



TIDE WATER OIL CO. (INDIA) LIMITED

Registered Office: 'Yule House' 8, Dr. Rajendra Prasad Sarani, Kolkata - 700 001

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

Dear Shareholders,

Notice is hereby given, pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, to transact the following Special businesses by the members of Tide Water Oil Co. (India) Ltd. by passing resolutions through Postal Ballot:

1. Approval of Tide Water Oil Co. (India) Ltd. Employee Welfare Scheme, 2010-11

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors (hereinafter called "Board", which expression shall also include a Committee thereof) to grant and/or allot at any time, through a Trust, to the eligible employees, who are in full time employment including any Director holding a salaried office or employment in the Company, an option to purchase upto 26,136 number of Ordinary Shares of the Company representing 3% of the Paid-up Share Capital under a scheme, framed by the Board and called Tide Water Oil Co. (India) Ltd. Employee Welfare Scheme, 2010-11 (TWO - EWS, 2010-11), in one or more tranches and the terms and conditions provided under the TWO - EWS, 2010-11 or any other scheme that may be framed from time to time for this purpose."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to fund the aforesaid Trust by way of loan to purchase Ordinary Shares of the Company from the open market in respect of the aforesaid grant and/or allotment of option to purchase by the eligible employees in accordance with TWO - EWS, 2010-11."

"RESOLVED FURTHER THAT if by way of any corporate action(s) such as right issue, bonus or split issue, merger and sale or division and others, any additional Ordinary Shares are issued by the Trust to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the aforesaid ceiling of upto 26,136 number of Ordinary Shares representing 3% percentage of Paid-up Share Capital shall be deemed to be altered in accordance with the said corporate action."

"RESOLVED FURTHER THAT in case the Ordinary Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under TWO - EWS, 2010-11 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- per ordinary share would bear to the revised face value of the ordinary shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

"RESOLVED FURTHER THAT for the purpose of granting/issuing/allotting of the option for purchase of the Ordinary Shares of the Company, the Board be and is hereby authorised to make such modifications, changes, variations, alterations or revisions in the said scheme or to suspend/withdraw/revive the scheme from time to time, as may be specified and required by any statutory authority and to do all other acts, deeds, matters and things as may be necessary to give effect to the aforesaid resolutions along with the power to settle any questions or difficulties that may arise with regard to grant/issue/allotment of the shares without requiring the Board to secure any further consent or approval of the members of the Company in this regard."

2. Approval for constitution of Tide Water Oil Co. (India) Ltd. Employee Welfare Trust

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT subject to such consents, approvals as may be required from any statutory or government authority(ies) under applicable law, Tide Water Oil Co. (India) Ltd. Employee Welfare Trust (the 'Trust') be constituted on such terms and in such manner as decided by the Board of Directors of the Company or duly constituted Committee thereof for the purpose of acquisition of ordinary shares of the Company from the secondary market, to hold the ordinary shares and to allocate/transfer these shares to eligible employees of the Company being employees in full time employment including any Director holding a salaried office or employment in the Company, from time to time, in such a manner and on such terms & conditions as specified under Tide Water Oil Co. (India) Ltd. Employee

Welfare Scheme, 2010-11 and to carry out / perform / administer any other act / function / scheme as may be specified / delegated / framed by the Board of Directors from time to time for the general welfare of the employees of the Company."

"RESOLVED FURTHER THAT subject to the applicable provisions of the Companies Act, 1956, loan upto Rs 40 crores (Rupees Forty Crores only) to the Trust be granted in one or more tranches, at such interest as may be agreed between the Board and the Trust from time to time, for the purpose of acquiring ordinary shares of the Company from the secondary market in accordance with Tide Water Oil Co. (India) Ltd. Employee' Welfare Scheme, 2010-11."

