease	0.97	1.51	-	2.48
Trade payables	133.66	-	-	133.66
Other financial liabilities	1.94	0.24	18.39	20.57

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**C) Market risk**

## i) Foreign currency risk

The entity is exposed to foreign exchange risk arising from foreign currency transactions, primarily with regard to AED, Euro, USD and GBP. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency (INR). As per the risk management policy, the gross currency movements are continually monitored and necessary forward contracts are entered into as and when required. However, as the total exposure through currency risk directly is not material, generally forward contracts are not entered into on a regular basis.

The entity's exposure to foreign currency risk at the end of the reporting period expressed in INR is follows:

Particulars	As at 31.03.2017				As at 31.03.2016				As at 01.04.2015			
	GBP	AED	EURO	USD	GBP	AED	EURO	USD	GBP	AED	EURO	USD
<b>Financial Assets</b>												
Equity Investment	3,32,897	20,00,000	28,00,000	-	53,70,259	17,59,815	18,18,322	-	54,17,071	18,21,439	9,59,601	-
Trade Receivable	-	-	-	25,80,165	27,856	-	-	31,42,820	11,840	-	-	20,55,654
<b>Financial liabilities</b>												
Trade Payables	-	-	-	6,80,85,530	-	-	-	1,76,15,682	3,642	195	-	1,25,61,451

In addition to the above, the entity has given a corporate guarantee with regard to the following borrowings available by its subsidiaries as given in the table below :

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
VIBV	22.14	24.12	14.73
VIDMCC	9.72	9.92	9.35

## i) Price risk

The entity's exposure to equity securities has classified as fair value OCI in view of the present set of business of the investee entity, necessary provisions has been made in the accounts with regard to the same.

## ii) Commodity price risk

The entity is exposed to risk of price volatility of base oil and other derivatives of crude oil, which is required for the manufacturing of lubricant oil.

To mitigate the above risk , entity enters into various purchase contract of base oil.

**2.27 Capital Management**A) Risk management

The entity's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern
- Maintain an optimal capital structure to reduce the cost of capital.

As on the reporting date, the entity is debt free.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

B) Dividends

1) Dividends recognized for the year end review -

	year ended 31.03.2017	year ended 31.03.2016
a) Final dividend	30.49	21.78
b) Interim dividend	17.43	13.07

2) Dividends not recognized at the end of the reporting period in line with Ind AS.

**2.28 Assets pledged as security**

The carrying amounts of assets pledged as security for borrowings are:

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Current - Assets</b>			
Financial assets			
Trade receivables	153.90	146.07	149.14
Non-financial assets			
Inventories	185.86	156.49	152.03

**2.29 Offsetting financial assets and financial liabilities**

There is no offset as at 31st March, 2017 and 31st March, 2016 based on enforceable arrangements.



TIDE WATER OIL CO. (INDIA), LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

(All Figures in Rs. Crores unless otherwise mentioned)

DESCRIPTION OF ASSETS	GROSS BLOCK AT COST / VALUATION			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2016	Additions during the year	Disposals during the year	As at 31st March 2017	As at 1st April, 2016	During the Year	Adjustment on disposal	As at 31st March, 2017	As at 31st March 2016
Land (Freehold)	17.21	-	-	17.21	-	-	-	17.21	17.21
Land (Leasehold)	2.21	-	-	2.21	0.29	0.02	-	1.90	1.92
Buildings	38.90	0.50	0.22	39.18	8.84	1.01	0.01	29.34	30.06
Plant and Machinery	50.91	5.86	0.30	56.47	24.30	3.28	0.26	29.15	26.61
Furniture & Fixtures	5.62	0.03	0.67	4.98	3.49	0.43	0.49	1.55	2.13
Office Equipment	1.23	0.03	0.02	1.24	0.98	0.11	0.01	0.16	0.25
Servers & Networks	1.06	-	-	1.06	0.58	0.13	-	0.35	0.48
Desktop/Laptop etc	2.72	0.24	0.65	2.31	2.29	0.31	0.65	0.36	0.43
Electrical Installation	1.11	0.13	-	1.24	0.44	0.15	-	0.65	0.67
Lab Equipments	4.20	0.27	-	4.47	1.40	0.49	-	2.58	2.80
Motor & Other Vehicles	2.79	0.55	0.40	2.94	1.48	0.28	0.33	1.51	1.31
Windmill	17.46	-	-	17.46	5.24	0.76	-	11.46	12.22
<b>Sub Total</b>	<b>145.42</b>	<b>7.61</b>	<b>2.26</b>	<b>150.77</b>	<b>49.33</b>	<b>6.97</b>	<b>1.75</b>	<b>54.55</b>	<b>96.09</b>
<b>Capital Work in Progress</b>									
Capital Work in Progress	-	-	-	-	-	-	-	0.44	1.52
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.44</b>	<b>1.52</b>
<b>Investment Property</b>									
Buildings	0.43	-	-	0.43	0.11	0.01	-	0.31	0.32
<b>Sub Total</b>	<b>0.43</b>	<b>-</b>	<b>-</b>	<b>0.43</b>	<b>0.11</b>	<b>0.01</b>	<b>-</b>	<b>0.31</b>	<b>0.32</b>
<b>Other Intangible Assets</b>									
Software	3.40	0.50	-	3.90	2.93	0.39	-	0.58	0.47
<b>Sub Total</b>	<b>3.40</b>	<b>0.50</b>	<b>-</b>	<b>3.90</b>	<b>2.93</b>	<b>0.39</b>	<b>-</b>	<b>0.58</b>	<b>0.47</b>
<b>Grand Total</b>	<b>149.25</b>	<b>8.11</b>	<b>2.26</b>	<b>155.10</b>	<b>52.37</b>	<b>7.37</b>	<b>1.75</b>	<b>57.99</b>	<b>98.40</b>

TIDE WATER OIL CO. (INDIA), LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

(All Figures in Rs. Crores unless otherwise mentioned)

DESCRIPTION OF ASSETS	GROSS BLOCK AT COST / VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2015	Additions during the year	Adjustments during the year	Asset Sold/ Scrapped/ Adjusted During the Year	As at 31st March, 2016	As at 1st April, 2015	During the Year	Asset Sold/ Scrapped/ Adjusted During the Year	As at 31st March 2016	As at 31st March 2015
Land (Freehold)	10.22	-	6.99	-	17.21	-	-	-	17.21	10.22
Land (Leasehold)	2.21	-	-	-	2.21	0.27	0.02	-	1.92	1.94
Buildings	35.05	10.84	(6.99)	-	38.90	7.89	0.95	-	30.06	27.16
Plant and Machinery	49.34	1.64	-	0.07	50.91	21.16	3.16	0.02	26.61	28.18
Furniture & Fixtures	5.38	0.28	-	0.04	5.62	3.08	0.43	0.02	2.13	2.30
Office Equipment	1.17	0.08	-	0.02	1.23	0.88	0.12	0.02	0.25	0.29
Servers & Networks	0.95	0.11	-	-	1.06	0.41	0.17	-	0.48	0.54
Desktop/Laptop etc	2.56	0.19	-	0.03	2.72	2.04	0.28	0.03	0.43	0.52
Electrical Installation	1.01	0.10	-	-	1.11	0.30	0.14	-	0.67	0.71
Lab Equipment	4.02	0.18	-	-	4.20	0.92	0.48	-	2.80	3.10
Motor & Other Vehicles	2.56	0.42	-	0.19	2.79	1.41	0.24	0.17	1.31	1.15
Windmill	17.46	-	-	-	17.46	4.48	0.76	-	12.22	12.98
<b>Sub Total</b>	<b>131.93</b>	<b>13.84</b>	-	<b>0.35</b>	<b>145.42</b>	<b>42.84</b>	<b>6.75</b>	<b>0.26</b>	<b>96.09</b>	<b>89.09</b>
<b>Capital Work in Progress</b>										
Capital Work in Progress	-	-	-	-	-	-	-	-	1.52	-
<b>Sub Total</b>	-	-	-	-	-	-	-	-	<b>1.52</b>	-
<b>Investment Property</b>										
Buildings	0.43	-	-	-	0.43	0.10	0.01	-	0.32	0.33
<b>Sub Total</b>	<b>0.43</b>	-	-	-	<b>0.43</b>	<b>0.10</b>	<b>0.01</b>	-	<b>0.32</b>	<b>0.33</b>
<b>Other Intangible Assets</b>										
Software	3.01	0.39	-	-	3.40	2.58	0.35	-	0.47	0.43
<b>Sub Total</b>	<b>3.01</b>	<b>0.39</b>	-	-	<b>3.40</b>	<b>2.58</b>	<b>0.35</b>	-	<b>0.47</b>	<b>0.43</b>
<b>Grand Total</b>	<b>135.37</b>	<b>14.23</b>	-	<b>0.35</b>	<b>149.25</b>	<b>45.52</b>	<b>7.11</b>	<b>0.26</b>	<b>98.40</b>	<b>89.85</b>

TIDE WATER OIL CO. (INDIA), LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>NOTE 4 INVESTMENT</b>			
<b>Investments in Equity Instruments</b>			
<b>Investments in Subsidiaries (At Amortized Cost)</b>			
<b>Unquoted</b>			
Veedol International Limited 295,002 (Previous Year- 2) Equity Shares of GBP 1/- each fully paid	53.57	50.96	50.96
Veedol International DMCC 2,000(Previous Year-2,000) Equity Shares of AED 1000/- each fully paid	3.17	3.17	3.17
Veedol International BV 28,00,000 (Previous year - 18,00,000) Equity Shares of Euro 1/- each fully paid	21.00	13.61	6.61
Price Thomas Holdings Limited 37,895 (Previous Year - Nil) Equity share of GBP 1/- each fully paid up	95.14	-	-
<b>Investments in Joint Ventures (At Amortized Cost)</b>			
<b>Unquoted</b>			
JX Nippon TWO Lubricants India Pvt Ltd 555,000 (Previous year - 555,000) Equity Shares of Rs. 10/- each	59.41	59.41	59.41
<b>Investments in Other Companies (At Fair Value through OCI)</b>			
<b>Unquoted</b>			
Woodlands Multispeciality Hospital Limited 650 (Previous year 650) Equity Shares of Rs. 10/- each fully paid	0.00*	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	0.19
WEBFIL Limited 410,000(Previous Year 410,000) Equity shares of Rs.10/- each fully paid	0.41	0.41	0.41
<b>Investments in Bonds (At amortised cost)</b>			
<b>Unquoted</b>			
Rural Electrification Corporation Limited 500 (Previous Year - 500) capital gains tax exemption bonds of Rs.10,000 each	0.50	0.50	-
	<u>233.39</u>	<u>128.25</u>	<u>120.75</u>
Less: Provision for diminution in value of investments	0.60	0.19	0.19
Less: Provision for Loss on Investment in Subsidiary	21.00	13.61	-
	<u><u>211.79</u></u>	<u><u>114.45</u></u>	<u><u>120.56</u></u>
* Rs. 100 (Previous Year Rs.100)			
(a) Aggregate amount of Quoted Investments	0.60	0.60	0.60
(b) Aggregate amount of Market Value of Quoted Investments	Not Available	Not Available	Not Available
(c) Aggregate amount of Unquoted Investments	232.79	127.65	120.15
(d) Aggregate amount of impairment in value of investments	21.60	13.80	0.19

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>NOTE 5 LOAN</b>			
<b>A. Non Current</b>			
<b>Security Deposit</b>			
Considered good	2.84	2.72	3.02
Unsecured, Considered doubtful	0.01	0.01	0.01
Less: Impairment for doubtful security deposit	(0.01)	(0.01)	(0.01)
<b>Other Loans (Unsecured, considered good)</b>			
Loan To employees	0.29	0.30	0.24
Loan To Tide Water Oil Co.(India) Ltd Employee Welfare Trust	14.45	15.70	16.50
	<b>17.58</b>	<b>18.72</b>	<b>19.76</b>
<b>B. Current</b>			
<b>Other Loans (Unsecured, Considered Good) :</b>			
Loan to Employees	0.10	0.24	0.17
	<b>0.10</b>	<b>0.24</b>	<b>0.17</b>
<b>NOTE 6 OTHER FINANCIAL ASSETS</b>			
<b>A. Non Current</b>			
Balances with Banks			
In Fixed Deposits (Maturity of more than twelve months)	0.01	0.01	-
	<b>0.01</b>	<b>0.01</b>	<b>-</b>
<b>B. Current</b>			
Advance to Related Parties			
Interest On FD	-	0.26	0.51
Interest On Bond	2.60	3.46	1.40
	0.02	0.02	-
	<b>2.62</b>	<b>3.74</b>	<b>1.91</b>
<b>NOTE 7 OTHER ASSET</b>			
<b>A. Non Current</b>			
Capital advance			
Advances Other than Capital advance	6.89	1.09	0.37
Unsecured, Considered Good	0.00*	0.00*	-
Unsecured, Considered Doubtful	0.27	0.27	0.27
Less: Provision	(0.27)	(0.27)	(0.27)
Deferred Employee Cost	0.08	0.09	0.06
* Rs.21,280 (Previous Year Rs. 24,280)	<b>6.97</b>	<b>1.18</b>	<b>0.43</b>
<b>B. Current</b>			
Advance Recoverable in cash or in kind or service value to be received			
Balance with Government Authorities	6.12	6.70	6.08
Deferred Employee Cost	16.53	20.30	26.03
	0.01	0.01	0.01
	<b>22.66</b>	<b>27.01</b>	<b>32.12</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>NOTE 8 INVENTORIES</b>			
At Lower of Cost and Net Realisable Value			
<b>Raw Materials</b>			
In Transit	10.19	7.23	8.70
In Others	67.12	50.22	47.92
<b>Finished Products</b>	99.25	91.53	88.54
<b>Others</b>			
Packing Materials	8.67	7.15	6.66
Spares	0.63	0.36	0.21
	<b>185.86</b>	<b>156.49</b>	<b>152.03</b>
<b>NOTE 9 TRADE RECEIVABLES</b>			
Secured	26.00	9.85	9.52
Unsecured, Considered Good	127.90	135.07	139.62
Doubtful	3.17	3.46	3.19
	157.07	148.38	152.33
Less: Provision for doubtful debts	3.17	3.46	3.19
	153.90	144.92	149.14
Add: Bills Discounted	-	1.15	-
	<b>153.90</b>	<b>146.07</b>	<b>149.14</b>
<b>NOTE 10 CASH &amp; BANK BALANCES</b>			
Current Accounts	7.58	2.73	9.93
Cheques, drafts in hand	4.46	4.38	6.25
Cash in Hand	0.03	0.02	0.02
Fixed deposit (Maturity of less than three months)	98.88	103.15	61.51
	<b>110.95</b>	<b>110.28</b>	<b>77.71</b>
Other Bank Balances			
In Unpaid Dividend Accounts *	0.57	0.46	0.38
In Fixed Deposits (Maturity of more than three months but less than twelve months)	34.36	131.85	81.12
	<b>34.93</b>	<b>132.31</b>	<b>81.50</b>
* Earmarked for payment of Unclaimed Dividend only			
<b>NOTE 11 CURRENT TAX ASSETS</b>			
Current Tax Assets (Net)	8.74	-	-
	<b>8.74</b>	<b>-</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

<b>NOTE 12 EQUITY &amp; SURPLUS</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 1<sup>st</sup> April, 2015</b>
<b>Equity Share Capital</b>			
<b>Authorised :</b>			
4,00,00,000 (Previous year 4,00,00,000)	20.00	20.00	3.00
Equity Shares of Rs.5/-each	20.00	20.00	3.00
<b>Issued Subscribed and Paid-up:</b>			
34,84,800 (Previous year 34,84,800)	1.74	1.74	0.87
Equity Shares of Rs.5/- each fully paid	1.74	1.74	0.87

Reconciliation of Shares outstanding at the beginning and at the end of the reporting year

	<b>As at 31st March, 2017</b>		<b>As at 31st March, 2016</b>	
	Number	Rupees in Cr	Number	Rupees in Cr
Equity Shares at the beginning of the year	34,84,800	1.74	8,71,200	0.87
Conversion on Account of Share Split	-	-	8,71,200	-
Issue of Bonus Shares	-	-	17,42,400	0.87
Outstanding Equity Shares at the end of the year	34,84,800	1.74	34,84,800	1.74

The Authorised Share Capital of the Company is Rs.20.00 Crores comprising 4,00,00,000 Ordinary shares of Rs.5/- each

The Company has one class of Equity Shares having a par value of Rs. 5/- per share . Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval at AGM.

Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Company :

Name of Shareholder	<b>As at 31<sup>st</sup> March, 2017</b>		<b>As at 31<sup>st</sup> March, 2016</b>		<b>As at 1<sup>st</sup> April, 2015</b>	
	Number	Holding %	Number	Holding %	Number	Holding %
Andrew Yule & Company Limited	913960	26.23	913960	26.23	228390	26.22
Standard Greases and Specialities Private Limited	964996	27.69	964996	27.69	202484	23.24
United India Insurance Company Limited	239848	6.88	239848	6.88	59962	6.88

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

<b>NOTE 13 OTHER EQUITY</b>	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Reserve &amp; Surplus</b>			
<b>Securities Premium Reserve</b>			
Balance as per last Accounts	3.52	4.39	4.39
Less: Utilised for issue of bonus shares	-	0.87	-
	<u>3.52</u>	<u>3.52</u>	<u>4.39</u>

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act.

