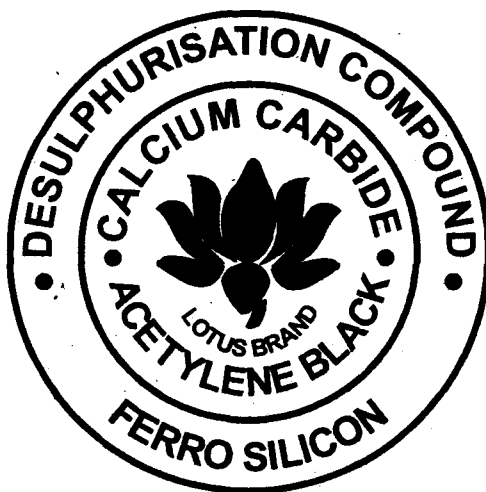


68TH ANNUAL REPORT

31ST MARCH, 2013



**TECIL CHEMICALS AND
HYDRO POWER LIMITED**

BOARD OF DIRECTORS
SHRI. SHRINIWAS B. SOMANI
CHAIRMAN & MANAGING DIRECTOR

DR. R. S. SARDA

SHRI. P.C. JAIN

SHRI. GHANSHYAM K. JOSHI

BANKERS
AXIS BANK LTD.
PUNJAB NATIONAL BANK
STATE BANK OF INDIA

STATUTORY AUDITORS
VMD AND COMPANY
MUMBAI

REGISTERED OFFICE & WORKS
P.O.CHINGAVANAM – 686 531
DIST. KOTTAYAM (KERALA)

ADMINISTRATIVE OFFICE
EMPIRE HOUSE, 3RD FLOOR,
214, DR. D. N. ROAD, FORT,
MUMBAI – 400 001.

WEBSITE : www.tecilchemicals.com

E-MAIL : contact@tecilchemicals.com

NOTICE

Notice is hereby given that the **SIXTY-EIGHTH ANNUAL GENERAL MEETING** of the Company will be held on Friday, the 27th September, 2013 at 11.00 A.M., at its Registered Office at Tecil Premises, PO. Chingavanam – 686 531, Dist-Kottayam, Kerala, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet of the Company for the financial year ended 31st March, 2013, Statement of Profit & Loss Account and Cash Flow Statement for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri R. S. Sarda, who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Auditors to hold office from conclusion of this Meeting until the conclusion of the Next Annual General Meeting and to fix their remuneration.

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.
2. Members are requested to notify immediately any change in their address.
3. The Register of Members & Share Transfer Book of the Company will remain closed from 20th September, 2013 to 27th September, 2013 (Both days inclusive).
4. Members desiring to submit mandates to lodge transfer deed for shares are requested to forward the same so as to reach the Company's Registrars M/s System Support Services at 209, Shivai Industrial Estate, Next to Parke Davis Ltd., Saki Naka, Mumbai – 400 072 on or before 19th September, 2013. The Company will not be in a position to act upon any document, which is incomplete or received after 19th September, 2013
5. In accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the particulars of a Director who is proposed to be re-appointed is given in the Corporate Governance Section.
6. Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.
7. Members are requested to send their queries to the Company, if any on Accounts at least 10 days before the Meeting.
8. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
9. Members/Proxies should bring the attendance slip duly filled in, for attending the Meeting. The Attendance slip is sent with this Annual Report.
10. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed Companies to send documents to their shareholders electronically as part of its green initiatives in Corporate Governance.

Recognizing the spirit of the Circular issued by the MCA, we henceforth propose to send Documents like the Notice convening the General Meetings, Financial Statements, Directors', Auditors' Report, etc at the email address provided by you with your depositories.

We request you to update your email address with your Depository Participant to ensure that the Annual Report and other documents reach you on your preferred email.

11. Members can avail of the Nomination facility by filing Form 2B with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in demat form, the Nomination Form has to be lodged with their DP.
12. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. The Securities and Exchange Board of India (SEBI) 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to System Support Services.

BY ORDER OF THE BOARD

PLACE: MUMBAI
DATE: 23RD MAY, 2013

Sd/-
S. B. SOMANI
CHAIRMAN & MANAGING DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FORWARD LOOKING STATEMENTS

The report contains forward looking statements, which may be identified by their use of words like 'contemplating', 'optimism', or other words of similar expressions. Such statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company undertakes no obligations to publicly update or revise forward looking statements, whether as a result of future events or otherwise. Actual results could differ materially from those expressed or implied. Readers are cautioned not to place undue reliance on these forward looking statements that speak only as of their dates.

