

71ST ANNUAL REPORT

31ST MARCH, 2016



**TECIL CHEMICALS AND
HYDRO POWER LIMITED**

BOARD OF DIRECTORS**SHRI. SHREENIWAS B. SOMANI****CHAIRMAN, MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER (CEO)****SHRI. PRAKASH CHAND JAIN****NON-EXECUTIVE INDEPENDENT DIRECTOR****SHRI. GHANSHYAM JOSHI****NON-EXECUTIVE INDEPENDENT DIRECTOR****SMT. SHANTA SOMANI****EXECUTIVE DIRECTOR****SHRI. TOBY ANTONY****NON-EXECUTIVE INDEPENDENT DIRECTOR****MISS HARSHALI SHIRODKAR****COMPLIANCE OFFICER****SHRI. RAMASUBRAMONIA IYER****CHIEF FINANCIAL OFFICER (CFO)****BANKERS****STATE BANK OF INDIA
AND
AXIS BANK LIMITED****STATUTORY AUDITORS****M/S. VMD AND COMPANY,
MUMBAI****INTERNAL AUDITORS****M/S. SARDA SONI ASSOCIATES LLP,
MUMBAI****REGISTERED OFFICE****P.O. CHINGAVANAM,
DIST. - KOTTAYAM,
KERALA - 686 531****CORPORATE OFFICE****EMPIRE HOUSE, 3RD FLOOR,
214, DR. D. N. ROAD, FORT,
MUMBAI - 400 001****REGISTRAR AND
SHARE TRANSFER AGENTS****M/S. SYSTEM SUPPORT SERVICES
209, SHIVAI INDUSTRIAL ESTATE,
NEXT TO PARKE DAVIS LTD.,
SAKI NAKA, ANDHERI (EAST),
MUMBAI - 400 072
E-MAIL ID - sysss72@yahoo.com****WEBSITE : www.tecilchemicals.com
E-MAIL ID : tecilchemicals@gmail.com**

TECIL CHEMICALS AND HYDRO POWER LIMITED**Registered Office: P.O. CHINGAVANAM, DIST. KOTTAYAM – 686 531, KERALA****CIN No.- L24299KL1945PLC001206****Website: www.tecilchemicals.com****Email Id: tecilchemicals@gmail.com****NOTICE CONVENING ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **SEVENTY FIRST ANNUAL GENERAL MEETING** of the Shareholders of **TECIL CHEMICALS AND HYDRO POWER LIMITED** will be held at P.O. Chingavanam, Dist. Kottayam - 686 531, Kerala on **Thursday, 08th September, 2016 at 10:00 A.M.**, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31/03/2016 and the report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. S. B. Somani (DIN No.- 00077939), who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. VMD & Company, Chartered Accountants (Reg. No.-125002W), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of The Companies (Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of next Annual General Meeting (AGM) of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS**4. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION**

To Consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution -

"RESOLVED THAT pursuant to the provisions of Section 5 and Section 14 of the Companies Act, 2013 read with Rule 11 of Companies (Incorporation) Rules, 2014, the existing Articles of Associations of the Company be deleted and in substitution thereof the new set of Articles as placed before the Meeting duly initialed by the Chairman thereof for the purpose of identification be and is hereby adopted.

RESOLVED FURTHER THAT the consent of members of the Company be and is hereby given for adoption of new set of Articles of Association of the Company in substitution of the Existing Articles of Association.

RESOLVED FURTHER THAT any of the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and incidental thereto."

NOTES:

1. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
2. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 4 of the accompanying Notice are annexed hereto
3. In respect of Resolutions at Item No. 2, a statement giving additional information on the Directors seeking appointment / re-appointment is annexed herewith as required as under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations).
4. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting i.e. on Tuesday, 06th September 2016 by 10:00 A.M.
5. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
6. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signature authorizing their representative to attend and vote on their behalf at the Meeting.
7. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
8. 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 at the Meeting.
9. The Company has notified closure of Register of Members and Share Transfer Books from 25th August, 2016 to 08th September, 2016 (both days inclusive).
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members can submit their PAN to the Company / Systems Supports Services.
11. Members holding shares in single name are advised to make a nomination in respect of their shareholding in the Company. The Nomination Form can be down from the Company's Website - www.tecilchemicals.com in icon of Company's Act 2013 Compliance. Members should file their nomination form with the Company whilst the Members holding shares in dematerialized form should file their Nomination Form with the System Support Services.
12. Members holding in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Systems Supports Services for consolidation into a single folio.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. A Route Map showing directions to reach the venue of the 71st Annual General Meeting is given at the end of the notice as per the requirement of Secretarial Standards - 2 on "General Meeting".