**Retained Earning****General Reserve**

Balance as per last Accounts	90.00	90.00	92.29
Less: Transferred to Statement of Profit and Loss	-	-	(2.29)
	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>

Represents a free reserve and is not meant for meeting any specific liability, contingency or commitment.

**Profit & Loss Account**

Opening Balance	508.33	467.09	304.61
Profit during the period	102.93	83.18	171.16
Other Comprehensive Income (Loan effect)	-	-	0.06
Retained Earning (Dismantling cost effect)	-	-	(0.90)
Retained Earning Deferred Tax	-	-	2.61
Depreciation Effect on Land Segregation	-	-	0.04
Restatement of employee loan due to change in interest rate	0.01	-	-
Restatement of Deferred Employee Cost due to change in interest rate	(0.01)	-	-
Less: Dividend	(47.92)	(34.85)	(8.71)
Less: Dividend Distribution Tax	(9.75)	(7.09)	(1.78)
	<u>553.59</u>	<u>(508.33)</u>	<u>(467.09)</u>

**Other Comprehensive Income**

Balance as at the beginning of the year	(3.06)	-	-
Add/(Less) : Changes in fair value of FVOCI Equity Instruments, net of tax	(2.84)	(3.06)	-
Balance as at the end of the year	<u>(5.90)</u>	<u>(3.06)</u>	<u>-</u>
	<u>641.21</u>	<u>598.79</u>	<u>561.48</u>

The Company has elected to recognise changes in the fair value of certain investments in equity instruments in Other Comprehensive Income. These changes are accumulated within Equity. The Company transfers amounts from this balance to retained earnings when the relevant equity instruments are derecognised.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>NOTE 14 OTHER FINANCIAL LIABILITIES</b>			
<b>A. Non Current</b>			
Security Deposit ( In the course of Business)	19.86	18.47	17.23
	<b>19.86</b>	<b>18.47</b>	<b>17.23</b>
<b>B . Current</b>			
Unclaimed Dividend	0.57	0.46	0.38
Others	0.14	1.54	0.10
	<b>0.71</b>	<b>2.00</b>	<b>0.48</b>
<b>NOTE 15 PROVISIONS</b>			
<b>A . Non Current</b>			
Provision for Employee Benefits	19.74	16.26	16.61
	<b>19.74</b>	<b>16.26</b>	<b>16.61</b>
<b>B . Current</b>			
Provision for Employee Benefits	1.41	2.52	2.87
Provision for Loss on investment in Subsidiary	3.49	10.88	-
Provision for others	0.90	0.90	0.90
	<b>5.80</b>	<b>14.30</b>	<b>3.77</b>
<b>NOTE 16 DEFERRED TAX LIABILITY</b>			
Deferred Tax Liability (Net)	3.90	4.07	6.39
	<b>3.90</b>	<b>4.07</b>	<b>6.39</b>
<b>NOTE 17 TRADE PAYABLES</b>			
Dues to Micro Enterprises and Small Enterprises	5.00	4.56	2.55
Others	128.66	115.98	91.93
	<b>133.66</b>	<b>120.54</b>	<b>94.48</b>
<b>NOTE 18 OTHER CURRENT LIABILITIES</b>			
<b>Current</b>			
Revenue received in advance	2.88	2.72	1.89
Other Liabilities (Duty, Taxes Etc)	24.16	28.67	21.82
	<b>27.04</b>	<b>31.39</b>	<b>23.71</b>
<b>NOTE 19 CURRENT TAX LIABILITIES</b>			
Provision for taxation	-	1.34	0.16
	<b>-</b>	<b>1.34</b>	<b>0.16</b>



TIDE WATER OIL CO. (INDIA), LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	For the year ended 31 <sup>st</sup> March, 2017	<i>For the year ended 31<sup>st</sup> March, 2016</i>
<b>NOTE 20 REVENUE FROM OPERATIONS</b>		
Sale of Products (Net of Discounts & Rebates)	1,130.32	1,097.01
Other Operating Revenue	1.70	1.29
	<b><u>1,132.02</u></b>	<b><u>1,098.30</u></b>
<b>NOTE 21 OTHER INCOME</b>		
Interest Income	14.49	17.17
Dividend Income	7.74	1.39
Other non operating income	6.39	5.42
Interest Income on Deferred Employee Loan	0.04	0.02
	<b><u>28.66</u></b>	<b><u>24.00</u></b>
<b>NOTE 22 COST OF MATERIAL CONSUMED</b>		
<b>Raw Material &amp; Packing Material</b>		
Opening Stock	64.60	63.28
Add: Purchased during the year	554.76	514.14
Less: Closing Stock	85.98	64.60
	<b><u>533.38</u></b>	<b><u>512.82</u></b>
<b>NOTE 23 CHANGES IN INVENTORIES</b>		
<b>Finished Goods</b>		
Opening Stock	91.53	88.54
Closing Stock	99.25	91.53
	(7.72)	(2.99)
Excise Duty on increase/(decrease) of Finished Goods	0.39	3.95
	<b><u>(7.33)</u></b>	<b><u>0.96</u></b>
<b>NOTE 24 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages and Bonus	42.56	39.09
Contribution to Provident & Other Funds	3.77	3.50
Contribution to Employee Retirement Benefits	5.37	3.36
Medical and Welfare Expenses	3.22	3.32
Effect of Deferred Employee Cost	0.02	0.01
	<b><u>54.94</u></b>	<b><u>49.28</u></b>
<b>NOTE 25 DEPRECIATION</b>		
Depreciation & Amortisation Expenses	7.37	7.24
Less: Effect of Segregating Land from Building	-	0.13
	<b><u>7.37</u></b>	<b><u>7.11</u></b>

TIDE WATER OIL CO. (INDIA), LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	For the year ended 31 <sup>st</sup> March, 2017	<i>For the year ended 31<sup>st</sup> March, 2016</i>
<b>NOTE 26 OTHER EXPENSES</b>		
Repairs - Buildings	0.54	0.89
Repairs - Machinery	2.04	1.89
Repairs - Others	1.11	1.30
Rent	7.25	7.04
Rates & Taxes	3.11	2.16
Consumption of Stores	1.34	0.76
Commission	0.84	0.94
Power & Fuel	3.02	2.85
Insurance	1.78	1.99
Freight & Cartage	25.43	25.22
Travelling & Conveyance	5.92	5.62
Advertising Expenses	18.32	15.77
Selling & Marketing Expenses	22.61	21.59
Directors' fees	0.13	0.12
Provision for Doubtful Debts	0.06	0.30
Provision for diminution in value of investments	0.41	-
Loss on Foreign Exchange	0.27	0.74
Loss on Fixed Asset Scrapped/Sold	0.41	0.07
Royalty	38.88	61.36
Franchisee Fees	99.22	63.08
Depot Operating Expenses	4.61	4.56
Research & Development Expenditure	1.44	1.47
Miscellaneous Expenses	11.01	10.33
CSR Activities	0.70	0.78
Auditors' Remuneration		
- For Audit Fees	0.25	0.15
- For Tax Audit Fees	0.02	0.02
- For Other Services	0.05	0.06
- For Reimbursement of Expenses	0.00*	0.00*
	<b><u>250.77</u></b>	<b><u>231.06</u></b>
*Rs.27,300 (Previous Year Rs.36,725)		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	<u>As at 31<sup>st</sup> March, 2017</u>	<u>As at 31<sup>st</sup> March, 2016</u>	
27	Contingent Liabilities and Commitments		
27.1	Contingent Liabilities		
(a)	Claims against the Company not acknowledged as Debt		
	Income Tax	0.74	0.97
	Sales Tax/VAT	3.97	3.79
	Excise Demands	2.21	0.97
	Navi Mumbai Municipal Corporation Cess	1.36	1.36
	Demand against property sold earlier	0.23	0.17
(b)	Guarantees excluding financial guarantees		
	Bank Guarantee	0.33	0.05
	Other guarantees given to bank against financial facilities availed by subsidiaries	31.86	34.04
27.2	Commitments		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
		2.66	4.40
(b)	Non - cancellable operating leases		
	The company leases various offices, warehouses and plants under non cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of leases are negotiated.		
	Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows		
	Within one year	1.39	1.58
	Later than one year but not later than five years	3.25	1.81
	Later than five years	-	-
	Rental Expense relating to operating leases (minimum lease payments)	2.75	2.35
27.3	Proposed Dividend		
	Equity Shares		
	Final Dividend for the year ended 31 <sup>st</sup> March 2016 of Rs. 30.49 Crores (31 <sup>st</sup> March 2015 Rs.21.78 Crores)		
	Interim Dividend for the year ended 31 <sup>st</sup> March 2016 of Rs. 13.07 Crores (31 <sup>st</sup> March 2015 Rs. 8.71Crores)		
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 100 per fully paid equity share (31 <sup>st</sup> March 2016- Rs. 87.50). This proposed dividend is subject to the approval of shareholders in the ensuing general meeting.		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	<u>For the year ended 31<sup>st</sup> March, 2017</u>	<u>For the year ended 31<sup>st</sup> March, 2016</u>
27.4 Earnings per Equity Share		
(A) Basic		
(i) Number of Equity Shares at the beginning of the year	34,84,800	8,71,200
(ii) Number of Equity Shares at the end of the year	34,84,800	34,84,800
(iii) Weighted Average Number of Equity Shares Outstanding during the year	34,84,800	34,84,800
(iv) Face Value of each Equity Share (Rs.)	5.00	5.00
(v) Profit after tax available for Equity Shareholders		
Profit for the year	102.93	83.18
(vi) Basic Earnings per Equity Share (Rs.)	295.36	238.72
(B) Diluted		
(i) Dilutive Potential Equity Shares	-	-
(ii) Diluted Earnings per Equity Share (Rs.)	295.36	238.72

28 **Employee Benefits:**

## (I) Leave Obligations

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.

The amount of the provision of Rs. 3.34 Crores (31<sup>st</sup> March 2016- Rs. 2.52 Crores) is presented as current, since the Company does not have any unconditional right to defer settlement for any of these obligations.

## (II) Post employment obligations - Defined Benefit Plans

## (A) 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 Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The plan is being managed by a separate Trust created for the purpose and obligations of the company is to make contribution to the Trust based on actuarial valuation. The scheme is funded.

## (B) 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.

## (C) Pension Benefits

The Company has a defined benefit pension fund. The Scheme is unfunded. This is not applicable to members in employment at present.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company for the year ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March 2016 and 1<sup>st</sup> April 2015:

	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March, 2016			As at 1 <sup>st</sup> April, 2015		
	Gratuity	Leave Encash- ment	Medical	Gratuity	Leave Encash- ment	Medical	Gratuity	Leave Encash- ment	Medical
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:									
Present Value of Obligation at the beginning of the year	13.97	9.74	6.07	12.34	8.34	5.14	10.62	7.35	4.25
Current Service Cost	1.11	1.63	0.37	0.90	0.77	0.30	0.69	0.37	0.25
Interest expense	1.07	0.72	0.47	0.92	0.61	0.39	0.88	0.58	0.36
Remeasurements (gains)/losses	–	–	–	–	–	–	–	–	–
Actuarial (gains)/losses arising from changes in demographic assumptions	–	–	–	–	–	–	–	–	–
Actuarial (gains)/losses arising from changes in financial assumptions	1.52	1.51	0.97	0.37	0.42	0.16	0.96	0.66	0.33
Actuarial (gains)/losses arising from changes in experience adjustments	(0.53)	(0.53)	0.21	0.47	0.75	0.27	0.41	0.89	0.10
Past Service Cost	–	–	–	–	–	–	–	–	–
Benefits Paid	(0.57)	(0.99)	(0.18)	(1.04)	(1.13)	(0.20)	(1.22)	(1.50)	(0.16)
Present Value of Obligation at the end of the year	16.57	12.08	7.91	13.96	9.76	6.06	12.34	8.35	5.13
(b) Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets:									
Fair Value of Plan Assets at the beginning of the year	10.99	–	–	6.34	–	–	6.26	–	–
Interest Income	0.99	–	–	0.69	–	–	0.54	–	–
Remeasurements (gains)/losses	–	–	–	–	–	–	–	–	–
Return on plan assets, (excluding amount included in net Interest expense)	0.06	–	–	(0.99)	–	–	(0.24)	–	–
Actuarial (gains)/losses arising from changes in financial assumptions	–	–	–	–	–	–	–	–	–
Contributions	3.94	0.99	0.18	6.00	1.13	0.20	1.00	1.50	0.16
Benefits Paid	(0.57)	(0.99)	(0.18)	(1.04)	(1.13)	(0.20)	(1.22)	(1.50)	(0.16)
Fair Value of Plan Assets at the end of the year	15.41	–	–	11.00	–	–	6.34	–	–
(c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:									
Present Value of Obligation at the end of the year	16.57	12.08	7.91	13.96	9.76	6.06	12.34	8.35	5.13
Fair Value of Plan Assets at the end of the year	15.41	–	–	11.00	–	–	6.34	–	–
(Liabilities) recognised in the Balance Sheet	(1.16)	(12.08)	(7.91)	(2.96)	(9.76)	(6.06)	(6.00)	(8.35)	(5.13)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March, 2016			As at 1 <sup>st</sup> April, 2015		
	Gratuity	Leave Encash- ment	Medical	Gratuity	Leave Encash- ment	Medical	Gratuity	Leave Encash- ment	Medical
(d) Expense recognised in the Other Comprehensive Income:									
Remeasurements (gains)/losses	0.93	–	1.18	1.84	–	0.43	1.61	–	0.44
(e) Expense recognised in the Statement of Profit and Loss:									
Current Service Cost	1.11	1.63	0.37	0.90	0.77	0.30	0.69	0.37	0.25
Past Service Cost	–	–	–	–	–	–	–	–	–
Net Interest Cost/(Income)	0.08	1.71	0.47	0.23	0.77	0.39	0.34	2.12	0.36
Total Expense recognised @	1.19	3.34	0.84	1.13	1.54	0.69	1.03	2.49	0.61
@ Recognised under 'Contribution to Provident and Other Funds' in Note 24.									
(f) The significant actuarial assumptions are as follows									
Discount rate	7.07%	7.07%	7.07%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
Expected Return on plan assets	NA	NA	NA	NA	NA	NA	NA	NA	NA
Salary escalation	8.25%	8.25%	8.25%	7.50%	7.50%	7.50%	7.00%	7.00%	7.00%
Expected Average remaining working lives of employees	NA	NA	NA	NA	NA	NA	NA	NA	NA

Notes:

- The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.
- The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

(g) Sensitivity Analysis

	Impact on DBO with dicount rate					Impact on DBO with cost				
	Change in Assumption		As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015	Change in Assumption		As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Gratuity	Increase by 0.25%	Decrease by Rs.	0.36	0.30	0.27	Increase by 0.5%	Increase by Rs.	0.35	0.36	0.37
	Decrease by 0.25%	Increase by Rs.	0.37	0.31	0.28	Decrease by 0.5%	Decrease by Rs.	0.37	0.37	0.37
Leave Encashment	Increase by 0.25%	Decrease by Rs.	0.28	0.21	0.18	Increase by 0.5%	Increase by Rs.	0.58	0.45	0.39
	Decrease by 0.25%	Increase by Rs.	0.29	0.22	0.19	Decrease by 0.5%	Decrease by Rs.	0.54	0.42	0.37
Medical	Increase by 0.25%	Decrease by Rs.	0.25	0.11	0.09	Increase by 1%	Increase by Rs.	0.69	0.06	0.05
	Decrease by 0.25%	Increase by Rs.	0.27	0.12	0.10	Decrease by 1%	Decrease by Rs.	0.60	0.06	0.05

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

The above Sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(h) Category of Plan Assets: The Company has not received any break up of the compositions of investments by category with respect to gratuity fund managed by LIC, hence disclosure required, has not been given.

(i) Risk Exposure

The Company is exposed to a number of risks through the defined benefit plans. The most significant of which are detailed below:-

Funded

Superannuation Fund - This is a defined contribution fund, so there is no material risk.

Gratuity

i) Credit Risk:

The scheme is insured and fully funded on Projected United Credit Method (PUC) basis. There is a credit risk to the extent the insurer is unable to discharge its obligations including failure to discharge in timely manner.

ii) Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

iii) Regulatory Risk:

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972. There is a risk of change in the regulations requiring higher gratuity payments.

iv) Future Salary Increase Risk:

The scheme cost is very sensitive to the assumed future salary escalation rates for all salary defined benefit schemes. If actual future salary escalations are higher than that assumed in the valuation actual scheme cost and hence the value of the liability will be higher than that estimated.

v) Investment Risk

If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Non-funded

Leave encashment, Medical and Pension.

i) Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

ii) Future Salary Increase Risk:

The scheme cost is very sensitive to the assumed future salary escalation rates for all salary defined benefit schemes. If actual future salary escalations are higher than that assumed in the valuation actual scheme cost and hence the value of the liability will be higher than that estimated.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## iii) Life expectancy:

The pension and medical plan obligation are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liability.

## iv) Pay-as-you-go Risk:

For unfunded schemes financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year.

## v) Withdrawals

Actual Withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rate at subsequent valuation can impact plans liability.

## (j) Defined Benefit Liability and Employer Contributions

Gratuity is funded with LIC. Contribution is made annually to match with the obligation. As per policy of the Company, leave encashment and medical are paid from company's reserve fund.

Expected contributions to Post-employment benefit plans for the year ending 31<sup>st</sup> March 2018 are Rs. 3.10 Crores.