THE PRESENT STATUS OF THE COMPANY

The Company has almost discharged all its liabilities and the payment to the remaining workmen in full and final settlement of their dues has also been made during the year under report. The Company has also made payment of dues of KSEB in terms of the settlement arrived at. The Company is, thus, a debt free Company and can leverage its net own funds for new business activities, which the Company is contemplating to commence.

OUTLOOK OPPORTUNITIES AND THREATS

After cessation of manufacturing operations at Chingavanam, the Company is exploring the new avenues of business as the Company has advantage of being a debt free Company and availability of sufficient infrastructure to commence any such new activity. There are ample opportunities in the fast growing economy. There are no perceived threats. The Management of the Company looks its future with immense optimism.

FINANCIAL PERFORMANCE

Amount Rs. (in Lacs)

	2012-13	2011-12
Profit / (Loss) before Interest, Depreciation & Tax	(497.11)	(72.07)
Profit /(Loss) After interest, Depreciation	(502.91)	(78.88)
Profit /(Loss) After Tax and Adjustment	(466.72)	(78.88)

HUMAN RESOURCES

Material development in human resources/ industrial relations front has been dealt with in the Directors' Report, under the head 'Operations' and 'Industrial Relations', which should be treated as forming part of this Management Discussion and Analysis. As at 31st March, 2013.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speak only as of their dates

FOR AND ON BEHALF OF THE BOARD

PLACE: MUMBAI
DATE: 23RD MAY, 2013

Sd/-
S. B. SOMANI
CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT

To
The Members,

Your Directors hereby present the SIXTY-EIGHTH ANNUAL REPORT together with the audited accounts for the year ended 31st March, 2013.

I. FINANCIAL RESULTS

The results for the year ended 31st March, 2013 are summarized herein below:

	Rs. in Lakhs	
<u>Year ended 31st March</u>	<u>2013</u>	<u>2012</u>
Other Income	167.84	909.43
Profit/(Loss) before interest, depreciation & Tax	(497.11)	(72.07)
Less/Add: Interest	-	-
Depreciation	5.80	6.81
Tax / VAT Paid	-	-
(Loss) / Profit for the year before tax	(502.91)	(78.88)
Provision for Taxation	-	-
(Loss) / Profit after tax and adjustments	(466.72)	(78.88)
(Loss) b/f from previous year	(3672.59)	(3593.71)
(Loss) carried forward to Balance Sheet	(4139.31)	(3672.59)

II. DIVIDEND

Due to Loss incurred by the Company, the Board of Directors do not recommend dividend for the year.

III. OPERATIONS

During the year under Report the Company has entered into Agreements for Sale for sale of surplus land situated at Chingavanam, Dist. Kottayam, Kerala. The Board of Directors are hopeful that substantial funds will be generated from sale of land and same can be deployed in new business activity / projects.

The Company has almost discharged all its liabilities and the payment to the remaining workmen in full and final settlement of their statutory dues, retrenchment, compensation, etc., has also been made during the year under report. The Company has also made payment of dues of KSEB in terms of the settlement arrived at. The Company is, thus, a debt free Company and can leverage its net own funds for new business activities, which the Company is contemplating to commence.

IV. DEPOSITS

The Company does not have any deposits as on 31.03.2013

V. INDUSTRIAL RELATIONS

During the year under report the Company has made payment to the remaining workmen in full and final settlement of their dues.

VI. PARTICULARS OF EMPLOYEES

There was no employee drawing remuneration in excess of the limit prescribed and hence requirement of attaching a statement as required by section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is not applicable to this report

VII. DIRECTORS

Shri R. S. Sarda, Director of the Company who retires by rotation, but being eligible, have offered himself for re-appointment.

VIII. AUDITORS

M/s. VMD & Co., Chartered Accountants, Mumbai retire at the forthcoming Annual General Meeting and are eligible for reappointment. The Company has received confirmation that the appointment, if made, would be within the limits prescribed u/s. 224(1B) of the Companies Act, 1956.

IX. AUDITORS OBSERVATIONS ON ACCOUNTS

The Auditors have not made any adverse comment/ observation in their Report.

X. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements u/s.217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company confirm

- that in the preparation of the Annual Accounts for the Financial Year ended 31st March 2013, the applicable Accounting Standards have been followed and there has been no material departure except to the extent noted by the auditors in their report.
- that the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the Profit of the Company for the year ended as on date.

