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INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TIDE WATER OIL CO. (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date of the Company's branches' at four regions which are also audited by us.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



Basis for Qualified Opinion

Note no 22.10 of Notes to Accounts regarding non provisioning of possible diminution in value of quoted investment.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 22.8 to the financial statements, which describe the treatment of loan to Tide Water Oil Company (India) Limited – Employee Welfare Trust (TWOC-EWT) against share capital/premium in terms of SEBI guidelines and Expert Advisory committee of the Institute of Chartered Accountants of India. The accounts of the said Trust have been audited by another auditor which has been considered by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report 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 purposes 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, and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches.
- (e) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (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, 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 financial statements – Refer Note 22.1 to the financial statements;
 - ii) The Company has not made any provision for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For RAY & RAY

Chartered Accountants

(Firm's Registration. No.301072E)



Partner

(K K Ghosh)

Place: Kolkata

Dated: 30th May, 2015

Membership No.059781

Page 4 of 8



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of the Auditor's Report on "Other Legal and Regulatory Requirements" of even date to the members of **TIDE WATER OIL CO. (INDIA) LIMITED** on the financial statements for the year ended 31st March, 2015

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, plant and machinery located at different locations/ factories have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (ii) (a) As explained to us, inventories were verified by the Management during the year at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) As informed to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clauses (iii)(a) to (iii)(b) of paragraph 3 of the aforesaid Order are not applicable to the Company for the current year.
- (iv) On the basis of our examination of books of account and according to the information and explanations given to us, in our opinion, there exists an adequate internal control system



commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and with the sale of goods and services. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the internal control system of the Company.

- (v) The company has not accepted any deposits, and as such the requirement of clause (v) is not applicable to the company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or The Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act for the company.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Sales tax, Income-tax, Wealth tax, Service tax, Value Added Tax, Custom Duty, Excise Duty or Cess which were outstanding as at 31st March 2015 for a period of more than six months from the date they became payable.

- (b) Details of dues of Income-Tax, Sales Tax, Excise Duty and Cess which have not been deposited as on 31st March 2015 on account of disputes are given below.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amounts relates	Amount involved (Rs. In Crores)
The Central Sales Tax Act and Sales Tax	Sales Tax	West Bengal Commercial Taxes Tribunal, Deputy Commissioner of Commercial Taxes West Bengal, Appellate	1979-2006	2.50



Acts of Various States		Authorities Orissa, High Court Lucknow, Assistant Commissioner Sales Tax, New Delhi		
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise Chennai, High Court, Chennai, Commissioner of Central Excise and Customs (Appeals) Central Excise, Mumbai, Excise Range Superintendent, Kolkata Asst Commissioner, Faridabad	1998-1999 2001-2009	1.00
Navi Mumbai Municipal Corporation CESS Act	Cess	High Court, Mumbai	1998-2004	1.36
Income Tax Act	Income Tax	DCIT	1998-99	0.14
		DCIT	1999-00	0.13
		DCIT	2000-01	0.11
		DCIT	2003-04	0.17
		DCIT	2005-06	0.19
		DCIT	2011-12	0.03
		DCIT	2012-13	0.06
				0.83
Income Tax Act	Fringe Benefit Tax	CIT (A)	2005-2006	0.006

- (c) The amount required to be transferred to investor education and protection fund has been transferred within time as required by relevant statute.
- (viii) The company has no accumulated loss as at 31st March 2015 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (ix) According to the records of the company examined by us and on the basis of information and explanations given to us, the company has not defaulted in repayment of dues to any bank. The company has neither taken any loan from financial institution nor has it issued any debentures.
- (x) According to the information and explanations given to us, the company has given guarantee



for the loan taken by its subsidiaries from banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions on which the company has given guarantee for loans taken from banks are not prima facie prejudicial to the interest of the company.

- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not taken any term loans from bank or financial institution during the year
- (xii) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company nor have we been informed of any such case by the management.

For RAY & RAY

Chartered Accountants

(Firm's Registration. No.301072E)



Partner

(K K Ghosh)

Place: Kolkata

Dated: 30th May, 2015

Membership No.059781