The weighted average duration of the defined benefit obligation is 15 years (March 31, 2016 – 15 years). The expected maturity analysis of undiscounted gratuity, leave encashment and post employment medical benefits is as follows:-

	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31 <sup>st</sup> March 2017					
Gratuity	1.64	0.47	2.94	9.73	14.78
Leave Encashment	1.23	0.32	1.94	6.88	10.37
Post Employment Medical benefits	0.22	0.29	0.53	0.79	1.83
Total	3.09	1.08	5.41	17.40	26.98
As at 31 <sup>st</sup> March 2016					
Gratuity	0.97	1.11	1.97	8.61	12.66
Leave Encashment	0.80	0.77	1.26	6.04	8.87
Post Employment Medical benefits	0.84	0.22	0.81	1.25	3.12
Total	2.61	2.10	4.04	15.90	24.65
As at 1 <sup>st</sup> April 2015					
Gratuity	1.08	0.55	2.03	7.46	11.12
Leave Encashment	0.80	0.34	1.27	5.20	7.61
Post Employment Medical benefits	0.18	0.24	0.83	1.84	3.09
Total	2.06	1.13	4.13	14.50	21.82

## (III) Post employment obligations - Defined Contribution Plans

The Company has certain Defined Contribution Plans viz. Provident Fund and Superannuation Fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The Company has a defined contribution Superannuation plan for which contribution is made at a rate not exceeding 4.87% of Basic and Dearness Allowance of the member with Superannuation. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 3.77 Crores (31<sup>st</sup> March 2016- 3.50 Crores)



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## 29 Related Party Disclosures

## A. List of Related Parties

## (I) The Company controls the following parties:-

<u>Name of Related Parties</u>	<u>Nature of Relationship</u>
Veedol International Limited	Wholly Owned Subsidiary
Veedol International DMCC	Wholly Owned Subsidiary
Veedol International BV	Wholly Owned Subsidiary
Veedol Deutschland GmbH	Wholly Owned Subsidiary of Veedol International BV
Veedol International Americas Inc.	Wholly Owned Subsidiary of Veedol International Limited
Price Thomas Holdings Ltd	Wholly Owned Subsidiary
Granville Oil & Chemicals Ltd	Wholly Owned Subsidiary of Price Thomas Holdings Ltd
Andrew Yule & Co. Ltd.	Entity having significant influence over the Company
Hooghly Printing Co. Ltd.	100 % Subsidiary of Andrew Yule & Co. Ltd.
Standard Greases & Specialities Pvt. Ltd.	Entity having significant influence over the Company
JX Nippon TWO Lubricants India Pvt. Ltd.	Joint Venture of the Company

## (II) Key Management Personnel

Praveen Purushottam Kadle	Director
Subir Roy Choudhury	Director
Vinod Somalal Vyas	Director
Subir Das	Director
Ranjendra Nath Ghosal	Managing Director
Nayantara Palchoudhuri	Director
Sundareshan Sthanunathan	Director
Ashim Mukherjee	Director
Sunil Munshi	Director
Supratik Basu	GCFO
Bhaskar Jyoti Mahanta	Director
Saptarshi Ganguli	Company Secretary
Saurav Ghosal	Relative of Mr. R N Ghosal

## (III) Other Related Parties

Tide Water Oil Co. (India) Ltd. Employee Welfare Trust	Post Employment Benefit Plan Trusts
Tide Water Oil Co. (India) Ltd. Gratuity Trust	Post Employment Benefit Plan Trusts
Tide Water Oil Co. (India) Ltd. Superannuation Trust	Post Employment Benefit Plan Trusts

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## B. Transactions with related parties

Sl. No.	Nature of Transactions	Year ended 31 <sup>st</sup> March 2017					Year ended 31 <sup>st</sup> March 2016				
		Subsidiaries	Joint Ventures	Key Management Personnel	Entities having Significant influence over the Company	Other Related Parties	Subsidiaries	Joint Ventures	Key Management Personnel	Entities having Significant influence over the Company	Other Related Parties
1	Remuneration	-	-	0.81	-	-	-	-	0.75	-	-
2	Sports sponsorship for National Squash Champion & Arjuna Awardee	-	-	0.06	-	-	-	-	0.05	-	-
3	Purchase of Goods	-	-	-	107.76	-	-	-	-	130.81	-
4	Sale of Goods	0.41	-	-	0.37	-	-	-	-	0.19	-
5	Rent Received	-	0.05	-	-	-	-	0.05	-	-	-
6	Franchise Fees	-	114.10	-	-	-	-	72.54	-	-	-
7	Directors' Fees	-	-	0.11	0.02	-	-	-	0.09	0.03	-
8	Dividend Paid	-	-	-	25.84	1.18	-	-	-	17.23	0.86
9	Gratuity Paid	-	-	-	-	4.00	-	-	-	-	6.00
10	Superannuation Paid	-	-	-	-	0.10	-	-	-	-	0.52
11	Rent Paid	-	-	-	3.27	-	-	-	-	2.90	-
12	Royalty Paid	0.21	-	-	2.48	-	0.13	-	-	2.52	-
13	Facilitation Charges	0.42	-	-	-	-	0.53	-	-	-	-
14	Outstanding Financial Facilities	31.86	-	-	-	-	34.04	-	-	-	-
15	Payment for Common Services	-	-	-	4.48	-	-	-	-	4.31	-
16	Processing Charges Paid	-	-	-	1.53	-	-	-	-	2.73	-
17	Investments	105.14	-	-	-	-	7.00	-	-	-	-
18	Reimbursement of various expenses	-	0.31	-	-	-	-	-	-	-	-
19	Repayment of Loan	-	-	-	-	1.25	-	-	-	-	0.80
20	Dividend Received	1.91	5.83	-	-	-	-	1.39	-	-	-
21	Amount due from as on 31st March	-	-	-	0.12	-	0.26	0.02	-	0.03	-
22	Amount due to as on 31st March	0.06	9.79	* 0.00	6.35	-	-	6.72	-	4.04	-

\* Rs. 2000/-

## C. Terms and Conditions

- 1 Remuneration was paid as per service contract.
- 2 Director' Fees and sports sponsorship were paid as per board resolution.
- 3 Transaction relating to payment of dividend was on same terms and conditions that applied to other share holders.
- 4 All other transactions were made on normal commercial terms and conditions and at market rates.
- 5 All outstanding balances are unsecured and are repayable in cash.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## 30 Disclosure related to Investment properties

	<u>As at 31<sup>st</sup> March, 2017</u>	<u>As at 31<sup>st</sup> March, 2016</u>
Fair Value	4.52	4.22

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers the current prices in an active market for properties of different nature or recent prices of similar properties in less active market, adjusted to reflect those differences

The fair values of investment properties have been determined by K.B.S. Associates Private Limited and Sunil Dawalkar both are approved valuer.

## 31 Corporate Social Responsibility

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof:

- i. Gross Amount required to be spent by the Company during the year (2% of the Average Net Profit) Rs. 2.18 Crores
- ii. Amount spent during the year ended :

31.03.2017	In Cash paid in Cash	Yet to be	Total
Construction/acquisition of any assets	-	-	-
On purposes other than above	0.70	-	0.70

31.03.2016	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any assets	0.02	-	0.02
On purposes other than above	0.76	-	0.76

- iii. Break-up of various heads of expenses incurred during the year ended :

	Amounts 31.03.17	Amounts 31.03.16
Rent	0.17	0.16
Repairs	0.00*	0.09
Professional Charges	0.14	0.14
Consultancy Charges	0.28	0.30
Other	0.11	0.07
Total	0.70	0.76

\* Rs. 48815

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

- 32 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;

SI No.	Particulars	Amount	
		As at 31.03.17	As at 31.03.16
1	Outstanding principal amount & interest as on		
	- Principal Amount	5.00	4.56
	- 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 years, 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

- 33 Disclosure on details of Specified Bank Notes (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016 is as under:

	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 08 <sup>th</sup> November, 2016	0.07	0.02	0.09
(+) Permitted receipts	-	0.39	0.39
(-) Permitted payments	0.01	0.36	0.37
(-) Amount deposited in Banks	0.06	-	0.06
Closing cash in hand as on 30 <sup>th</sup> December, 2016	-	0.05	0.05

\* Specified Bank Notes are as defined in the notification of the Government of India, Ministry of Finance, department of Economic Affairs No. S.O. 3407(E), dated 08th November 2016

- 34 The Company had instituted Tide Water Oil Co. (India) Ltd. Employee Welfare Scheme as approved by shareholders vide postal ballot dated 2<sup>nd</sup> March, 2011. Subsequent to promulgation of Securities Exchange Board of India (Share Based Employee Benefits Regulations), 2014 the shareholders vide their postal ballot resolution dated 14<sup>th</sup> January, 2016, aligned the provisions of the aforesaid scheme with that of the said regulations. The scheme had also been rechristened as Tide Water Oil Company (India) Limited Employee Benefit Scheme. No option has been granted during the year, under this scheme.

The scheme continues to be administered by an independent Trust viz., Tide Water Oil Company (India) Limited Employee Benefit Trust (erstwhile Tide Water Oil Co. (India) Ltd. Employee Welfare Trust). The objective of the trust was acquiring shares from the secondary market and implementing the aforesaid scheme under the aforesaid scheme.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

- 35 Bonus shares have been issued in 1:1 ratio during the year ended 31<sup>st</sup> March 2016 by the Company to the eligible members of the Company holding ordinary shares of Rs.5/- each.
- 36 (a) The Company has incurred revenue expenditure of Rs. 1.44 Crores (previous year Rs. 1.47 Crores) on account of Research & Development expenses the break up of which is as follows :

	<i>Year ended 31<sup>st</sup> March, 2017</i>	<i>Year ended 31<sup>st</sup> March, 2016</i>
Salaries & Wages	1.19	1.22
Consumables	0.03	0.03
Utilities	0.14	0.10
Others	0.08	0.12
Total	1.44	1.47

- (b) The Gross Block of Property, Plant and Equipment in Note 3 includes the following assets purchased for Research & Development:

	<i>As at 31<sup>st</sup> March, 2017</i>		<i>As at 31<sup>st</sup> March, 2016</i>	
	Building	Equipment	Building	Equipment
Opening Balance	1.32	4.17	1.32	4.10
Addition during the year	-	0.40	-	0.07
Closing Balance	1.32	4.57	1.32	4.17

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	For the year ended 31 <sup>st</sup> March, 2017	<i>For the year ended 31<sup>st</sup> March, 2016</i>
<b>37 INCOME TAX EXPENSE</b>		
Current Tax		
Current Tax on profits for the year	48.59	53.05
Adjustments for current tax of prior periods	-	-
Total Current Tax Expense	48.59	53.05
Deferred Tax		
Decrease/(increase) in Deferred tax assets	(0.41)	(0.16)
(Decrease)/increase in Deferred tax liabilities	(0.08)	(2.80)
	(0.49)	(2.96)
Income Tax Expense reported in the Statement of Profit and Loss	48.10	50.09
 37.1 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 <sup>st</sup> March 2017 and 31 <sup>st</sup> March 2016		
Accounting profit before income tax	151.03	157.76
At India's statutory income tax rate of 34.608% (31 <sup>st</sup> March 2016: 34.608%)	52.27	54.60
Effects of :		
Deferred Tax movement	(0.49)	(2.96)
Weighted deductions allowable	(0.90)	(0.52)
Disallowed expenses	0.35	(0.47)
Exempted Dividend	(2.02)	(0.48)
Dividend income chargeable at special rates	(0.33)	-
Excess of depreciation over capital allowances	(0.03)	0.42
Others	(0.75)	(0.50)
	<u>48.10</u>	<u>50.09</u>
At the effective income tax rate of	31.85	31.75
Income Tax expense reported in the statement of profit and loss	48.10	50.09
 37.2 To give a narrative description of any changes in Income tax rate		
Not Applicable - since there is no change		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## 38. Deferred Tax Liabilities (Net)

	As at 31 <sup>st</sup> March, 2017					As at 31 <sup>st</sup> March, 2016				
	Opening balance	Recognized in Profit or Loss	Recognized in/Reclassified from OCI	Recognized directly to Equity	Closing balance	Opening balance	Recognized in Profit or Loss	Recognized in/Reclassified from OCI	Recognized directly to Equity	Closing balance
Deferred Tax Liabilities:										
Depreciation on PPE, Intangible Assets and Investment Property	10.05	(0.08)	-	-	9.97	12.85	(2.80)	-	-	10.05
Financial Assets at Fair value through Profit and Loss	-	-	-	-	-	-	-	-	-	-
Financial Assets at Fair value through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Investment in Joint Ventures	-	-	-	-	-	-	-	-	-	-
Others	0.02	0.00	-	-	0.02	0.02	0.00	-	-	0.02
Total Deferred Tax Liabilities:	10.07	(0.08)	-	-	9.99	12.87	(2.80)	-	-	10.07
Deferred Tax Assets:										
Compensated Absences and Retirement Benefits	4.40	0.51	(0.32)	-	4.59	4.97	0.07	(0.64)	-	4.40
Provision for Doubtful Debts	1.29	(0.10)	-	-	1.19	1.20	0.09	-	-	1.29
Others	0.31	-	-	-	0.31	0.31	-	-	-	0.31
Total Deferred Tax Assets:	6.00	0.41	(0.32)	-	6.09	6.48	0.16	(0.64)	-	6.00
Net Deferred Tax Liabilities:	4.07	(0.49)	0.32	-	3.90	6.39	(2.96)	0.64	-	4.07

38.1 The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

38.2 At 31<sup>st</sup> March 2017, there was no recognised deferred tax liability (31<sup>st</sup> March 2016:INR Nil and 1<sup>st</sup> April 2015:INR Nil) for taxes that would be payable on the unremitted earnings of the Company's subsidiaries. The Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

38.3 During the year ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## 39 Other Disclosures :

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

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

<u>Class of Goods</u>	<u>Year ended 31<sup>st</sup> March, 2017</u>	<u>Year ended 31<sup>st</sup> March, 2016</u>
Oils	1,018.82	977.52
Greases	113.20	120.78
	<u>1,132.02</u>	<u>1,098.30</u>

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

<u>Items</u>	<u>Year ended 31<sup>st</sup> March, 2017</u>	<u>Year ended 31<sup>st</sup> March, 2016</u>
Base Oils	323.38	336.17
Additives	188.15	159.79
Grease	1.53	4.29
	<u>513.06</u>	<u>500.25</u>

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

	<u>Year ended 31<sup>st</sup> March, 2017</u>		<u>Year ended 31<sup>st</sup> March, 2016</u>	
	<u>Value</u>	<u>(%)</u>	<u>Value</u>	<u>(%)</u>
(i) Raw Materials (including containers)				
Imported	173.67	32.56	164.24	32.03
Indigenous	359.71	67.44	348.58	67.97
	<u>533.38</u>	<u>100.00</u>	<u>512.82</u>	<u>100.00</u>
(ii) Stores				
Imported	0.27	20.27	0.19	24.89
Indigenous	1.07	79.73	0.57	75.11
	<u>1.34</u>	<u>100</u>	<u>0.76</u>	<u>100.00</u>

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

Raw Materials	149.45	154.68
Plant & Machinery	0.28	0.35
Others	0.04	0.07
	<u>149.77</u>	<u>155.10</u>

## (d) Expenditure in Foreign Currency :

Royalty Remitted	0.24	0.13
Travelling	0.05	0.26
Others	0.09	0.07
	<u>0.38</u>	<u>0.46</u>

## (e) Earnings in Foreign exchange Value of Export on F.O.B. Basis :

	2.41	3.09
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**40 First-time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2, have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March, 2017, the comparative information for the year ended 31<sup>st</sup> March, 2016 and in preparation of an opening Balance Sheet as at 1<sup>st</sup> April, 2015. In preparing its opening Balance Sheet, amounts reported previously in financial statements have been adjusted suitably. An explanation of how a transition from the previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes:

**40.1 Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**40.1.1 Ind AS Optional Exemptions**

**40.1.1.1 Business combination**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. The exemption can also be used for intangible assets covered under Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

**40.1.1.2 Cumulative translation differences**

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired.

In line with the above, all such gains and losses have been set to zero.

**40.1.1.3 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment, measured as per the previous GAAP and use that as its deemed cost at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

**40.1.1.4 Designation of previously recognized financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to Ind AS.

The entity has elected to apply this exemption for its investments.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

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**40.1.1.5 Leases**

Ind AS requires an entity to assess whether a contract or arrangement contains a lease. This assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS.

The entity has elected to apply this exemption.

**40.1.1.6 Joint venture**

Ind AS 101 provides an exemption for changing from proportionate consolidation to the equity method. As per the exemption, when changing from proportionate consolidation to the equity method, an entity should recognize its investment in the joint venture at transition date to Ind AS. The initial investment should be measured based on the carrying amount of assets and liabilities that have been consolidated earlier. The balance of the investment in joint venture at the date of transition to Ind AS is regarded as deemed cost of the investment.

The entity has elected to apply this exemption.

**40.1.2 Ind AS mandatory exceptions**

**40.1.2.1 Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP.

Ind AS estimates at 1<sup>st</sup> April, 2015 are consistent with the estimates as at the same date made with conformity with previous GAAP.

**40.1.2.2 De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition retrospectively from a date of entity's choosing.

The entity has elected to apply the de-recognition provisions prospectively from the date of transition.

**40.1.2.3 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

The entity has applied this exception.