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- b. that the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31st MARCH, 2013

1. Company's Philosophy on Code of Governance:

The Company's philosophy is to enhance Customer's satisfaction and Shareholders value by practicing the principles of good Corporate Governance.

2. Board of Directors:

The Board of the Company is well structured with adequate blend of Executive, Non-Executive and Independent Directors.

The Company's Board comprised of Four Directors: One is Executive Chairman Director and remaining three are independent Directors. More than half of the Board of Directors comprises of Independent Directors.

The composition of the Board is in conformity with the Clause 49 of the Listing Agreements entered into with the Stock Exchanges. All Independent Directors comply with the legal requirements of being "Independent".

- i. None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2013 have been made by the Directors.
- ii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of Private Limited Companies, Section 25 Companies and of Companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.
- iii. During the financial year ended 31st March, 2013, 5 Meetings of the Board of Directors were held as on 10/05/2012, 22/06/2012, 25/07/2012, 25/10/2012, and 14/01/2013.

Composition, Category, their Directorship and Committee Membership in other Companies

Name of Director	Category	No. of Board Meetings attended during 2012-13	Whether attended last AGM	No of Directorship in other Limited Companies	No of membership in other Companies	No. of Chairmanship in other Committee
Mr. S. B. Somani	Chairman Cum Managing Director	4	No	1	Nil	Nil
Mr. P. C. Jain	Independent Director	5	Yes	Nil	Nil	Nil
Mr. R. S. Sarda	Independent Director	5	Yes	1	Nil	Nil
Mr. G. K. Joshi	Independent Director	5	Yes	3	1	6

Details of Directors being appointed and re-appointed:

Shri R. S. Sarda who retires by rotation is proposed to be re-appointed as Director at the ensuing Annual General Meeting.

Name : Shri R. S. Sarda
 Designation : Director
 Age : 65 years
 Experience : A Graduate in Science and Arts and also has a Master Degree in Dental Surgery. He has having wide experience in different spheres of life
 Other Directorship : Nil

3. Board Committees :

The Board has constituted the following Committees of Directors:

(a) Audit Committee :

i. Terms of Reference

The role and terms of reference of Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

ii. Composition, name of Member and Chairman

The Audit Committee comprises of Mr. P.C. Jain (Chairman) and Mr. G. K. Joshi (Member) & Dr. R. S. Sarda (Member).

During the 2012-13 under review 5 Meetings of the Audit Committee were held, on 10.05.2012, 22.06.2012, 25.07.2012, 25.10.2012 and 14.01.2013. The attendance of members are as follows:

Name	Category	Meetings during 2012-13	
		Held	Attended
Shri P. C. Jain	Independent Director	5	5
Shri G. K. Joshi	Independent Director	5	5
Shri R. S. Sarda	Independent Director	5	5

iii. **THE BROAD POWERS OF THE AUDIT COMMITTEE INCLUDE:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) **Share Transfer & Shareholders' / Investors' Grievance Committee :**

(i) **Terms of references:**

This Committee looks into Redressal of Shareholders and Investors Grievances with respect to transfer of shares, issue of duplicate certificates and other matters relating to Shareholder relationship.

The committee shall also review the processes and service standards adopted by the Registrar and Transfer Agent, the complaints received by the Company and their Resolution.

(ii) **Composition**

The Share Transfer & Shareholders' / Investors' Grievance Committee comprises following Members:

Shri. R. S. Sarda	Chairman
Shri. P. C. Jain	Member
Shri. G. K. Joshi	Member

The Share Transfer & Shareholders' / Investors' Grievance Committee met 4 times during the 2012-13 on 10.05.2012, 22.06.2012, 25.07.2012, 25.10.2012 and 14.01.2013. The attendance of the Members is as follows:

Name	Category	Meetings during 2012-13	
		Held	Attended
Shri R. S. Sarda	Independent Director	5	5
Shri P. C. Jain	Independent Director	5	5
Shri G. K. Joshi	Independent Director	5	5

Details of Complaints :

- No. of Shareholders' Complaints received during the year : NIL
- No. of Complaints not resolved to the satisfaction of shareholders : NIL
- No. of pending share transfers : NIL

(C) **Remuneration Committee :**

The Remuneration Committee comprises of Mr. P. C. Jain, Chairman (Chairman) and Mr. G. K. Joshi (Member) & Mr. R. S. Sarda (Member)

No Meeting of Remuneration Committee was held during the financial year

Details of Remuneration for the year ended March 31, 2013

The Company's Managing Director was paid Rs.12,38,400/- towards remuneration during the year 2012-2013.