3. Approval for modification of terms and conditions of appointment of Executive Director

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT consent of the shareholders be and is hereby accorded to the Board of Directors (hereinafter called "Board", which expression shall also include a Committee thereof) of the Company to grant and/or allot option to any Director holding a salaried office or employment in the Company, including but not limited to the Executive Director of the Company, to participate in Tide Water Oil Co. (India) Ltd. Employee Welfare Scheme, 2010-11 (TWO-EWS, 2010-11) and purchase stock options in accordance with the eligibility criteria as stated therein, out of the quantum of Commission as received / receivable by such Director each year and the terms and conditions of appointment (inclusive of provisions relating to remuneration, perquisites, etc.) of such Director as fixed or to be fixed by the shareholders or the Board, as the case may be, from time to time, be deemed to be modified/alterd/amended/ revised, as may be deemed necessary to give effect to the setting aside of a portion of the Commission received / to be received and subsequent distribution of the same as grant of Stock Option under TWO-EWS, 2010-11 and that the Board be hereby authorized to set aside such portion from the Commission paid / payable by the Company to such Director for the said purpose in accordance with TWO-EWS, 2010-11."

"RESOLVED FURTHER THAT no further consent or approval of the members of the Company will be required for any subsequent year for giving effect to any modification/alteration/amendment/ revision, as may be required, in the terms and conditions of appointment (inclusive of provisions relating to remuneration, perquisites, etc.) of a Director holding a salaried office or employment in the Company, including but not limited to the Executive Director of the Company, to give effect to the setting aside of a portion of the Commission received / to be received and subsequent distribution of the same as grant of Stock Option under TWO-EWS, 2010-11 or any other scheme that may be framed from time to time for this purpose."

4. Approval under Section 293(1)(d) of the Companies Act, 1956

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and other applicable statutes and/or Rules & Regulations framed thereunder and in force during the relevant time(s), to the Board of Directors of the Company for borrowing from time to time from such Banks, Financial Institutions, Government, Government Bodies, Companies and/or other Persons, Bodies Corporate, whether by way of Term Loans, Cash Credit, Advance, Deposits, Bill Discounting or otherwise and whether unsecured or secured by way of mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or immovable, including stock in trade or book debts, of the such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that money to be borrowed together with money already borrowed (apart from temporary loans obtained from the Company's bankers in ordinary course of business) will exceed the aggregate of the paid-up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of the monies that may be borrowed by the Board of Directors shall not exceed Rs.400 crores (Rupees Four Hundred Crores only), outstanding at any point of time."

5. Approval under Section 293(1)(a) of the Companies Act, 1956

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (including a Committee constituted by the Board for this purpose), to mortgage and/or charge the whole or substantially the whole of one or more of the undertakings of the Company wheresoever situated, present and future, in favour of Scheduled

Banks, Foreign Banks, Financial Institutions, NBFCs, Mutual Funds, Insurance Companies or any other category of lender, in India or abroad to secure loans in Indian Rupees or Foreign Currency, guarantees, working capital facilities and/or any other financial assistance obtained/to be obtained from one or more of the aforesaid Lender(s) upto an aggregate amount not exceeding Rs.400 crores (Rupees Four Hundred Crores only) together with interest at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, Trustee's remuneration, costs, charges, expenses, and all other monies, including any increase on account of revaluation / devaluation / fluctuation in the rates of foreign currencies involved, payable by the Company to aforesaid Lender(s) in terms of their respective Loan Agreements / Trustees' Agreements / Letter of Sanctions / Memorandum of terms and conditions, Bonds or any other security document entered into / to be entered into / issued / to be issued by the Company in respect of the said loans / credit facilities / debentures / financial assistance, with a right, where necessary, to take over the management of the business and undertaking of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to negotiate, finalise and settle with the Banks and Financial Institutions/Trustees/other lenders concerned, the terms and conditions of such security including ranking thereof and all deeds, documents and writings for creating appropriate mortgage(s) and/or charge(s) on such of the immovable and/or movable properties of the Company as may be agreed by the Board and for reserving the aforesaid right in their favour and to do all such acts, deeds and things, in the manner as may be necessary or proper for giving effect to the aforesaid Resolution."