**40.1.2.4 Fair valuation of investments**

Under the previous GAAP, investments were classified as long term investments or current investments based on the intended holding period and realisability. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognized in retained earnings as at the date of transition.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

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**40.1.2.5 Deferred tax**

Under previous GAAP, tax expense in the financial statement was computed by performing line by line addition of tax expense. Under Ind AS, deferred taxes are also recognized on undistributed profits of joint ventures and associates.

**40.1.2.6 Trade receivables**

The Company applies the simplified approach of recognising the expected losses from initial recognition of the receivables on case to case basis as provision for impairment.

**40.1.2.7 Investment property**

Under the previous GAAP, investment properties were presented as part of fixed assets. Under Ind AS, these are required to be separately presented on the face of Balance Sheet.

**40.1.2.8 Bank overdrafts**

Under Ind AS, bank overdrafts repayable on demand are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings.

**40.1.2.9 Proposed dividend**

Under the previous GAAP, dividends proposed by the Board of Directors after the Balance Sheet date, before the approval of the financial statements were considered as adjusting events. Under Ind AS, such dividends are recognized when the same is approved by shareholders in the general meeting.

**40.1.2.10 Excise duty**

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented as part of expenses.

**40.1.2.11 Remeasurements of post-employment benefit obligations**

Under the Ind AS, actuarial gains and losses and the return on plant assets, are recognized in other comprehensive income. Under the previous GAAP, they were forming part of the profit and loss for the year.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## 41.2 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

41.2.1 Reconciliation of equity as at date of transition (1<sup>st</sup> April 2015) and as at 31<sup>st</sup> March 2016

	Notes to first time adoption	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Total equity (shareholder's funds) as per previous GAAP		543.89	516.82
Adjustments			
Shares held in Trust for employees under ESOP Scheme	13	15.70	16.50
Change in profit as given below	41.2.2	5.50	-
Changes in fair value of FVOCI Equity Instruments, net of tax	13	-3.06	-
Other Comprehensive Income (Loan effect)	13	0.06	0.06
Retained Earning Deferred Tax	13	2.61	2.61
Depreciation Effect on Land Segregation	13	0.04	0.04
Retained Earning (Dismantling cost effect)	13	-0.91	-0.91
Proposed Dividend	13	30.49	21.78
Dividend distribution Tax	13	6.21	5.45
Total Adjustments		56.64	45.53
Total Equity as per Ind AS		600.53	562.35

41.2.2 Reconciliation of total comprehensive income for the year ended 31<sup>st</sup> March 2016

	Notes to first time adoption	Year ended 31 <sup>st</sup> March 2016	Year ended 1 <sup>st</sup> April 2015
Profit after Tax as per previous GAAP		77.69	171.15
Adjustments:			
Effect of retained earnings for Depreciation	27	0.13	-
Effect of retained earnings for Interest on employee loan	25	-0.01	-
Other Comprehensive Income (Loan effect)	22	0.02	-
Other Comprehensive Income	25	2.27	-
Change in tax	39 & 40	3.08	-
Total adjustments		5.49	-
Profit after Tax as per Ind AS		83.18	171.15
Other Comprehensive Income		-3.06	-
Total Comprehensive Income as per Ind AS		80.12	171.15

41.2.3 Impact of Ind AS adoption on the statement of cash flows for the year ended 31<sup>st</sup> March 2016

	Previous GAAP	Adjustments	Ind AS
Net Cash Flow from operating activities	139.91	-0.81	139.10
Net Cash Flow from investing activities	-7.29	-0.01	-7.30
Net Cash Flow from financing activities	-49.23	0.81	-48.42
Net increase/(decrease) in cash and cash equivalents	83.39	-0.01	83.38
Cash and Cash equivalents as at 1 <sup>st</sup> April 2015	159.21	-	159.21
Cash and Cash equivalents as at 31 <sup>st</sup> March 2016	242.59	-	242.59

TIDE WATER OIL CO. (INDIA), LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

42 Business Combinations

a) Summary of acquisition

On 29<sup>th</sup> April, 2016 the Company acquired 100% of the issued share capital of Price Thomas Holdings Ltd, a parent company of Granville Oil & Chemicals Ltd, a manufacturer of lubricant oil. This acquisition will enable the Company to enter into the lubricant oil market in UK.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Amount	Amount
	<u>GBP</u>	<u>GBP</u>
<u>FIXED ASSETS</u>		
Property		9,62,000.26
Plant & Machinery		1,81,690.53
Motor Vechiles		36,314.71
Trademarks		80.00
Total		<u>11,80,085.50</u>
<u>CURRENT ASSETS</u>		
Stock	14,98,747.86	
Debtors	25,69,471.32	
Price Thomas Holdings Ltd.	35,687.00	
Petty Cash	1,435.00	
USA Bank Account	23,567.53	
Pre-Payments	1,10,561.01	
Total	<u>42,39,469.72</u>	
<u>CURRENT LIABILITIES</u>		-
Creditors	14,22,706.72	
Provision For Debts	1,01,785.63	
PAYE/NI	24,634.60	
Accruals	2,79,063.79	
Corporation Tax Payable	3,05,009.45	
Bank	4,79,149.84	
VAT	1,72,596.74	
Total	<u>27,84,946.77</u>	
<u>NET CURRENT ASSETS</u>		<u>14,54,522.95</u>
<u>NET ASSETS</u>		<u>26,34,608.45</u>
<u>Net Assets in INR</u>		25.53
Less: Investment in INR		95.14
Goodwill in INR		<u>69.61</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## 43 Disclosures related to Subsidiaries of the Company

SL. No.	Name of Subsidiary company	Country of Incorporation	% of Shareholding as at March 31, 2017	% of Shareholding as at March 31, 2016
1	Veedol International Limited	United Kingdom	100	100
2	Veedol International DMCC	United Arab Emirates	100	100
3	Veedol International BV	Netherlands	100	100
4	Price Thomas Holdings Ltd	United Kingdom	100	N.A
5	Granville Oil & Chemicals Ltd*	United Kingdom	N.A	N.A
6	Veedol Deutschland GmbH @	Germany	N.A	N.A
7	Veedol International Americas Inc. #	Canada	N.A	N.A

\* wholly owned subsidiary of PTHL

@ wholly owned subsidiary of VIBV

# wholly owned subsidiary of VIL

## 44 Disclosures related to Financial Instruments

**Financial instruments by category**

	As at 31 <sup>st</sup> March 2017			As at 31 <sup>st</sup> March 2016			As at 1 <sup>st</sup> April 2015		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments									
- Equity instruments	-	-	211.29	-	-	113.95	-	-	120.56
- Bonds and debentures	-	-	0.50	-	-	0.50	-	-	-
Trade receivables	-	-	153.90	-	-	146.07	-	-	149.14
Loans	0.39	-	14.45	0.54	-	15.70	0.41	-	16.50
Cash and cash equivalents	-	-	145.88	-	-	242.59	-	-	159.21
Security deposits	-	-	2.84	-	-	2.72	-	-	3.02
Others	-	-	2.63	-	-	3.75	-	-	1.91
<b>Total financial assets</b>	<b>0.39</b>	<b>-</b>	<b>531.49</b>	<b>0.54</b>	<b>-</b>	<b>525.28</b>	<b>0.41</b>	<b>-</b>	<b>450.34</b>
<b>Financial liabilities</b>									
Trade payables	-	-	133.66	-	-	120.54	-	-	94.48
Security deposits	-	-	19.86	-	-	18.47	-	-	17.23
Others	-	-	0.71	-	-	2.00	-	-	0.48
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>154.23</b>	<b>-</b>	<b>-</b>	<b>141.01</b>	<b>-</b>	<b>-</b>	<b>112.19</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 3 As at 31 <sup>st</sup> March 2017	Level 3 As at 31 <sup>st</sup> March 2016	Level 3 As at 1 <sup>st</sup> April 2015
Financial Investments at FVPL Loan - Employee Car loan	0.39	0.54	0.41
Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 3 As at 31 <sup>st</sup> March 2017	Level 3 As at 31 <sup>st</sup> March 2016	Level 3 As at 1 <sup>st</sup> April 2015
<b>Financial assets</b>			
Financial Investments at Amortised cost			
Veedol International Limited	59.84	50.96	50.96
Veedol International DMCC	3.52	3.17	3.17
Veedol International BV	52.92	13.61	6.61
Price Thomas Holdings Ltd.	100.00	-	-
JX Nippon TWO Lubricants India Pvt Ltd.	59.41	59.41	59.41
Woodlands Multispeciality Hospital Limited	0.00*	0.00*	0.00*
Yule Financing and Leasing Co. Ltd.	0.19	0.19	0.19
WEBFIL Limited	0.41	0.41	0.41
REC Bond	0.50	0.50	-
Trade receivables	153.90	146.07	149.14
Loans other than employee car loan	14.45	15.70	16.50
Cash and cash equivalents	145.88	242.59	159.21
Security deposits	2.84	2.72	3.02
Others	2.63	3.75	1.91
<b>Financial liabilities</b>			
Trade payables	133.66	120.54	94.48
Security deposits	19.86	18.47	17.23
Others	0.71	2.00	0.48

\* Rs. 100/-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## Level 1

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

## Level 2

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## (i) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

## (ii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 :

	Unlisted equity securities
<b>As at 1<sup>st</sup> April 2015</b>	120.56
Acquisitions	7.00
Gains/ (losses) recognised in profit and loss	(13.61)
Gains/ (losses) recognised in other comprehensive income	–
<b>As at 31<sup>st</sup> March 2016</b>	113.95
Acquisitions	105.14
Gains/ (losses) recognised in profit and loss	(7.80)
Gains/(losses) recognised in other comprehensive income	–
<b>As at 31<sup>st</sup> March 2017</b>	211.29
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period	–
31 <sup>st</sup> March 2017	–
31 <sup>st</sup> March 2016	–



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(All Figures in Rs. Crores unless otherwise mentioned)

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- 45 Based on the synergies, risks and returns associated with business operations and in terms of Ind AS – 108, the Group is predominantly engaged in the business of a single reportable segment of Lubricants during the year. Therefore disclosure requirements of Ind AS - 108 on Segment Reporting are not applicable.
- 46 The management is of the opinion that no case of impairment of asset exist under the provision of Ind AS - 36 on Impairment of Assets as at 31.03.2017.
- 47 Previous year figures have been regrouped / reclassified to conform to this year's classification and have been regrouped and rearranged wherever necessary to make it comparable with the current year figures.

Kolkata, 30th May, 2017

On behalf of the Board,

**Sunil Munshi** *Chairman*

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

**S. Basu**  
*GCFO*

**S. Ganguli**  
*Secretary*

## **INDEPENDENT AUDITORS' REPORT**

TO

THE MEMBERS of

TIDE WATER OIL CO. (INDIA), LTD.

### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of **Tide Water Oil Co. (India) Ltd.** (hereinafter referred to as "the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") and joint venture company comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

### **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Parent Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group and joint venture company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group and its joint venture company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the consolidated Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

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We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements 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 including the Ind AS, of the consolidated financial position of the Group and joint venture company as at 31st March, 2017, its consolidated financial performance including other comprehensive income, its consolidated cash flows and its consolidated changes in equity for the year ended on that date.

### Other Matters

- (a) We did not audit the financial statements of the subsidiary company Veedol International DMCC whose financial statements reflect total assets of Rs. 27.42 crores as at 31<sup>st</sup> March, 2017, total revenues of Rs. 54.49 crores and net cash flows amounting to Rs. 1.07 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements.

We did not audit the financial statements of the joint venture company JX Nippon Two Lubricants India Private Limited whose financial statements reflect Group's share of net profit of Rs 6.63 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary company and joint venture company, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary company and joint venture company is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements of three subsidiaries, Price Thomas Holdings Limited (including its subsidiary Granville Oil & Chemicals Limited), Veedol International Limited (including its subsidiary Veedol International Americas Inc) and Veedol International BV (including its subsidiary Veedol Deutschland GmbH) whose financial statements reflect total assets of Rs. 56.06 crores as at 31<sup>st</sup> March, 2017, total revenues of Rs 115.56 crores and net cash flows amounting to Rs. 2.31 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements/financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors of the Parent Company as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the Parent Company and the report of the other auditors of its joint venture company incorporated in India, none of the directors of the Parent Company and its joint venture company incorporated in India are disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director of that Company in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Parent Company and its joint venture company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with Companies (Audit & Auditors) Amendment Rules 2017, in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture company. Refer Note 30 of the Notes to the Consolidated Ind AS financial statements.
  - ii) The Group and its joint venture company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its joint venture company incorporated in India.
  - iv) The Parent Company and its joint venture company have provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Parent company and its joint venture company incorporated in India. Refer Note 36 to the consolidated Ind AS financial statements.

Place : Kolkata  
Date : 30th May, 2017

For **RAY & RAY**  
*Chartered Accountants*  
(Firm's Registration No. 301072E)  
**(Asish Kumar Mukhopadhyay)**  
*Partner*  
Membership No. 056359

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

**The Annexure referred to in Paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2017, we have audited the internal financial controls over financial reporting of **Tide Water Oil Co. (India), Ltd** (hereinafter referred to as "the Parent Company") and have considered the audit report of the other auditor on the internal financial controls over financial reporting of the joint venture company which is incorporated in India.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent Company and its jointly controlled entity which is incorporated in India, are responsible for establishing and maintaining internal financial controls considering the essential components of internal financial controls as per section 134(5)(e) of the Act and as stated in the applicable Standards of Auditing issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

According to the information and explanations given to us the Parent including and its joint venture company which is incorporated in India is yet to document its Internal Financial Control over Financial Reporting that is in vogue, based upon the criteria of the Guidance Note on audit of Internal Financial Control over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). However, we have carried out some walk through and other audit tests to ascertain the effectiveness of Internal Financial Control over Financial Reporting as practiced by the Company, so far as it affects the financial reporting on the key account balances and processes.

Based on our audit procedures, in our opinion, the Parent Company including its joint venture company , which is incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Parent Company including its joint venture company, which is incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to its joint venture company as considered in the consolidated financial statements and which is incorporated in India, is solely based on the corresponding report of the auditor of such entity.

Place : Kolkata  
Date : 30th May, 2017

For **RAY & RAY**  
*Chartered Accountants*  
(Firm's Registration No. 301072E)  
**(Asish Kumar Mukhopadhyay)**  
*Partner*  
Membership No. 056359

TIDE WATER OIL CO. (INDIA), LTD.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(Figures in Rs. Crores)

ASSETS	Note No.	As At 31st March, 2017	As At 31st March, 2016	As at 1st April, 2015
<b>Non-current assets</b>				
Property, Plant and Equipment	3	109.41	96.43	90.80
Capital work-in-progress	3	0.44	1.52	-
Investment Property	3	0.31	0.32	0.33
Goodwill		123.75	51.13	52.08
Other Intangible assets	3	0.66	0.56	0.54
Financial Assets				
Investments	4	73.98	67.75	59.45
Loans	5	17.60	18.82	19.76
Others	6	0.01	0.01	-
Other non-current assets	7	8.31	4.47	0.43
<b>Current assets</b>				
Inventories	8	201.46	161.86	156.08
Financial Assets				
Trade receivables	9	198.34	165.30	176.54
Cash and cash equivalents	10	114.33	111.88	79.21
Bank balances other than above	10	34.93	132.30	81.50
Loans	5	0.42	0.24	0.17
Others	6	5.79	3.74	1.41
Current Tax Assets (Net)	11	8.74	-	-
Other current assets	7	24.60	29.47	33.50
<b>Total Asset</b>		<b>923.08</b>	<b>845.80</b>	<b>751.80</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share capital	12	1.74	1.74	0.87
Other Equity	13	637.76	584.62	545.92
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Other financial liabilities	15	21.47	18.47	17.23
Deferred tax liabilities (Net)	17	4.10	4.07	6.39
Other non-current liabilities	19	-	0.49	-
Provisions	16	20.60	16.89	17.12
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings	14	28.72	28.41	21.43
Trade payables	18	168.25	137.40	111.26
Other financial liabilities	15	4.40	2.00	0.48
Other current liabilities	19	30.20	36.07	27.17
Current Tax Liabilities (Net)	20	-	1.34	0.16
Provisions	16	5.84	14.30	3.77
<b>Total Equity and Liabilities</b>		<b>923.08</b>	<b>845.80</b>	<b>751.80</b>

The accompanying notes form an integral part of the Consolidated Financial Statement  
In terms of our report attached

For Ray & Ray  
Chartered Accountants  
Firm Registration No. 301072E  
**Asish Kumar Mukhopadhyay**  
Partner

Kolkata, 30th May, 2017

Membership No. 056359

On behalf of the Board,

**S. Munshi** Chairman

**R.N.Ghosal** Managing Director

**S. Basu**

GCFO

**S. Ganguli**

Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Figures in Rs. Crores)

	Notes	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>INCOME</b>			
Revenue From Operations	21	1,300.30	1,136.95
Other Income	22	35.50	24.06
<b>Total Income</b>		<b>1,335.80</b>	<b>1,161.01</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	656.59	559.89
Changes in inventories of finished goods	24	(16.59)	1.54
Excise Duty		170.52	163.31
Employee benefit expense	25	78.35	64.31
Finance costs	26	1.50	1.07
Depreciation and amortization expense	27	8.91	7.39
Other expenses	28	277.21	234.67
<b>Total expenses</b>		<b>1,176.49</b>	<b>1,032.18</b>
Profit/(loss) before exceptional items and tax		159.31	128.83
Tax expense :			
Current tax		51.15	53.16
Deferred tax		(0.49)	(2.97)
Profit/ (Loss) for the period from continuing operations		108.65	78.64
Add : Share of Joint Venture		6.63	7.80
Profit/ (Loss) for the period		115.28	86.44
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		(2.11)	(2.27)
Add : Share of Joint Venture		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Current Tax		(0.41)	(0.15)
Deffered Tax		(0.32)	(0.64)
Total Comprehensive Income for the period		<b>112.44</b>	<b>83.38</b>
Earnings per equity share of face value of Rs 5 each			
Basic and Diluted (in Rs)	30.4	330.84	248.05

