

Veedol Corporation Limited (formerly Tide Water Oil Company India Limited)

February 04, 2026

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	12.00	CARE AA; Stable	Assigned
Long Term / Short Term Bank Facilities	87.00	CARE AA; Stable / CARE A1+	Assigned

Details of facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Veedol Corporation Limited (VCL) derive strength from the healthy financial risk profile of the company with negligible debt level and strong liquidity in the form of a significant amount of unencumbered cash and bank balances. The debt protection metrics and liquidity of the company are expected to remain strong with stable cash generation from the business and no major investment plans, despite high dividend payout.

Ratings also factor in VCL's long track record in the lubricants industry with a relatively stable market share, where it has an established presence in the automobile segment, which constitutes ~82% of its sales. VCL sells lubricants under the well-established and recognised brands of 'Veedol' and 'Eneos' and has a strong distribution and marketing network with a pan-India presence. It has overseas presence through its subsidiaries and step-down subsidiaries based of the UK and the UAE.

Ratings continue to remain constrained by VCL's limited presence in the industrial lubricant segment, its exposure to the volatility in base oil prices due to its linkage with crude oil, and its presence in an intensely competitive industry with the presence of some large public sector undertakings (PSU) and private sector companies, which restricts ability of VCL's ability to immediately pass on the increase in raw material cost.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Volume-driven growth in the scale of operations and significant improvement in the market share on sustained basis along with improvement in profitability margin.

Negative factors

- Inability to maintain a market share leading to substantial revenue and profitability degrowth on a sustained basis.
- Significant reduction in the liquidity position.
- Deterioration of the overall gearing above 0.50x.

Analytical approach – Consolidated

CARE Ratings Limited (CareEdge Ratings) has adopted a consolidated analytical approach for analysing VCL due to the strong operational and financial linkages between the entities. VCL has also extended guarantees towards the debt availed by few of its subsidiaries. Entities consolidated are provided below in Annexure-6.

Outlook: Stable

The 'Stable' outlook reflects that VCL is expected to sustain its healthy business risk profile given its established market position in the lubricants industry with a strong brand positioning. The financial risk profile is also expected to remain comfortable with strong liquidity and no major capex plan in the near future.

Detailed description of key rating drivers:

Key strengths

Long-standing presence in the lubricants industry

Operating since 1928, VCL is one of the established private sector players in the Indian lubricant industry. Its repertoire of automotive products includes engine oils for trucks, tractors, commercial vehicles (CVs), passenger cars, two and three wheelers. It also produces gear oils, transmission oils, coolants, synthetic lubricant oils and greases for automobiles. For industrial applications, it manufactures industrial oils, greases, and specialty products such as metal working fluids, quenching oils and heat transfer oils.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Well-recognised brand with stable market positioning in the automobile segment

The company manufactures and sells its products mainly under two brands – 'Veedol' and 'Eneos', with 'Veedol' contributing ~40% of its gross domestic sales in FY25 and the balance being contributed by 'Eneos'. The domestic rights for 'Veedol' are owned by VCL, whereas the global rights are owned by Veedol International Limited (100% subsidiary of VCL). The rights for using the brand 'Eneos' in India is held by Eneos VCL India Private Limited (EVIPL), which is a 50:50 joint venture (JV) between Japanese entity Eneos Corporation and VCL. VCL pays the franchise fee to EVIPL. Both the brands have established a wide market acceptance. VCL has tie-ups for the supply of genuine oils with renowned original equipment manufacturers (OEMs) in the automotive segment. 'Eneos' is mainly sold to OEMs, while 'Veedol' is mainly sold in the after-sales segment.

Strong distribution and marketing network

With a pan-India distribution network, VCL has the spread and penetration to provide its products throughout the country. The extensive distribution network consists of 500 distributors and dealers servicing over 50,000 retail outlets and workshops, fed by five plants and ~32 depots strategically located across the country. The company has been introducing products with better performance levels to meet the changing needs of the customers through its two in-house research and development (R&D) centres. The company also has recently developed Synthetic Resin which is first of its kind by a domestic manufacturer. Overseas operations are supported by its subsidiaries and step-down subsidiaries based out of the UK and UAE.