Place : Kolkata

Date : 3rd September, 2010

By Order of the Board
For Tide Water Oil Co. (India) Limited

Sd/-

(Supratik Basu)

Dy. General Manager (F) & Co. Secretary

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) and 192A(2) of the Companies Act, 1956

Item No. 1

The Company appreciates the critical role its people play in the organizational growth. It strongly feels that the value created by its people should be shared with them. To promote the culture of employee ownership in the Company, the Board vide its resolution dated 3rd September, 2010, granted in - principle approval with regard to providing long-term incentive to the employees of the Company in form of Stock Option. The approval of the shareholders is being hereby sought for issue of stock options to the eligible employees of the Company through Tide Water Oil Co. (India) Ltd. Employee Welfare Scheme, 2010-11 (TWO-EWS, 2010-11).

The main features of TWO-EWS, 2010-11 are as under:

1. Total number of options to be granted:

Options upto 26,136 Ordinary Shares of the Company representing 3% of the Paid - Up Share Capital of the Company would be available for being granted to eligible employees of the Company through the Trust under TWO-EWS, 2010-11. Each option when exercised would be converted into one Ordinary Share of Rs.10/- each fully paid-up.

The benefit funded by the Company per eligible employee under this Stock Option Scheme will be upto a maximum of 25% of the Performance Linked Incentive Scheme as approved by the Board from time to time, as accruing to the concerned employee in a particular financial year.

The total quantum of options underlying 26,136 Ordinary Shares of the Company, as stated hereinabove, will be initially granted over a period of 3 consecutive years commencing on and from financial year 2010 - 2011 i.e. for the financial year 2010-2011, 2011-2012 and 2012-2013, or thereafter as may be decided by the Board of Directors of the Company on recommendation of the Compensation Committee of the Board.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The board shall have powers to re-grant such options as per TWO-EWS, 2010-11.

2. Identification of classes of employees entitled to participate in TWO-EWS, 2010-11:

All full - time employees of the company, who are eligible for the incentive annually, including any Director holding salaried office or employment in the Company, would be entitled to be granted stock options under TWO-EWS, 2010-11.

3. Transferability of stock options:

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of a stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

4. Requirements of vesting and period of vesting:

All Options granted shall vest not less than 1 year and not more than 1 year from the date of grant.

5. Exercise Price:

The options would be granted at an exercise price as follows:

Discount of 10% to the Market price, where the Market price will be the closing market price one day prior to the date of the Grant, on the National Stock Exchange, where the shares of the Company are listed.

6. Exercise Period and the process of Exercise:

The Exercise period would commence from the date of granting and will expire on completion of 1 year from the date of granting of options. The shares arising out of exercise of vested options would not be subject to any lock-in period after such exercise.

The options will be exercisable by the employees by a written application to the Trust / Company, to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board from time to time.

The options will lapse if not exercised within the specified exercise period.

7. Appraisal Process for determining the eligibility of the employees to Stock Option:

Eligibility of the employees would be decided as per the Performance Appraisal System existing in the Company from time to time.

8. Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines.

9. Method of option valuation for disclosure:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the options granted.

The difference between the employee compensation cost computed using Intrinsic Value Method and the cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The implementation of the aforesaid plan would require the approval of the members by passing Special Resolution through Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956 and the provisions of Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

The Board of Directors consider the proposed Special Resolution in the interest of the Company and recommend the same for your approval by Postal Ballot.

None of the Directors other than Executive Director, Tide Water Oil Company (India) Limited, is in any way concerned or interested in this Resolution proposed to be passed.

Item No. 2

The Board of Directors of the Company vide its Resolution No. 6 dated 3rd September, 2010 resolved to transfer upto 26,136 number of Ordinary Shares of the Company representing 3% of Ordinary Shares of the Company to the eligible employees in the form of Stock Option through a Trust, named Tide Water Oil Co. (India) Ltd. Employee Welfare Trust, constituted for the purpose of administering the present and any future Stock Option granted/to be granted for welfare and benefit of the employees of the Company in line with Tide Water Oil Co. (India) Ltd. Employee Welfare Scheme, 2010-11 and to provide a loan upto Rs.40 crores (Rupees Forty Crores only) to the Trust, in one or more tranches, at an agreed rate of interest, for such purpose.