The accompanying notes form an integral part of the Consolidated Financial Statement  
In terms of our report attached

For Ray & Ray  
Chartered Accountants  
Firm Registration No. 301072E  
**Asish Kumar Mukhopadhyay**  
Partner

Kolkata, 30th May, 2017

Membership No. 056359

On behalf of the Board,  
**S. Munshi** Chairman  
**R.N.Ghosal** Managing Director

**S. Basu**  
GCFO

**S. Ganguli**  
Secretary



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(Figures in Rs. Crores)

Particulars	Other Equity							Total Equity
	Equity Share Capital	Securities Premium Reserve	Foreign Currency Translation reserve	Capital Reserve	General Reserve	Retained Earning	Other Comprehensive Income	
Balance as on April 1, 2016	1.74	3.52	(0.52)	0.44	90.00	494.24	(3.06)	586.36
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	-	-
Income for the year	-	-	-	-	-	115.28	-	115.28
Dividend	-	-	-	-	-	(48.18)	-	(48.18)
Dividend Distribution Tax	-	-	-	-	-	(9.75)	-	(9.75)
OCI due to actuarial Calculation as per IND AS 19	-	-	-	-	-	-	(2.84)	(2.84)
Change during the year	-	-	(1.76)	0.39	-	-	-	(1.37)
<b>Any other changes :</b>								-
Restatement of employee loan due to change in interest rate	-	-	-	-	-	0.01	-	0.01
Restatement of Deferred Employee Cost due to change in interest rate	-	-	-	-	-	(0.01)	-	(0.01)
<b>Balance as on March 31, 2017</b>	<b>1.74</b>	<b>3.52</b>	<b>(2.28)</b>	<b>0.83</b>	<b>90.00</b>	<b>551.59</b>	<b>(5.90)</b>	<b>639.50</b>

Particulars	Other Equity							Total Equity
	Equity Share Capital	Securities Premium Reserve	Foreign Currency Translation reserve	Capital Reserve	Other Reserves (General Reserve)	Retained Earning	Other Comprehensive Income	
Balance as on March 31, 2015	0.87	4.39	-	-	90.00	447.94	-	543.20
Changes in Accounting Policy or prior period errors		-	-		-	1.80	-	1.80
Restated balances as on April 1, 2015	0.87	4.39	1.47	0.32	90.00	449.74	-	546.79
<b>Total Comprehensive Income</b>								-
Income for the year						86.44		86.44
Dividend						(34.85)		(34.85)
Dividend Distribution Tax						(7.09)		(7.09)
Issue of bonus shares	0.87	(0.87)						-
OCI due to actuarial Calculation as per IND AS 19							(3.06)	(3.06)
Change during the year			(1.99)	0.12				(1.87)
<b>Balance as on March 31, 2016</b>	<b>1.74</b>	<b>3.52</b>	<b>(0.52)</b>	<b>0.44</b>	<b>90.00</b>	<b>494.24</b>	<b>(3.06)</b>	<b>586.36</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Figures in Rs. Crores)

	<u>31st March, 2017</u>	<u>31st March, 2016</u>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	165.94	136.64
<u>Adjustments for:</u>		
Actuarial Loss transferred to OCI	(2.11)	(2.27)
Accrued Interest on Employee Loan effect	0.01	-
Charge of Deferred Employee cost	(0.01)	-
Change in Reserve & others equity	(1.37)	(1.87)
Depreciation and Amortisation	8.91	7.39
Interest received	(14.67)	(17.17)
Loss / (Profit) on sale of fixed assets	0.35	0.06
Interest charge	2.98	2.23
Provision for doubtful debts/Advances(net)	(0.24)	0.30
Provision Written Back	(7.39)	-
Liabilities no longer required written back	(2.37)	(0.79)
Operating Profit before Working Capital changes	<u>150.03</u>	<u>124.52</u>
<u>Adjustments for:</u>		
Trade and other Receivables	(33.80)	10.70
Other Financial Liabilities	36.14	28.83
Inventories	(39.60)	(5.78)
Other Non Financial Liabilities	(1.35)	9.61
Cash Generated from Operations	<u>111.42</u>	<u>167.88</u>
Direct Taxes Paid	(61.44)	(52.13)
Cash Flow before Exceptional Items	<u>49.98</u>	<u>115.75</u>
Provision for loss on Investment	0.41	10.88
<b>Net Cash from Operating Activities</b>	<u><b>50.39</b></u>	<u><b>126.63</b></u>
<b>B. Cash Flow from Investing Activities</b>		
Payment for Goodwill on acquisition	(72.62)	0.95
Purchase of Fixed Assets	(21.49)	(16.34)
Investment in Subsidiaries and Joint Venture	(6.64)	(8.30)
Proceeds from sale of Fixed Assets	0.23	1.73
Interest Received	14.46	15.12
<b>Net Cash used in Investing Activities</b>	<u><b>(86.06)</b></u>	<u><b>(6.84)</b></u>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Short Term Borrowings	0.31	6.97
Recovery of Trust loan	1.25	0.80
Interest Paid	(2.98)	(2.23)
Dividend Paid	(57.83)	(41.86)
<b>Net Cash used in Financing Activities</b>	<u><b>(59.25)</b></u>	<u><b>(36.32)</b></u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)</b>	<u><b>(94.92)</b></u>	<u><b>83.47</b></u>
Cash and Cash Equivalents at the beginning of the year	244.18	160.71
Cash and Cash Equivalents at the end of the year	<u>149.26</u>	<u>244.18</u>
	<u><b>(94.92)</b></u>	<u><b>83.47</b></u>
Restricted Cash	0.57	0.46
In terms of our report attached		

For Ray & Ray  
Chartered Accountants  
Firm Registration No. 301072E  
**Asish Kumar Mukhopadhyay**  
Partner

Kolkata, 30th May, 2017

Membership No. 056359

On behalf of the Board,  
**S. Munshi** Chairman  
**R.N.Ghosal** Managing Director

**S. Basu**  
GCFO

**S. Ganguli**  
Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**1 Summary of significant accounting policies**

**1.1 Basis of preparation**

The consolidated financial statements relate to Tide Water Oil Co.(India) Ltd.(“The Parent Company”), and its subsidiary companies (collectively referred to as “ The Group”) and its Joint Venture Company. The Consolidated Financial Statements of the group and its Joint Venture company have been prepared under the historical cost convention in accordance with Indian Accounting Standard (Ind AS) and the relevant provisions of section 133 of Companies Act 2013 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.

**1.1.1 Compliance with Indian Accounting Standard (Ind AS)**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“The Act”) [Companies (Indian Accounting Standards) Rules, 2015] and (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The Consolidated financial statements up to year ended 31<sup>st</sup> March 2016 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) read with rule 7 of the companies (accounts) Rules 2014 and other relevant provisions of the Act.

These consolidated financial statements are the first consolidated financial statements of the company under Ind AS and Ind AS 101 “First Time Adoption of Indian Accounting Standards” has been applied. Refer Note 33 for an explanation of how the transition from previous GAAP to Ind AS has affected the company’s financial position, financial performance and cash flows.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current non-current classification of assets and liabilities.

**1.1.2 Principles of Consolidation**

- i) The consolidated financial statements of parent and its subsidiary companies are combined on line by line basis by adding together like items of assets, liabilities, income and expenses after fully eliminating intra group balances, transactions, and unrealised gains or losses.
- ii) In respect of subsidiaries, which are consolidated as non integral foreign operations that have a functional currency different from presentation currency are translated into presentation currency as follows:
  - a) assets and liabilities are translated at the closing rate at the date of that balance sheet.
  - b) income and expenses are translated at average exchange rate and
  - c) all resulting exchange differences are recognised in other comprehensive income
- iii) Interest in joint venture are accounted for using the equity method.
- iv) 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 recognised in the financial statements as goodwill or capital reserve, as the case may be.

**1.1.3** Investment other than in subsidiaries and Joint Venture Company have been accounted for as per Ind AS-109, Financial Instruments.

**1.2 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., (the parent company), its subsidiary companies and its joint venture company respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**2.1 Financial risk management**

The entity's activities expose it to market risk, liquidity risk and credit risk. In order to minimize effects of the above, various arrangements are entered into by the entity. The following table explains the sources of risk and how the entity manages the risk in its Consolidated Financial Statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost	Ageing analysis, Credit analysis	Credit limits and letters of credit
Liquidity Risk	Borrowings and other liabilities	Cash Flow forecasts	Credit facilities
Market Risk – foreign exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow forecasts	Monitoring of currency movements
Market Risk – interest rate	Long term borrowings / liabilities	-	Monitoring of interest rate movements
Market Risk – security prices	Investment in Securities	-	Portfolio management

**A) Credit risk**

Credit risk arises from cash and cash equivalents, investment carried at amortized cost, deposit with banks and financing institutions as well as credit exposure to customer and other parties.

For banks and financial institutions, only high rated banks/ institutions are accepted. For other financial assets, the entity assesses and manages credit risk based on internal credit evaluation. It monitors partywise exposure and based on evaluation credit rating is allotted for each party. Thereafter a credit limit is assigned to each party depending on the solvency of the said party.

The entity considers the probability of default on ongoing basis and at each reporting period.

Microeconomic information is incorporated as part of internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 60 days past due.

Reconciliation of provisions for doubtful assets has been provided as under:

Particulars	Amount
Provision for Doubtful Debts on 01.04.2015	3.19
Charges during 2015 - 2016	0.27
Provision for Doubtful Debts on 31.03.2016	3.46
Charges during 2016 - 2017	-0.29
Provision for Doubtful Debts on 31.03.2017	3.17

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**B) Liquidity risk**

Prudent risk liquidity management implies maintaining sufficient cash and cash equivalents and the availability of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the group's liquidity position on the basis of expected cash flow. The entity has access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Bank Overdraft	57.50	57.50	57.50
Letter of Credit	47.50	47.50	47.50

Bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

The following table gives the contractual discounted cash flows falling due within the next 12 (twelve) months.

Maturity of financial liabilities

Contractual maturities	Upto 1 year	Below 2 & 3 year	Above 3 year	Total
Obligation under financial lease	0.97	1.51	-	2.48
Trade payables	168.25	-	-	168.25
Other financial liabilities	4.40	3.08	18.39	25.87

**C) Market risk**

## i) Foreign currency risk

The entity is exposed to foreign exchange risk arising from foreign currency transactions, primarily with regard to AED, Euro, USD and GBP. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency (INR). As per the risk management policy, the gross currency movements are continually monitored and necessary forward contracts are entered into as and when required. However, as the total exposure through currency risk directly is not material, generally forward contracts are not entered into on a regular basis.

The entity's exposure to foreign currency risk at the end of the reporting period expressed in INR is follows:

Particulars	As at 31.03.2017				As at 31.03.2016				As at 01.04.2015			
	GBP	AED	EURO	USD	GBP	AED	EURO	USD	GBP	AED	EURO	USD
<b>Financial Assets</b>												
Equity Investment	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivable	-	-	-	2,580,165	-	-	-	3,142,820	-	-	-	2,055,654
<b>Financial liabilities</b>												
Trade Payables	-	-	-	68,085,530	-	-	-	17,615,682	-	-	-	12,561,451

In addition to the above, the entity has given a corporate guarantee with regard to the following borrowings availed by its subsidiaries as given in the table below :

	31.03.2017	31.03.2016	01.04.2015
VIBV	22.14	24.12	14.73
VIDMCC	9.72	9.92	9.35

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## i) Price risk

The entity's exposure to equity securities has classified as fair value OCI in view of the present set of business of the investee entity, necessary provisions has been made in the accounts with regard to the same.

## ii) Commodity price risk

The entity is exposed to risk of price volatility of base oil and other derivatives of crude oil, which is required for the manufacturing of lubricant oil.

To mitigate the above risk, entity enters into various purchase contract of base oil.

**2.2 Capital Management**

## A) Risk management

The entity's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern
- Maintain an optimal capital structure to reduce the cost of capital.

As on the reporting date, the entity is debt free.

## B) Dividends

- Dividends recognized for the year end review -

	Year ended 31.03.2017	Year ended 31.03.2016
a) Final dividend	30.75	21.78
b) Interim dividend	17.43	13.07

- Dividends not recognized at the end of the reporting period in line with Ind AS.

**2.3 Assets pledged as security**

The carrying amounts of assets pledged as security for borrowings are:

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Current Assets</b>			
Financial assets			
Trade receivables	177.21	147.86	149.14
Non-financial assets			
Inventories	201.45	160.81	152.03

**2.4 Offsetting financial assets and financial liabilities**

The following table presents the financial instruments that are offset as at 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 based on enforceable arrangements.

Particulars	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March, 2016		
	Gross amount	Gross amount set off	Net amount	Gross amount	Gross amount set off	Net amount
Financial assets						
Trade receivables	200.88	2.54	198.34	171.17	5.87	165.30
Financial liabilities						
Trade payables	170.79	2.54	168.25	143.27	5.87	137.40

TIDE WATER OIL CO. (INDIA), LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

**NOTE 3 PROPERTY, PLANT AND EQUIPMENT**

(All Figures in Rs. Crores unless otherwise mentioned)

DESCRIPTION OF ASSETS	GROSS BLOCK AT COST / VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2016	Additions during the year	Disposals during the year	As at 31st March 2017	As at 1st April, 2016	During the Year	Adjustment of Depreciation on disposal	As at 31st March, 2017	As at 31st March 2017	As at 31st March 2016
Land (Freehold)	17.21	-	-	17.21	-	-	-	-	17.21	17.21
Land (Leasehold)	2.21	-	-	2.21	0.29	0.02	-	0.31	1.90	1.92
Buildings	38.90	0.50	0.22	39.18	8.84	1.01	0.01	9.84	29.34	30.06
Plant and Machinery	51.20	20.00	0.30	70.90	24.54	4.58	0.27	28.85	42.05	26.66
Furniture & Fixtures	6.18	0.02	0.67	5.53	3.84	0.53	0.48	3.89	1.64	2.34
Office Equipment	1.58	0.25	0.02	1.81	1.25	0.25	0.05	1.45	0.36	0.33
Servers & Networks	1.06	-	-	1.06	0.58	0.13	-	0.71	0.35	0.48
Desktop/Laptop etc	2.72	0.24	0.65	2.31	2.29	0.31	0.65	1.95	0.36	0.43
Electrical Installation	1.11	0.13	-	1.24	0.44	0.15	-	0.59	0.65	0.67
Lab Equipment	4.20	0.27	-	4.47	1.40	0.49	-	1.89	2.58	2.80
Motor & Other Vehicles	2.79	0.55	0.40	2.94	1.48	0.28	0.33	1.43	1.51	1.31
Windmill	17.46	-	-	17.46	5.24	0.76	-	6.00	11.46	12.22
<b>Sub Total</b>	<b>146.62</b>	<b>21.96</b>	<b>2.26</b>	<b>166.32</b>	<b>50.19</b>	<b>8.51</b>	<b>1.79</b>	<b>56.91</b>	<b>109.41</b>	<b>96.43</b>
<b>Capital Work in Progress</b>										
Capital Work in Progress	-	-	-	-	-	-	-	-	0.44	1.52
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.44</b>	<b>1.52</b>
<b>Investment Property</b>										
Buildings	0.43	-	-	0.43	0.11	0.01	-	0.12	0.31	0.32
<b>Sub Total</b>	<b>0.43</b>	<b>-</b>	<b>-</b>	<b>0.43</b>	<b>0.11</b>	<b>0.01</b>	<b>-</b>	<b>0.12</b>	<b>0.31</b>	<b>0.32</b>
<b>Other Intangible Assets</b>										
Software	3.52	0.59	0.12	3.99	2.96	0.39	0.02	3.33	0.66	0.56
<b>Sub Total</b>	<b>3.52</b>	<b>0.59</b>	<b>0.12</b>	<b>3.99</b>	<b>2.96</b>	<b>0.39</b>	<b>0.02</b>	<b>3.33</b>	<b>0.66</b>	<b>0.56</b>
<b>Grand Total</b>	<b>150.57</b>	<b>22.55</b>	<b>2.38</b>	<b>170.74</b>	<b>53.26</b>	<b>8.91</b>	<b>1.81</b>	<b>60.36</b>	<b>110.82</b>	<b>98.83</b>

TIDE WATER OIL CO. (INDIA), LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017  
NOTE 3 PROPERTY, PLANT AND EQUIPMENT

(All Figures in Rs. Crores unless otherwise mentioned)