Strong financial risk profile marked by comfortable capital structure and low debt profile

VCL's financial risk profile is strong, as indicated by its healthy capital structure, a minimal debt status, and significant cash and bank balances that provide strong liquidity to the company. The capital structure continues to remain strong marked by an overall gearing of less than 0.02x in the last three fiscals ended March 31, 2025. The interest coverage and other indicators remain robust with interest expenses remaining below ₹3.60 crore in the last five years.

The company has significant dividend pay-outs every year at an average of ~₹80-90 crore which has restricted the build-up of its net worth. Despite this, the liquidity is expected to remain strong, with healthy cash generation and no major investment plans. Any major dividend pay-out going forward, that significantly impacts its liquidity and net worth, will remain a key rating monitorable.

VCL's consolidated total operating income (TOI) improved to ₹1,998 crore in FY25 (FY24: ₹1,946 crore & FY23: ₹1,861 crore) owing to an increase in the sales volume of lubricants. The profit before interest, lease rentals, depreciation and taxation (PBILDT) margin, also improved in view of improved margin in its overseas subsidiaries. Going forward, the management has articulated that no major support will be required to be extended to the subsidiaries, as they are gradually becoming self-sufficient. On an overall basis, the company derives regular dividend income from Veedol UK Limited and EVIPL.

Further in 9MFY26 the TOI stood improved at ₹1,560 crore (₹1,437 crore in 9MFY25) with PBILDT margins at ~11.75%.

Liquidity: Strong

The liquidity position of VCL is strong, as evident from the healthy cash and liquid investments of ₹145 crore as on March 31, 2025, and ~₹190 crore as on September 30, 2025, with nil utilisation of the fund-based working capital limits and no long-term debt repayment obligations. The current ratio of the company was also comfortable, at 1.82x as on March 31, 2025. The company has no plans of any major capex in the near future. Consequently, its liquidity is envisaged to remain strong despite a healthy rate of dividend pay-out.

Key weaknesses**Susceptible to raw material price volatility, especially crude oil**

The key raw material required by the company is base oil, which is obtained through fractional distillation of crude oil. Thus, the prices of base oil have high correlation with those of crude oil, which is inherently volatile in nature. In case of sharp rise in base oil prices, it is difficult for the company to pass on the same immediately, due to high competition, price sensitive nature of end-user segments, and the company being a price taker in the industry. Accordingly, the profitability of the company is vulnerable to the movement in the crude oil prices. The company procures base oil mainly from the domestic market and imports the same.

High competition from other players

The Indian lubricant market is extremely competitive and price sensitive, primarily dominated by PSUs, followed by leading private sector players. Branding and advertisement are a substantial expenditure in the lubricants industry, owing to the intense competition and the commoditised nature of the product. Accordingly, after material cost, selling and distribution cost (including franchise fee) forms the second-largest cost for the company. The competition at the global level is also high due to the presence of large-size lubricant manufacturers with strong brands.

Limited presence in the industrial oil segment

With the limited growth rate in the automotive segment and the increasing competition, players are expected to focus on industrial lubricants as a key area for future growth in the lubricant industry. Although private players are increasing their presence in the industrial segment, the penetration in this segment is expected to be slow considering the well-entrenched position of the existing PSUs and the long gestation period associated with establishing a clientele in this segment. VCL has major presence in the automotive oil segment (~82% of its revenue), with obvious entry barriers in the industrial lubricants segment due to the presence of major PSUs.

Environment, social, and governance (ESG) risks

Risk Factors	Compliance and action by company
Environmental	The Company has integrated sustainability into its operational framework, with a focus on minimizing environmental impact across its value chain. During the reporting period, Scope 1 and Scope 2 emissions were reduced by 25%, totalling 1,574 MTCO _{2e} . This reduction was achieved through increased utilization of solar energy at manufacturing facilities in Turbhe, Oragadam and Silvassa, contributing 2,128 Gigajoule of renewable energy, and through partial transition from diesel to Piped Natural Gas (PNG) for certain equipment. Waste generation declined to 120 MT, with 100% safe disposal and recycling, while water consumption was optimized to 13,326 KL through monitoring and reuse measures. Product development initiatives included the introduction of BS-VI compliant low-SAPS lubricants, long-drain oils, and polyurea-based greases, designed to extend service life and reduce environmental impact.
Social	In FY25, an amount of ₹2.51 crore was spent toward Corporate Social Responsibility (CSR) projects against a budget of ₹2.49 crores, benefiting over 62,500 individuals. Key programs included the Veedol Auto Mechanic Academy and the KARIGARI initiative, which provided technical training to underprivileged youth and grassroots mechanics, thereby enhancing employability. Further the company is also engaged in programs like Computer Shiksha Programme (26,231 students across 102 schools trained in digital literacy), Mobile Medical Units (28,356 people received free primary healthcare services in rural West Bengal & Maharashtra.), etc.
Governance	The Company maintains robust governance standards, emphasizing transparency, ethical conduct, and accountability. The Board comprises a gender-diverse structure with 10% female representation and functions through seven committees, including Audit, CSR, and Risk Management Committees. During FY25, one whistleblower complaint was received and addressed in accordance with the Company's established protocols. No instances of bribery, corruption, or data breaches were reported during FY25. Governance oversight extends to CSR activities, with a dedicated committee monitoring implementation and impact assessments.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Energy	Oil, Gas & Consumable Fuels	Petroleum Products	Lubricants