Creation of such Trust would require approval of the members by passing Special Resolution through Postal Ballot in terms of provisions of Section 192A of the Companies Act, 1956 and the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001. Further constitution of such Trust shall be effective upon its registration under the Indian Trust Act, 1882.

The Board of Directors consider the proposed Special Resolution in the interest of the Company and recommend the same for your approval by Postal Ballot.

None of the Directors is in any way concerned or interested in this Resolution proposed to be passed.

Item No. 3

The Board of Directors of the Company vide its Resolution No. 5 dated 3rd September, 2010 resolved to grant / allot to the eligible employees, who are in full time employment including any Director holding a salaried office or employment in the Company, options to purchase Ordinary Shares of the Company under a scheme framed by the Board and called Tide Water Oil Co. (India) Limited Employee Welfare Scheme, 2010 - 11 (TWO-EWS, 2010-11).

As such the Executive Director of the Company will be eligible to participate in TWO-EWS, 2010-11, and purchase options under the Scheme, partly funded out of the Commission payable by the Company each year, which will be set aside and subsequently distributed as stock option to him.

Since such setting aside of Commission payable to the Executive Director will amount to modification/alteration/amendment/revision in the terms and conditions of appointment (inclusive of provisions relating to remuneration, perquisites, etc.) as resolved by the shareholders vide Resolution dated 14th September, 2009, it is necessary to give effect to such modified/ altered/amended/revised terms and conditions of appointment, by the members of the Company by passing Ordinary Resolution through Postal Ballot in terms of provisions of Section 192A of the Companies Act, 1956 and the provisions of

the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

The Board of Directors consider the proposed Ordinary Resolution in the interest of the Company and recommend the same for your approval by Postal Ballot.

None of the Directors other than Executive Director, Tide Water Oil Company (India) Limited, is in any way concerned or interested in this Resolution proposed to be passed.

Item No.4

The Company is presently exploring possibilities of new business verticals having synergy with its existing strength, which are envisaged to provide profitable returns in future. Since implementation of such probabilities would require increased infusion of funds which may be financed from various financial institutions, banks, etc., it is proposed to increase the maximum borrowing limits as permissible under Section 293(1)(d) of the Companies Act, 1956.

Since the maximum borrowing limit permissible under Section 293(1)(d) of the Companies Act, 1956 is restricted to the aggregate of the paid-up share capital of the Company and its free reserve therefore, sanction of the shareholders is sought to permit the Board to borrow money upto Rs.400 crores (Rupees Four Hundred Crores only) which is in excess of the limit as prescribed under the said section.

Such sanction would require approval by the members by passing an Ordinary Resolution through Postal Ballot in terms of the provisions of Section 293(1)(d) read with Section 192A of the Companies Act, 1956 and the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

The Board of Directors consider the proposed Ordinary Resolution in the interest of the Company and recommend the same for your approval by Postal Ballot.

None of the Directors is in any way concerned or interested in this Resolution proposed to be passed.

Item No. 5

The Company is planning to approach various banks, financial institutions, etc. for obtaining financial assistance not exceeding Rs.400 crores (Rupees Four Hundred Crores only) which may be required for exploring possibilities of new business verticals having synergy with the existing strength and subsequent implementation, thereof, which are envisaged to provide profitable return in future.

As a security for such financial arrangement, the Company would be required to mortgage/charge the movable and/or immovable properties of the Company, whether present or future.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia that the Board of Directors of a Public Company shall not without the consent of the shareholders in the General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Since mortgaging/charging of the movable or immovable properties as aforesaid in favour of the financial institutions, banks, etc. can be considered to be disposal of the Companies properties, it is necessary for the members to pass a Resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/charge on the movable and immovable properties.

The Board of Directors consider the proposed Ordinary Resolution in the interest of the Company and recommend the same for your approval by Postal Ballot.

None of the Directors is in any way concerned or interested in this Resolution proposed to be passed.

Your approval is sought by voting through Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.