DESCRIPTION OF ASSETS	GROSS BLOCK AT COST / VALUATION			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 1st April, 2015	Additions during the year	Adjustments during the year	As at 31st March, 2016	As at 1st April, 2015	During the Year	Asset Sold/ Scrapped/ Adjusted During the Year	As at 31st March 2016	As at 31st March 2015
Land (Freehold)	10.22	-	6.99	17.21	-	-	-	17.21	10.22
Land (Leasehold)	2.21	-	-	2.21	0.27	0.02	-	1.92	1.94
Buildings	35.05	10.84	(6.99)	38.90	7.89	0.95	-	30.06	27.16
Plant and Machinery	52.08	1.64	-	51.20	22.48	3.26	1.20	26.66	29.60
Furniture & Fixtures	5.86	0.36	-	6.18	3.34	0.52	0.02	2.34	2.52
Office Equipment	1.44	0.16	-	1.58	1.08	0.19	0.02	0.33	0.36
Servers & Networks	0.95	0.11	-	1.06	0.41	0.17	-	0.48	0.54
Desktop/Laptop etc	2.56	0.19	-	2.72	2.04	0.28	0.03	0.43	0.52
Electrical Installation	1.01	0.10	-	1.11	0.30	0.14	-	0.67	0.71
Lab Equipment	4.02	0.18	-	4.20	0.92	0.48	-	2.80	3.10
Motor & Other Vehicles	2.56	0.42	-	2.79	1.41	0.24	0.17	1.31	1.15
Windmill	17.46	-	-	17.46	4.48	0.76	-	12.22	12.98
<b>Sub Total</b>	<b>135.42</b>	<b>14.00</b>	<b>-</b>	<b>146.62</b>	<b>44.62</b>	<b>7.01</b>	<b>1.44</b>	<b>96.43</b>	<b>90.80</b>
<b>Capital Work in Progress</b>									
Capital Work in Progress	-	-	-	-	-	-	-	1.52	-
<b>Sub Total</b>								<b>1.52</b>	
<b>Investment Property</b>									
Buildings	0.43	-	-	0.43	0.10	0.01	-	0.32	0.33
<b>Sub Total</b>	<b>0.43</b>	<b>-</b>	<b>-</b>	<b>0.43</b>	<b>0.10</b>	<b>0.01</b>	<b>-</b>	<b>0.32</b>	<b>0.33</b>
<b>Other Intangible Assets</b>									
Software	3.13	0.39	-	3.52	2.59	0.37	-	0.56	0.54
<b>Sub Total</b>	<b>3.13</b>	<b>0.39</b>	<b>-</b>	<b>3.52</b>	<b>2.59</b>	<b>0.37</b>	<b>-</b>	<b>0.56</b>	<b>0.54</b>
<b>Grand Total</b>	<b>138.98</b>	<b>14.39</b>	<b>-</b>	<b>150.57</b>	<b>47.31</b>	<b>7.39</b>	<b>1.44</b>	<b>98.83</b>	<b>91.67</b>





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

<b>NOTE 7 OTHER ASSET</b>	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>A. Non Current</b>			
Capital advance	6.88	1.09	0.31
Advance to related parties	-	1.75	-
Advances Other than Capital advance			
Unsecured, Considered Good	1.35	1.54	-
Unsecured, Considered Doubtful	0.27	0.27	0.27
Less: Provision	(0.27)	(0.27)	(0.27)
Deferred Employee Cost	0.08	0.09	0.06
	<u><b>8.31</b></u>	<u><b>4.47</b></u>	<u><b>0.43</b></u>
<b>B. Current</b>			
Advance Recoverable in cash or in kind or service value to be received	7.76	9.16	7.06
Balance with Government Authorities	16.83	20.30	26.43
Deferred Employee Cost	0.01	0.01	0.01
	<u><b>24.60</b></u>	<u><b>29.47</b></u>	<u><b>33.50</b></u>
<b>NOTE 8 INVENTORIES</b>			
At Lower of Cost and Net Realisable Value			
<b>Raw Materials</b>			
In Transit	10.19	7.23	8.69
In Others	69.14	50.22	47.92
<b>Finished Products</b>	112.83	95.85	91.97
<b>Others</b>			
Packing Materials	8.67	8.19	7.13
Spares	0.63	0.37	0.37
	<u><b>201.46</b></u>	<u><b>161.86</b></u>	<u><b>156.08</b></u>
<b>NOTE 9 TRADE RECEIVABLES</b>			
Secured	70.45	9.85	10.32
Unsecured, Considered Good	127.89	154.30	166.22
Doubtful	3.17	3.46	3.19
	<u>201.51</u>	<u>167.61</u>	<u>179.73</u>
Less: Provision for doubtful debts	(3.17)	(3.46)	(3.19)
	<u>198.34</u>	<u>164.15</u>	<u>176.54</u>
Add: Bills Discounted	-	1.15	-
	<u><b>198.34</b></u>	<u><b>165.30</b></u>	<u><b>176.54</b></u>

TIDE WATER OIL CO. (INDIA), LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

<b>NOTE 10 CASH &amp; BANK BALANCES</b>	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Current Accounts	9.98	4.33	11.42
Cheques, drafts in hand	4.46	4.38	6.26
Cash in Hand	1.01	0.02	0.02
Fixed deposit (Maturity of less than three months)	98.88	103.15	61.51
	<b>114.33</b>	<b>111.88</b>	<b>79.21</b>
Other Bank Balances			
In Unpaid Dividend Accounts *	0.57	0.46	0.38
In Fixed Deposits (Maturity of more than three months but less than twelve months)	34.36	131.84	81.12
	<b>34.93</b>	<b>132.30</b>	<b>81.50</b>

\* Earmarked for payment of Unclaimed Dividend only

**NOTE 11 CURRENT TAX ASSETS**

Current Tax Assets (Net)	8.74	-	-
	<b>8.74</b>	-	-

**NOTE 12 EQUITY & SURPLUS**

**Equity Share Capital**

**Authorised:**

4,00,00,000 (Previous year 4,00,00,000)

Equity Shares of Rs.5/-each	20.00	20.00	3.00
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**Issued and Subscribed and Paid-up:**

34,84,800 (Previous year 34,84,800)

Equity Shares of Rs.5/- each fully paid	1.74	1.74	0.87
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Reconciliation of Shares outstanding at the beginning and at the end of the reporting year :

	As at 31st March, 2017		As at 31st March, 2016	
	Number	Rupees in Cr	Number	Rupees in Cr
Equity Shares at the beginning of the year	34,84,800	1.74	8,71,200	0.87
Conversion on Account of Share Split	-		8,71,200	
Issue of Bonus Shares	-		17,42,400	0.87
Outstanding Equity Shares at the end of the year	34,84,800	1.74	34,84,800	1.74

The Authorised Share Capital of the Company is Rs.20.00 Crores comprising 4,00,00,000 Ordinary shares of Rs.5/- each

The Company has one class of Equity Shares having a par value of Rs. 5/- per share . Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval at AGM.

Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Company :

Name of Shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016		As at 1 <sup>st</sup> April, 2015	
	Number	Holding %	Number	Holding %	Number	Holding %
Andrew Yule & Company Limited	913960	26.23	913960	26.23	228390	26.22
Standard Greases and Specialities Private Limited	964996	27.69	964996	27.69	202484	23.24
United India Insurance Company Limited	239848	6.88	239848	6.88	59962	6.88

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

<b>NOTE 13 OTHER EQUITY</b>	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Other Reserve</b>			
<b>Securities Premium Reserve</b>			
Balance as per last Accounts	3.52	4.39	4.39
Less : Utilised for issue for bonus shares	-	0.87	-
	<u>3.52</u>	<u>3.52</u>	<u>4.39</u>
Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act.			
<b>Foreign Currency Translation Reserve</b>			
Opening Balance	(0.52)	1.47	(0.36)
Add/(Less) During the year	<u>(1.76)</u>	<u>(1.99)</u>	<u>(1.83)</u>
	<u>(2.28)</u>	<u>(0.52)</u>	<u>1.47</u>
<b>Capital Reserve</b>			
Opening Balance	0.44	0.32	0.11
Add/(Less) During the year	<u>0.39</u>	<u>0.12</u>	<u>0.21</u>
	<u>0.83</u>	<u>0.44</u>	<u>0.32</u>
<b>Retained Earning</b>			
<b>General Reserve</b>			
Balance as per last Accounts	90.00	90.00	92.29
Less: Transferred to Statement of Profit and Loss	-	-	(2.29)
	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>
Represents a free reserve and is not meant for meeting any specific liability, contingency or commitment.			
<b>Profit &amp; Loss Account</b>			
Opening Balance	494.24	449.74	299.89
Profit during the period	115.28	86.44	158.53
Other Comprehensive Income (Loan effect)	-	-	0.06
Retained Earning (Dismantling cost effect)	-	-	(0.90)
Retained Earning Deferred Tax	-	-	2.61
Depreciation Effect on Land Segregation	-	-	0.04
Restatement of employee loan due to change in interest rate	0.01	-	-
Restatement of Deferred Employee Cost due to change in interest rate	(0.01)	-	-
Dividend	(48.18)	(34.85)	(8.71)
Dividend Distribution Tax	(9.75)	(7.09)	1.78
	<u>551.59</u>	<u>494.24</u>	<u>449.74</u>
<b>Other Comprehensive Income</b>			
Balance as at the beginning of the year	(3.06)	-	-
Add/Less: Changes in fair value of FVOCI Equity Instruments, net of tax	(2.84)	(3.06)	-
Balance as at the end of the year	<u>(5.90)</u>	<u>(3.06)</u>	<u>-</u>
	<u>637.76</u>	<u>584.62</u>	<u>545.92</u>

The Company has elected to recognise changes in the fair value of certain investments in equity instruments in Other Comprehensive Income. These changes are accumulated within Equity. The Company transfers amounts from this balance to retained earnings when the relevant equity instruments are derecognised.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>NOTE 14 BORROWINGS</b>			
<b>Current</b>			
Bank Borrowings	28.72	28.41	21.43
	<u>28.72</u>	<u>28.41</u>	<u>21.43</u>
<b>NOTE 15 OTHER FINANCIAL LIABILITIES</b>			
<b>A. Non Current</b>			
Deposits	21.47	18.47	17.23
	<u>21.47</u>	<u>18.47</u>	<u>17.23</u>
<b>B. Current</b>			
Unclaimed Dividend	0.57	0.46	0.38
Others	3.83	1.54	0.10
	<u>4.40</u>	<u>2.00</u>	<u>0.48</u>
<b>NOTE 16 PROVISIONS</b>			
<b>A. Non Current</b>			
Provision for Employee Benefits	20.60	16.89	17.12
	<u>20.60</u>	<u>16.89</u>	<u>17.12</u>
<b>B. Current</b>			
Provision for Employee Benefits	1.41	2.52	2.87
Provision for Loss on investment in Subsidiary	3.49	10.88	-
Provision for others	0.94	0.90	0.90
	<u>5.84</u>	<u>14.30</u>	<u>3.77</u>
<b>NOTE 17 DEFERRED TAX LIABILITY</b>			
Deferred Tax Liabilities (Net)	4.10	4.07	6.39
	<u>4.10</u>	<u>4.07</u>	<u>6.39</u>
<b>NOTE 18 TRADE PAYABLES</b>			
Dues to Micro Enterprises and Small Enterprises	5.00	4.56	2.55
Others	163.25	132.84	108.71
	<u>168.25</u>	<u>137.40</u>	<u>111.26</u>
<b>NOTE 19 OTHER CURRENT LIABILITIES</b>			
<b>A. Non Current</b>			
	-	0.49	-
	<u>-</u>	<u>0.49</u>	<u>-</u>
<b>B. Current</b>			
Revenue received in advance	2.88	2.72	1.89
Other Liabilities (Duty, Taxes Etc)	27.32	33.35	25.28
	<u>30.20</u>	<u>36.07</u>	<u>27.17</u>
<b>NOTE 20 CURRENT TAX LIABILITIES</b>			
Provision for taxation	-	1.34	0.16
	<u>-</u>	<u>1.34</u>	<u>0.16</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 21 REVENUE FROM OPERATIONS</b>		
Sale of Products (Net of Discounts & Rebates)	1,298.60	1,135.66
Other Operating Revenue	1.70	1.29
	<b>1,300.30</b>	<b>1,136.95</b>
<b>NOTE 22 OTHER INCOME</b>		
Interest Income	14.63	17.17
Dividend Income	5.83	1.39
Other non operating income	7.61	5.48
Provision for impairment for Subsidiaries Written Back	7.39	0.02
Interest Income on Deferred Employee Loan	0.04	-
	<b>35.50</b>	<b>24.06</b>
<b>NOTE 23 COST OF MATERIAL CONSUMED</b>		
<b>Raw Material &amp; Packing Material</b>		
Opening Stock	64.60	76.45
Add : Purchased during the year	679.99	548.04
Less : Closing Stock	88.00	64.60
	<b>656.59</b>	<b>559.89</b>
<b>NOTE 24 CHANGES IN INVENTORIES</b>		
<b>Finished Goods</b>		
Opening Stock	95.85	93.44
Closing Stock	112.83	95.85
	(16.98)	(2.41)
Excise Duty on increase/(decrease) of Finished Goods	0.39	3.95
	<b>(16.59)</b>	<b>1.54</b>
<b>NOTE 25 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries,Wages and Bonus	64.95	54.12
Contribution to Provident & Other Funds	3.77	3.50
Contribution to Employee Retirement Benefits	6.39	3.37
Medical and Welfare Expenses	3.22	3.31
Effect of Deferred Employee Cost	0.02	0.01
	<b>78.35</b>	<b>64.31</b>
<b>NOTE 26 FINANCIAL COST</b>		
Interest Expense	1.50	1.07
	<b>1.50</b>	<b>1.07</b>
<b>NOTE 27 DEPRECIATION</b>		
Depreciation & Amortisation Expenses	8.91	7.52
Less: Effect of Segregating Land from Building	-	0.13
	<b>8.91</b>	<b>7.39</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 28 OTHER EXPENSES</b>		
Repairs - Buildings	0.54	0.89
Repairs - Machinery	2.04	1.89
Repairs - Others	1.81	1.33
Rent	8.59	8.10
Rates & Taxes	3.11	2.16
Consumption Of Stores	1.34	0.76
Commission	0.84	0.94
Power & Fuel	3.27	2.85
Insurance	2.60	2.00
Freight & Cartage	30.37	26.99
Travelling & Conveyance	8.10	8.04
Advertising Expenses	20.85	17.36
Selling & Marketing Expenses	28.52	35.37
Directors' fees	0.13	0.30
Provision For Doubtful Debts	0.32	-
Provision for diminution in value of investments	0.41	10.88
Loss On Foreign Exchange	0.46	0.66
Loss On Fixed Asset Scrapped/Sold	0.41	0.08
Royalty	38.63	61.23
Franchisee Fees	99.22	31.54
Depot Operating Expenses	4.61	4.56
Research & Development Expenditure	1.44	1.47
Miscellaneous Expenses	18.54	14.15
CSR Activities	0.70	0.78
Auditors' Remuneration		
- For Audit Fees	0.29	0.26
- For Tax Audit Fees	0.02	0.02
- For Other Services	0.05	0.06
- For Reimbursement of Expenses	0.00*	0.00*
* Rs.27,300 (Previous Year Rs.36,725)	<u>277.21</u>	<u>234.67</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**29 The subsidiary Companies and Joint Venture Company Considered in the Consolidated Financial Statements****A) Subsidiary Companies**

SL. No.	Name of the company	Country of Incorporation	% of Shareholding as at March 31, 2017	% of Shareholding as at March 31, 2016	% of Shareholding as at March 31, 2015
1	Veedol International Limited	United Kingdom	100	100	100
2	Veedol International DMCC	United Arab Emirates	100	100	100
3	Veedol International BV	Netherlands	100	100	100
4	Price Thomas Holdings Ltd.	United Kingdom	100	N.A	N.A
5	Granville Oil & Chemicals Ltd.*	United Kingdom	N.A	N.A	N.A
6	Veedol Deutschland GmbH @	Germany	N.A	N.A	N.A
7	Veedol International Americas Inc. #	Canada	N.A	N.A	N.A

**B) Joint Venture Company**

Name of the company	Country of Incorporation	% of Shareholding as at March 31, 2017	% of Shareholding as at March 31, 2016	% of Shareholding as at March 31, 2015
JX Nippon TWO Lubricants India Pvt. Ltd.	India	50	50	50

\* wholly owned subsidiary of PTHL

@ wholly owned subsidiary of VIBV

# wholly owned subsidiary of VIL

**30 Contingent Liabilities and Commitments**

	<u>As at 31<sup>st</sup> March, 2017</u>	<u>As at 31<sup>st</sup> March, 2016</u>
<b>30.1 Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as Debt		
Income Tax	0.74	0.97
Sales Tax/VAT	3.97	3.79
Excise Demands	2.21	0.97
Navi Mumbai Municipal Corporation Cess	1.36	1.36
Demand against property sold earlier	0.23	0.17
(b) Guarantees excluding financial guarantees		
Bank Guarantee	0.33	0.05
Other guarantees given to bank against financial facilities availed by subsidiaries	31.86	34.04



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	<i>As at</i> <u>31<sup>st</sup> March, 2017</u>	<i>As at</i> <u>31<sup>st</sup> March, 2016</u>
30.2 Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	2.66	4.40
(b) Non - cancellable operating leases		
The company leases various offices, warehouses and plants under non cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of leases are negotiated.		
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows		
Within one year	1.39	1.58
Later than one year but not later than five years	3.25	1.81
Later than five years	-	-
Rental Expense relating to operating leases (minimum lease payments)	2.75	2.35
30.3 Proposed Dividend		
Equity Shares		
Final Dividend for the year ended 31 <sup>st</sup> March 2016 of Rs. 30.49 Crores (31 <sup>st</sup> March 2015 Rs.21.78 Crores)		
Interim Dividend for the year ended 31 <sup>st</sup> March 2016 of Rs. 13.07 Crores (31 <sup>st</sup> March 2015 Rs. 8.71Crores)		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 100 per fully paid equity share (31 <sup>st</sup> March 2016- Rs. 87.50). This proposed dividend is subject to the approval of shareholders in the ensuing general meeting.		
	<u>For the year ended</u> <u>31<sup>st</sup> March, 2017</u>	<u>For the year ended</u> <u>31<sup>st</sup> March, 2016</u>
30.4 Earnings per Equity Share		
(A) Basic		
(i) Number of Equity Shares at the beginning of the year	34,84,800	8,71,200
(ii) Number of Equity Shares at the end of the year	34,84,800	34,84,800
(iii) Weighted Average Number of Equity Shares Outstanding during the year	34,84,800	34,84,800
(iv) Face Value of each Equity Share (Rs.)	5.00	5.00
(v) Profit after tax available for Equity Shareholders		
Profit for the year	115.28	86.44
(vi) Basic Earnings per Equity Share (Rs.)	330.84	248.05
(B) Diluted		
(i) Dilutive Potential Equity Shares	-	-
(ii) Diluted Earnings per Equity Share (Rs.)	330.84	248.05

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

31 **Employee Benefits:**

(I) Leave Obligations

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.