VCL is mainly engaged in manufacturing and marketing of lubricants. Its products include automotive lubricants, industrial lubricants, and greases. It has a total installed capacity of 111,000 kilolitres per annum (KLPA) for lubricants, across five locations – West Bengal, Haryana, Maharashtra, Dadra and Nagar Haveli and Tamil Nadu, and 6,160 tonne per annum (MTPA) of grease at its Tamil Nadu and West Bengal plants. The company also has overseas presence through its subsidiaries and step-down

subsidiaries based out of the UK and UAE. The Germany subsidiary- Veedol Dustchland GmbH has been liquidated and closed as on January 15, 2026.

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	9MFY26 (UA)
Total operating income	1945.90	1997.94	1583.20
PBILDT*	186.16	221.86	186.05
Profit after tax (PAT)	142.93	168.75	134.16
Overall gearing (x)	0.01	0.02	NA
Interest coverage (x)	104.00	62.50	110.74

A: Audited UA: Unaudited; NA: Not Available; Note: 'the above results are latest financial results available'

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	12.00	CARE AA; Stable
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	80.00	CARE AA; Stable / CARE A1+
Non-fund-based - LT/ ST-BG/LC		-	-	-	7.00	CARE AA; Stable / CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	-	-	-	1)CARE AA; Stable / CARE A1+ (31-Oct-24) 2)Withdrawn (31-Oct-24)	1)CARE AA; Stable / CARE A1+ (02-Aug-23)	1)CARE AA; Stable / CARE A1+ (01-Aug-22)
2	Fund-based - LT-Working Capital Limits	LT	-	-	-	1)Withdrawn (31-Oct-24) 2)CARE AA; Stable (31-Oct-24)	1)CARE AA; Stable (02-Aug-23)	1)CARE AA; Stable (01-Aug-22)
3	Non-fund-based - ST-Letter of credit	ST	-	-	-	1)CARE A1+ (31-Oct-24) 2)Withdrawn (31-Oct-24)	1)CARE A1+ (02-Aug-23)	1)CARE A1+ (01-Aug-22)
4	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	80.00	CARE AA; Stable / CARE A1+				
5	Fund-based - LT-Cash Credit	LT	12.00	CARE AA; Stable				
6	Non-fund-based - LT/ ST-BG/LC	LT/ST	7.00	CARE AA; Stable / CARE A1+				

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated- As on March 31, 2025

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Veedol International Limited	Full	Subsidiary
2	Veedol International DMCC, Dubai	Full	Subsidiary
3	Veedol UK Limited	Full	Subsidiary
4	Veedol Dustchland GmBH#	Full	Subsidiary
5	Granville Oil & Chemicals Ltd	Full	Step Down Subsidiary
6	Veedol Ireland Limited	Full	Step Down Subsidiary
7	Eneos VCL India Pvt Ltd	Moderate	Joint Venture

#Liquidated as on January 15, 2026

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Ranjan Sharma Senior Director CARE Ratings Limited Phone: +91-22-6754 3453 E-mail: ranjan.sharma@careedge.in</p> <p>Hardik Manharbhai Shah Director CARE Ratings Limited Phone: +91-22-6754 3591 E-mail: hardik.shah@careedge.in</p> <p>Arti Roy Associate Director CARE Ratings Limited Phone: +91-22-6754 3657 E-mail: arti.roy@careedge.in</p>
--	---

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**