The amount of the provision of Rs. 3.34 Crores (31<sup>st</sup> March 2016- Rs. 2.52 Crores) is presented as current, since the Company does not have any unconditional right to defer settlement for any of these obligations.

(II) Post employment obligations - Defined Benefit Plans

(A) 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 Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The plan is being managed by a separate Trust created for the purpose and obligations of the company is to make contribution to the Trust based on actuarial valuation. The scheme is funded.

(B) 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.

(C) Pension Benefits

The Company has a defined benefit pension fund. The Scheme is unfunded. This is not applicable to members in employment at present.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company for the year ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March 2016 and 1<sup>st</sup> April 2015:

	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March, 2016			As at 1 <sup>st</sup> April, 2015		
	Gratuity	Leave Encash- ment	Medical	Gratuity	Leave Encash- ment	Medical	Gratuity	Leave Encash- ment	Medical
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:									
Present Value of Obligation at the beginning of the year	13.97	9.74	6.07	12.34	8.34	5.14	10.62	7.35	4.25
Current Service Cost	1.11	1.63	0.37	0.90	0.77	0.30	0.69	0.37	0.25
Interest expense	1.07	0.72	0.47	0.92	0.61	0.39	0.88	0.58	0.36
Remeasurements (gains)/losses	–	–	–	–	–	–	–	–	–
Actuarial (gains)/losses arising from changes in demographic assumptions	–	–	–	–	–	–	–	–	–
Actuarial (gains)/losses arising from changes in financial assumptions	1.52	1.51	0.97	0.37	0.42	0.16	0.96	0.66	0.33
Actuarial (gains)/losses arising from changes in experience adjustments	(0.53)	(0.53)	0.21	0.47	0.75	0.27	0.41	0.89	0.10
Past Service Cost	–	–	–	–	–	–	–	–	–
Benefits Paid	(0.57)	(0.99)	(0.18)	(1.04)	(1.13)	(0.20)	(1.22)	(1.50)	(0.16)
Present Value of Obligation at the end of the year	16.57	12.08	7.91	13.96	9.76	6.06	12.34	8.35	5.13
(b) Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets:									
Fair Value of Plan Assets at the beginning of the year	10.99	–	–	6.34	–	–	6.26	–	–
Interest Income	0.99	–	–	0.69	–	–	0.54	–	–
Remeasurements (gains)/losses	–	–	–	–	–	–	–	–	–
Return on plan assets, (excluding amount included in net Interest expense)	0.06	–	–	(0.99)	–	–	(0.24)	–	–
Actuarial (gains)/losses arising from changes in financial assumptions	–	–	–	–	–	–	–	–	–
Contributions	3.94	0.99	0.18	6.00	1.13	0.20	1.00	1.50	0.16
Benefits Paid	(0.57)	(0.99)	(0.18)	(1.04)	(1.13)	(0.20)	(1.22)	(1.50)	(0.16)
Fair Value of Plan Assets at the end of the year	15.41	–	–	11.00	–	–	6.34	–	–
(c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:									
Present Value of Obligation at the end of the year	16.57	12.08	7.91	13.96	9.76	6.06	12.34	8.35	5.13
Fair Value of Plan Assets at the end of the year	15.41	–	–	11.00	–	–	6.34	–	–
(Liabilities) recognised in the Balance Sheet	(1.16)	(12.08)	(7.91)	(2.96)	(9.76)	(6.06)	(6.00)	(8.35)	(5.13)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March, 2016			As at 1 <sup>st</sup> April, 2015		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
(d) Expense recognised in the Other Comprehensive Income:									
Remeasurements (gains)/losses	0.93	0.00	1.18	1.84	0.00	0.43	1.61	0.00	0.44
(e) Expense recognised in the Statement of Profit and Loss:									
Current Service Cost	1.11	1.63	0.37	0.90	0.77	0.30	0.69	0.37	0.25
Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Interest Cost/(Income)	0.08	1.71	0.47	0.23	0.77	0.39	0.34	2.12	0.36
Total Expense recognised @	1.19	3.34	0.84	1.13	1.54	0.69	1.03	2.49	0.61
@ Recognised under 'Contribution to Provident and Other Funds' in Note 22.									
(f) The significant actuarial assumptions are as follows									
Discount rate	7.07%	7.07%	7.07%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
Expected Return on plan assets	NA	NA	NA	NA	NA	NA	NA	NA	NA
Salary escalation	8.25%	8.25%	8.25%	7.50%	7.50%	7.50%	7.00%	7.00%	7.00%
Expected Average remaining working lives of employees	NA	NA	NA	NA	NA	NA	NA	NA	NA

Notes:

- The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.
- The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

(g) Sensitivity Analysis

	Impact on DBO with dicount rate					Impact on DBO with cost				
	Change in Assumption		At at 31 <sup>st</sup> March, 2017	At at 31 <sup>st</sup> March, 2016	At at 1 <sup>st</sup> April, 2015	Change in Assumption		At at 31 <sup>st</sup> March, 2017	At at 31 <sup>st</sup> March, 2016	At at 1 <sup>st</sup> April, 2015
Gratuity	Increase by 0.25%	Decrease by Rs.	0.36	0.30	0.27	Increase by 0.5%	Increase by Rs.	0.35	0.36	0.37
	Decrease by 0.25%	Increase by Rs.	0.37	0.31	0.28	Decrease by 0.5%	Decrease by Rs.	0.37	0.37	0.37
Leave Encashment	Increase by 0.25%	Decrease by Rs.	0.28	0.21	0.18	Increase by 0.5%	Increase by Rs.	0.58	0.45	0.39
	Decrease by 0.25%	Increase by Rs.	0.29	0.22	0.19	Decrease by 0.5%	Decrease by Rs.	0.54	0.42	0.37
Medical	Increase by 0.25%	Decrease by Rs.	0.25	0.11	0.09	Increase by 1%	Increase by Rs.	0.69	0.06	0.05
	Decrease by 0.25%	Increase by Rs.	0.27	0.12	0.10	Decrease by 1%	Decrease by Rs.	0.60	0.06	0.05

The above Sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

(h) Category of Plan Assets: The Company has not received any break up of the compositions of investments by category with respect to gratuity fund managed by LIC, hence disclosure required, has not been given.

(i) Risk Exposure

The Company is exposed to a number of risks through the defined benefit plans. The most significant of which are detailed below:-

Funded

Superannuation Fund - This is a defined contribution fund, so there is no material risk.

Gratuity

i) Credit Risk:

The scheme is insured and fully funded on Projected United Credit Method (PUC) basis. There is a credit risk to the extent the insurer is unable to discharge its obligations including failure to discharge in timely manner.

ii) Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

iii) Regulatory Risk:

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972. There is a risk of change in the regulations requiring higher gratuity payments.

iv) Future Salary Increase Risk:

The scheme cost is very sensitive to the assumed future salary escalation rates for all salary defined benefit schemes. If actual future salary escalations are higher than that assumed in the valuation actual scheme cost and hence the value of the liability will be higher than that estimated.

v) Investment Risk

If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Non-funded

Leave encashment, Medical and Pension.

i) Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

ii) Future Salary Increase Risk:

The scheme cost is very sensitive to the assumed future salary escalation rates for all salary defined benefit schemes. If actual future salary escalations are higher than that assumed in the valuation actual scheme cost and hence the value of the liability will be higher than that estimated.

iii) Life expectancy:

The pension and medical plan obligation are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liability.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## iv) Pay-as-you-go Risk:

For unfunded schemes financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year.

## v) Withdrawals

Actual Withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rate at subsequent valuation can impact plans liability.

## (j) Defined Benefit Liability and Employer Contributions

Gratuity is funded with LIC. Contribution is made annually to match with the obligation. As per policy of the Company, leave encashment and medical are paid from company's reserve fund.

Expected contributions to Post-employment benefit plans for the year ending 31<sup>st</sup> March 2018 are Rs. 3.10 Crores.

The weighted average duration of the defined benefit obligation is 15 years (March 31, 2016 – 15 years). The expected maturity analysis of undiscounted gratuity, leave encashment and post employment medical benefits is as follows:-

	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31 <sup>st</sup> March 2017					
Gratuity	1.64	0.47	2.94	9.73	14.78
Leave Encashment	1.23	0.32	1.94	6.88	10.37
Post Employment Medical benefits	0.22	0.29	0.53	0.79	1.83
Total	3.09	1.08	5.41	17.40	26.98
As at 31 <sup>st</sup> March 2016					
Gratuity	0.97	1.11	1.97	8.61	12.66
Leave Encashment	0.80	0.77	1.26	6.04	8.87
Post Employment Medical benefits	0.84	0.22	0.81	1.25	3.12
Total	2.61	2.10	4.04	15.90	24.65
As at 1 <sup>st</sup> April 2015					
Gratuity	1.08	0.55	2.03	7.46	11.12
Leave Encashment	0.80	0.34	1.27	5.20	7.61
Post Employment Medical benefits	0.18	0.24	0.83	1.84	3.09
Total	2.06	1.13	4.13	14.50	21.82

## (III) Post employment obligations - Defined Contribution Plans

The Company has certain Defined Contribution Plans viz. Provident Fund and Superannuation Fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The Company has a defined contribution Superannuation plan for which contribution is made at a rate not exceeding 4.87% of Basic and Dearness Allowance of the member with Superannuation. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 3.77 Crores (31<sup>st</sup> March 2016- 3.50 Crore)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

32 **Related Party Disclosures**

A. List of Related Parties

(I) The Company controls the following parties:-

<u>Name of Related Parties</u>	<u>Nature of Relationship</u>
Andrew Yule & Co. Ltd.	Entity having significant influence over the Company
Hooghly Printing Co. Ltd.	100 % Subsidiary of Andrew Yule & Co. Ltd.
Standard Greases & Specialities Pvt. Ltd.	Entity having significant influence over the Company

(II) Key Management Personnel

Praveen Purushottam Kadle	Director
Subir Roy Choudhury	Director
Vinod Somalal Vyas	Director
Subir Das	Director
Ranjendra Nath Ghosal	Managing Director
Nayantara Palchoudhuri	Director
Sundareshan Sthanunathan	Director
Ashim Mukherjee	Director
Sunil Munshi	Director
Supratik Basu	GCFO
Bhaskar Jyoti Mahanta	Director
Saptarshi Ganguli	Company Secretary
Saurav Ghosal	Relative of Mr. R N Ghosal

(III) Other Related Parties

Tide Water Oil Co. (India) Ltd. Employee Welfare Trust	Post Employment Benefit Plan Trusts
Tide Water Oil Co. (India) Ltd. Gratuity Trust	Post Employment Benefit Plan Trusts
Tide Water Oil Co. (India) Ltd. Superannuation Trust	Post Employment Benefit Plan Trusts

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## B. Transactions with related parties

Sl. No.	Nature of Transactions	Year ended 31 <sup>st</sup> March, 2017			Year ended 31 <sup>st</sup> March, 2016		
		Key Managerial Personnel	Entities having Significant influence over the Company	Other Related Parties	Key Managerial Personnel	Entities having Significant influence over the Company	Other Related Parties
1	Remuneration	0.81	-	-	0.75	-	-
2	Sports sponsorship for National Squash Champion & Arjuna Awardee	0.06	-	-	0.05	-	-
3	Salary	-	-	-	0.26	-	-
4	Purchase of Goods	-	107.76	-	-	130.81	-
5	Sale of Goods	-	0.37	-	-	0.19	-
6	Directors' Fees	0.11	0.02	-	0.09	0.03	-
7	Dividend Paid	-	25.84	1.18	-	17.23	0.86
8	Gratuity Paid	-	-	4.00	-	-	6.00
9	Superannuation Paid	-	-	0.10	-	-	0.52
10	Rent Paid	-	3.27	-	-	2.90	-
11	Royalty Paid	-	2.48	-	-	2.52	-
12	Payment for Common Services	-	4.48	-	-	4.31	-
13	Processing Charges Paid	-	1.53	-	-	2.73	-
14	Repayment of Loan	-	-	1.25	-	-	0.80
15	Amount due from as on 31 <sup>st</sup> March	-	0.12	-	-	0.03	-
16	Amount due to as on 31 <sup>st</sup> March	* 0.00	6.35	-	-	4.04	-

\* Rs. 2000/-

## C. Terms and Conditions

- 1 Remuneration was paid as per service contract.
- 2 Director' Fees and sports sponsorship were paid as per board resolution.
- 3 Transaction relating to payment of dividend was on same terms and conditions that applied to other share holders.
- 4 All other transactions were made on normal commercial terms and conditions and at market rates.
- 5 All outstanding balances are unsecured and are repayable in cash.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

**33 First-time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1, have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March, 2017, the comparative information for the year ended 31<sup>st</sup> March, 2016 and in preparation of an opening Balance Sheet as at 1<sup>st</sup> April, 2015. In preparing its opening Balance Sheet, amounts reported previously in financial statements have been adjusted suitably. An explanation of how a transition from the previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes:

**33.1 Exemptions and exceptions availed**

These are set out under "First-time adoption of Ind-AS" as given in the respective Financial Statements of Tide Water Oil Co. (India) Ltd. and its subsidiaries.

**34.2 Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**34.2.1 Reconciliation of equity as at date of transition (1<sup>st</sup> April 2015) and as at 31<sup>st</sup> March 2016**

	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Total equity (shareholder's funds) as per previous GAAP	534.69	499.49
Adjustments	-	-
Shares held in Trust for employees under ESOP Scheme	15.70	16.50
Change in profit as given below	-3.99	-
Change in fair value of FVOCI equity instrument	-3.06	-
Other Comprehensive Income (Loan effect)	0.06	0.06
Retained Earning Deffered Tax	2.61	2.61
Depreciation Effect on Land Segregation	0.04	0.04
Other Comprehensive Income (Dismantling cost effect)	-0.90	-0.90
Proposed Dividend	34.85	21.77
Others	-0.73	1.77
Dividend distribution Tax	7.09	5.45
Total Adjustments	51.67	47.30
Total Equity as per Ind AS	586.36	546.79

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

34.2.2 Reconciliation of total comprehensive income for the year ended 31<sup>st</sup> March 2016

	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Profit after Tax as per previous GAAP	90.43	158.55
Adjustments:	-	-
Effect of retained earnings for Depreciation	5.66	-
Effect of retained earnings for Interest on employee loan	-0.01	-
Other Comprehensive Income (Loan effect)	0.02	-
Other Comprehensive Income	2.27	-
Dividend of JV	1.39	-
Share of JV	-7.80	-
Provision for loss on Investment	-10.88	-
Other Expenses	-0.08	-
Change in tax	5.44	-
Total adjustments	<u>-3.99</u>	<u>-</u>
Profit after Tax as per Ind AS	<u>86.44</u>	<u>158.55</u>
Other Comprehensive Income	<u>-3.06</u>	<u>-</u>
Total Comprehensive Income as per Ind AS	<u>83.38</u>	<u>158.55</u>

34.2.3 Impact of Ind AS adoption on the statement of cash flows for the year ended 31<sup>st</sup> March 2016

	Previous GAAP	Adjustments	Ind AS
Net Cash Flow from operating activities	165.31	-38.68	126.63
Net Cash Flow from investing activities	-1.65	-5.19	-6.84
Net Cash Flow from financing activities	-71.66	35.34	-36.32
Net increase/(decrease) in cash and cash equivalents	92.00	-8.53	83.47
Cash and Cash equivalents as at 1 <sup>st</sup> April 2015	169.44	-8.73	160.71
Cash and Cash equivalents as at 31 <sup>st</sup> March 2016	261.45	-17.27	244.18

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

## 35 Disclosures related to Financial Instruments

**Financial instruments by category**

	As at 31 <sup>st</sup> March 2017			As at 31 <sup>st</sup> March 2016			As at 1 <sup>st</sup> April 2015		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments									
- Equity instruments	-	-	73.48	-	-	67.25	-	-	59.45
- Bonds and debentures	-	-	0.50	-	-	0.50	-	-	-
Trade receivables	-	-	198.34	-	-	165.30	-	-	176.54
Loans	0.40	-	14.77	0.54	-	15.70	0.41	-	16.50
Cash and cash equivalents	-	-	149.26	-	-	244.18	-	-	160.71
Security deposits	-	-	2.85	-	-	2.82	-	-	3.02
Others	-	-	5.80	-	-	3.75	-	-	1.41
<b>Total financial assets</b>	0.40	-	445.00	0.54	-	499.50	0.41	-	417.63
<b>Financial liabilities</b>									
Trade payables	-	-	168.25	-	-	137.40	-	-	111.26
Security deposits	-	-	21.47	-	-	18.47	-	-	17.23
Borrowings	-	-	28.72	-	-	28.41	-	-	21.43
Others	-	-	4.40	-	-	2.00	-	-	0.48
<b>Total financial liabilities</b>	-	-	222.84	-	-	186.28	-	-	150.40

## (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 3 As at 31 <sup>st</sup> March 2017	Level 3 As at 31 <sup>st</sup> March 2016	Level 3 As at 1 <sup>st</sup> April 2015
Financial Investments at FVPL Loan - Employee Car loan	0.40	0.54	0.41

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 3 As at 31 <sup>st</sup> March 2017	Level 3 As at 31 <sup>st</sup> March 2016	Level 3 As at 1 <sup>st</sup> April 2015
<b>Financial assets</b>			
Financial Investments at Amortised cost			
JX Nippon TWO Lubricants India Pvt Ltd	73.48	66.84	59.04
Woodlands Multispeciality Hospital Limited	0.00*	0.00*	0.00*
Yule Financing and Leasing Co.Ltd.	0.19	0.19	0.19
WEBFIL Limited	0.41	0.41	0.41
REC Bond	0.50	0.50	-
Trade receivables	198.34	165.30	176.54
Loans other than employee car loan	14.77	15.70	16.50
Cash and cash equivalents	149.26	244.18	160.71
Security deposits	2.85	2.82	3.02
Others	5.80	3.75	1.41
<b>Financial liabilities</b>			
Trade payables	168.25	137.40	111.26
Security deposits	21.47	18.47	17.23
Borrowings	28.72	28.41	21.43
Others	4.40	2.00	0.48

\* Rs. 100/-

## Level 1

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

## Level 2

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## (i) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

## (ii) Fair value measurements using significant unobservable inputs (level3)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(All Figures in Rs. Crores unless otherwise mentioned)

The following table presents the changes in level 3 items for the periods ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016:

	Unlisted equity securities
<b>As at 1<sup>st</sup> April 2015</b>	59.45
Acquisitions	7.80
Gains/ (losses) recognised in profit and loss	-
Gains/ (losses) recognised in other comprehensive income	-
<b>As at 31<sup>st</sup> March 2016</b>	67.25
Acquisitions	6.64
Gains/ (losses) recognised in profit and loss	(0.41)
Gains/(losses) recognised in other comprehensive income	-
<b>As at 31<sup>st</sup> March 2017</b>	73.48
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period	-
31 <sup>st</sup> March 2017	-
31 <sup>st</sup> March 2016	-

- 36 Disclosure on details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 is as under:

	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 08 <sup>th</sup> November, 2016	0.08	0.02	0.10
(+) Permitted receipts	-	0.42	0.42
(-) Permitted payments	0.01	0.38	0.39
(-) Amount deposited in Banks	0.07	-	0.07
Closing cash in hand as on 30 <sup>th</sup> December, 2016	-	0.06	0.06

\* Specified Bank Notes are as defined in the notification of the Government of India, Ministry of Finance, department of Economic Affairs No. S.O. 3407(E), dated 08<sup>th</sup> November 2016

- 37 Based on the synergies, risks and returns associated with business operations and in terms of Ind AS – 108, the Group is predominantly engaged in the business of a single reportable segment of Lubricants during the year. Therefore disclosure requirements of Ind AS - 108 on Segment Reporting are not applicable.
- 38 The management is of the opinion that no case of impairment of asset exist under the provision of Ind AS - 36 on Impairment of Assets as at 31.03.2017.
- 39 Previous year figures have been regrouped / reclassified to conform to this year's classification and have been regrouped and rearranged wherever necessary to make it comparable with the current year figures.

For Ray & Ray  
Chartered Accountants  
Firm Registration No. 301072E  
**Asish Kumar Mukhopadhyay**  
Partner

Kolkata, 30th May, 2017

Membership No. 056359

On behalf of the Board,

**S. Munshi** Chairman**R.N.Ghosal** Managing Director**S. Basu**

GCFO

**S. Ganguli**

Secretary



**ANNEXURE****FORM AOC-1**

[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

**Statement containing salient features of the financial statement of Subsidiaries and Joint Venture****Part "A" : Subsidiaries**

(All figures are in Rs. Crores unless otherwise mentioned)

1	Sl. No.	1		2		3		4	
2	Name of the Subsidiary	Veedol International Limited		Veedol International DMCC		Veedol International BV		Price Thomas Holdings Ltd.	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period								
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries.	INR	GBP	INR	AED	INR	EURO	INR	GBP
5	Exchange Rate on the last day of the financial year		80.940		17.645		69.195		80.940
6	Share Capital	2.39	0.03	3.53	0.20	19.37	0.28	0.31	0.00*
7	Reserves & Surplus	(1.25)	(0.02)	(1.67)	(0.09)	(39.06)	(0.56)	31.55	0.33
8	Total Assets	2.59	0.03	28.48	1.61	6.76	0.10	48.19	0.60
9	Total Liabilities	2.59	0.03	28.48	1.61	6.76	0.10	48.19	0.60
10	Investments	-	-	-	-	-	-	-	-
11	Turnover	6.90	0.08	54.65	3.06	19.63	0.27	92.17	1.05
12	Profit/(Loss) before taxation	(0.85)	(0.01)	0.84	0.05	(9.59)	(0.13)	9.84	0.09
13	Provision for tax	-	-	-	-	-	-	-	-
14	Profit/(Loss) after taxation	(0.85)	(0.01)	0.84	0.05	(9.59)	(0.13)	9.84	0.09
15	Proposed Dividend	-	-	-	-	-	-	2.18	0.02
16	% of shareholding	100%		100%		100%		100%	

\* GBP 37,895

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year

NA  
NA**Part "B": Joint Venture****Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture**

Sl. No.	Name of Joint Venture	JX Nippon TWO Lubricants India Pvt. Ltd.
1	Latest Audited Balance Sheet date	31st March, 2017
2	Shares of Joint Venture held by the Company on the year end :	
	No.	5,55,000
	Amount of Investment in Joint Venture	59.41
	Extend of Holding %	50%
3	Description of how there is significant influence	Note A
4	Reason why the Joint Venture is not consolidated	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	64.80
6	Profit/Loss for the year :	
	i) Considered in Consolidation	6.63
	ii) Not Considered in Consolidation	-

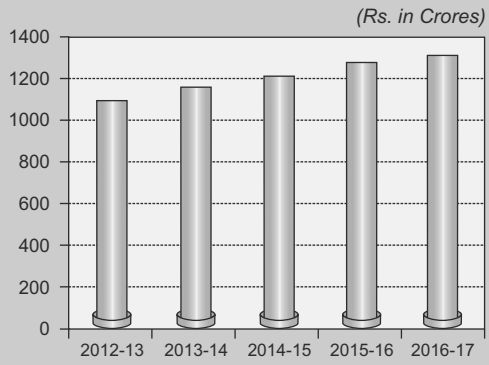
**Note A**

There is significant influence due to percentage(%) of Share Capital

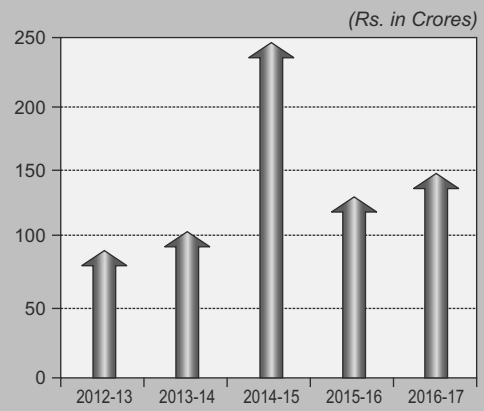
- Names of Associates or Joint Ventures which are yet to commence operations
- Names of Associates or Joint Ventures which have been liquidated or sold during the year

NA  
NA

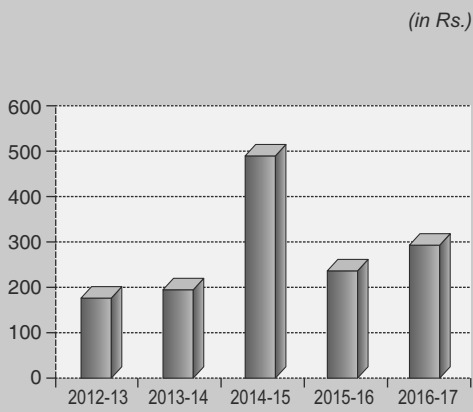
### SALES REVENUE



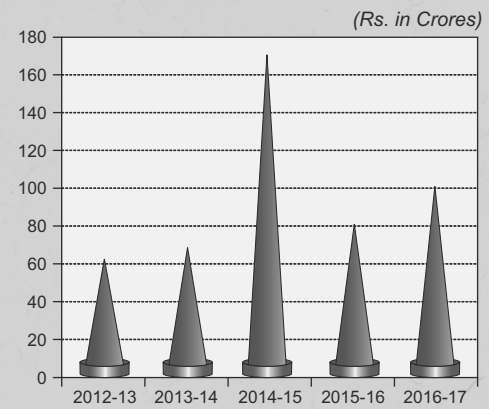
### PROFIT BEFORE TAX



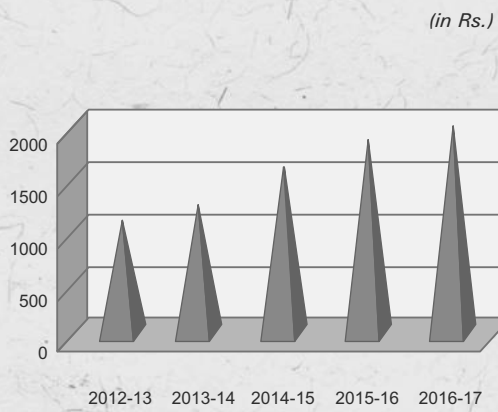
### EPS



### PROFIT AFTER TAX



### BOOK VALUE PER SHARE





	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
Sales	504.83	610.48	751.58	861.42	1,006.45	1,092.72	1,156.52	1,208.88	1,275.34	1,317.29
Other Income	4.09	6.53	6.59	7.00	10.65	10.13	20.79	163.46	24.00	28.66
Raw materials consumed	243.1	301.72	332.26	414.33	545.84	580.34	595.05	616.65	513.77	526.05
Excise duty	76.43	81.44	100.18	109.65	132.93	140.71	150.53	157.13	163.31	170.52
Expenses	150.21	183.22	229.41	239.41	241.81	278.51	319.15	347.69	484.15	493.09
Interest	1.36	1.46	0.81	0.86	1.07	-	-	-	-	-
Gross Profit	37.82	49.17	95.51	104.17	95.45	103.29	112.58	250.87	138.11	156.29
Depreciation	2.5	3.39	6.18	9.71	9.26	9.09	8.82	7.45	7.11	7.37
Profit before tax	35.32	45.78	89.33	94.46	86.19	94.20	103.76	243.42	131.00	148.92
Taxation	12.14	18.23	31.54	30.30	27.11	31.27	35.42	72.25	50.88	48.83
Profit after tax	23.18	27.55	57.79	64.16	59.08	62.93	68.34	171.17	80.12	100.09
Dividend	1.74	2.61	4.36	5.23	10.46	13.07	17.42	21.78	34.85	47.92
Dividend (%)	200	300	500	600	1,200	1,500	2,000	2,500	2,000	2,750
Net Fixed Assets	27.69	42.14	77.87	73.01	75.41	71.45	69.42	90.64	98.40	97.55
Investments	0.6	0.6	0.6	0.60	51.75	53.88	57.00	120.56	114.45	211.79
Net Current Assets	103.66	111.13	127.79	190.54	182.89	214.78	260.27	314.61	391.75	337.51
Net Assets	131.95	153.87	206.26	264.15	310.05	340.11	386.69	525.81	604.60	646.85
Share Capital	0.87	0.87	0.87	0.87	0.87	0.85	0.85	0.85	1.74	1.74
Reserves/Surplus	125.81	150.21	202.76	260.70	307.50	338.05	385.76	515.96	598.79	641.21
Net Worth	124.36	148.85	201.56	259.64	306.56	337.20	385.16	516.81	600.53	642.95
Borrowing	5.95	2.99	0	-	-	-	-	-	-	-
EPS (Rs)	66.52	79.06	165.83	184.11	169.54	180.58	196.11	491.19	238.72	295.36
Debt Equity Ratio	0.05	0.02	0	-	-	-	-	-	-	-
No of ordinary shares	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.35	0.35
Book value/share (Rs)	356.86	427.14	578.40	745.06	879.71	967.63	1,105.26	1,483.04	1,723.28	1,845.01

Figures for 2015-16 & 2016-17 are IND AS compliant and may not be fully comparable

Figures in Rs. Crores unless otherwise indicated



# TIDE WATER OIL CO. (INDIA) LTD.

CIN : L23209WB1921PLC004357

Registered Office : 'Yule House', 8, Dr. Rajendra Prasad Sarani, Kolkata - 700 001  
Tel : 033 2242 1086, Fax : 033 2242 1087, E-mail : tidecal@tidewaterindia.co.in, Website(s) : www.tidewaterindia.com; www.veedolindia.com

ATTENDANCE SLIP

## 94<sup>TH</sup> ANNUAL GENERAL MEETING ON 26<sup>TH</sup> JULY, 2017 (WEDNESDAY) AT 10.00AM

Name and Registered address of the shareholder(s) and Email ID (if any)	
Registered Folio No. /DP. ID. & Client ID. No.	

I / We hereby record my / our presence at the 94<sup>th</sup> Annual General Meeting of the Company held on Wednesday, the 26<sup>th</sup> day of July, 2017 at 10.00 A.M. at 'Williamson Magor Hall', of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata - 700 001.

Member's Folio No. / DP. ID. / Client ID. No. Member's / Proxy's name in Block Letters Member's / Proxy's Signature

Note : Please complete the Folio No./DP. ID. & Client ID. No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall.

### REMOTE ELECTRONIC VOTING PARTICULARS

Remote Electronic Voting Event Number	User / Login ID	Password

Note : Please read the instructions printed under the Note No.13 to the Notice of 94<sup>th</sup> Annual General Meeting, scheduled to be held on 26<sup>th</sup> July, 2017. The remote E-voting period starts from 10:00 a.m. on Sunday, 23<sup>rd</sup> July, 2017 and ends at 5:00 p.m. on Tuesday, 25<sup>th</sup> July, 2017. At the end of the remote E-Voting period, the portal where the votes are cast shall forthwith be blocked by NSDL.

Please cut here and bring the above attendance slip to the Meeting Hall



# TIDE WATER OIL CO. (INDIA) LTD.

CIN : L23209WB1921PLC004357

Registered Office : 'Yule House', 8, Dr. Rajendra Prasad Sarani, Kolkata - 700 001  
Tel : 033 2242 1086, Fax : 033 2242 1087, E-mail : tidecal@tidewaterindia.co.in, Website(s) : www.tidewaterindia.com; www.veedolindia.com  
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PROXY FORM

## 94<sup>TH</sup> ANNUAL GENERAL MEETING ON 26<sup>TH</sup> JULY, 2017 (WEDNESDAY) AT 10.00AM

Name and Registered address of the shareholder(s) and Email ID (if any)	
Registered Folio No. /DP. ID. & Client ID. No.	

I/We, being the member(s) of, ..... shares of the above named company, hereby appoint

- Name : Address : E-mail ID : Signature ..... or failing him/her;
- Name : Address : E-mail ID : Signature ..... or failing him/her;
- Name : Address : E-mail ID : Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 94<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, the 26<sup>th</sup> day of July, 2017 at 10.00 A.M. at "Williamson Magor Hall", of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata - 700 001 and at any adjournment thereof in respect of resolutions as are indicated below :

Resolution No.	Resolutions Proposed	Vote (See Note 3)	
		For	Against
1.	Adoption of Annual Accounts for the year ended 31st March, 2017.		
2.	Approval to confirmation of Interim Dividend and declaration of Final Dividend for the financial year ended 31st March, 2017.		
3.	Approval to re-appointment of Shri Subir Das, Director (DIN : 00199255) retiring by rotation.		
4.	Approval to re-appointment of Shri Vinod S. Vyas, Director (DIN : 00176206) retiring by rotation .		
5.	Approval to appointment of Statutory Auditors & fixation of their remuneration.		
6.	Approval to appointment of Shri D. S. Chandavarkar (DIN : 00176277) as Director.		
7.	Approval to re-appointment of Shri S. Sundareshan (DIN : 01675195) as Independent Director.		
8.	Approval to re-appointment of Smt. Nayantara Palchoudhuri (DIN : 00581440) as Independent Director.		
9.	Approval to related party transactions with Standard Greases and Specialities Private Limited for the year 2017-18.		
10.	Approval to related party transactions with JX Nippon TWO Lubricants India Private Limited for the year 2017-18.		
11.	Ratification of remuneration payable to Cost Auditor for undertaking cost audit for the year 2017-18.		
12.	Approval to extension of the term of appointment of Shri R. N. Ghosal, Managing Director (DIN : 00308865).		

Signed this ..... day of ....., 2017

Folio No. / DP. ID. / Client ID. .... Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix Revenue Stamp

- Notes :
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  - For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice dated 30<sup>th</sup> May, 2017 convening the 94<sup>th</sup> Annual General Meeting.
  - It is optional to put a "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.