GENERAL INFORMATION

1. 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) as amended from time to time, the Company is pleased to offer Remote E-Voting Facilities to its members in respect of the business to be transacted at the 71st Annual General Meeting. The Company has engaged the services of Central Depository Services Limited (CDSL) as authorized agency to provide Remote E-Voting Facility. It is clarified that it is not mandatory for a Member to vote using Remote E-Voting Facility.
2. The Members who have cast their votes by Remote E-Voting prior to the AGM may also attend the meeting but they shall not be entitled to cast their vote again.
3. The Remote E-Voting Period will commence on 05th September, 2016 at 09:00 A.M. and will end on 07th September, 2016 at 05:00 P.M. During this period, Members of the Company, holding shares as on cut-off date i.e. Thursday, 01st September, 2016, may cast their vote by Remote E-Voting. The Remote E-Voting module will be disabled by CDSL for the voting thereafter.

The voting rights of Members shall be in proportion of the paid up equity share capital of the Company as on the cut-off date i.e. Thursday, 01st September, 2016.

Only those Members whose names are recorded in the Register of Members of the Company as on the cut-off date shall be entitled to vote.

4. Dr. Shubh Karan Jain, Practising Company Secretary has been appointed as the Scrutinizer for overseeing the voting and Remote-E-voting in a fair and transparent manner.
5. The Scrutinizer shall submit his report to the Chairman. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.tecilchemicals.com and on the website of CDSL i.e. <https://www.evotingindia.com> after the declaration of result by the Chairman or a person authorized by him in his behalf. The Results shall be uploaded on the BSE Listing Portal.
6. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Annual General Meeting i.e. Thursday, 08th September, 2016.

PROCESS FOR MEMBERS OPTING FOR REMOTE E-VOTING

In Compliance with provisions of Amendment Rules, 2015 and Regulation 44(1) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company will be providing Members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote 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 ("Remote E-Voting") will be provided by Central Depository Services Limited (CDSL). The detailed procedure to be followed in this regard has been given in Annexure - A to the notice. The Members are requested to go through them carefully.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR TECIL CHEMICALS AND HYDRO POWER LIMITED**

**Place: Mumbai
Date: 25th July, 2016**

**Sd/-
S. B. SOMANI
CHAIRMAN, MANAGING DIRECTOR AND CEO
(DIN No. – 00077939)**

EXPLANTORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 4****ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION**

With the enactment of Companies Act, 2013, the Articles of Association of the Company needs to be altered so as to incorporate the provisions of the Companies Act, 2013. Instead of altering the existing Articles which are inconsistent with the provisions of the Companies Act, 2013, it is desirable that new set of Articles be adopted in substitution of the existing Articles of Association.

The Board of Directors in their meeting held on 25th July , 2016 have approved the new set of Articles of Association which is in conformity with the provisions of the Companies Act, 2013, rules made there under and Secretarial Standard 1 and 2 issued by the Institute of Company Secretaries of India.

The Board of Directors recommends the resolution as set out in the Item No. 4 of the Notice for approval of shareholders of the Company.

None of the Directors of the Company, Key Managerial Personnel or their relatives are concerned or interested in any way in the Special Resolution proposed to be passed except to the extent of their respective shareholdings in the Company as shareholders.

Our Directors recommend these resolutions as Special Resolution.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR TECIL CHEMICALS AND HYDRO POWER LIMITED**

**Place: Mumbai
Date: 25th July, 2016**

**Sd/-
S. B. SOMANI
CHAIRMAN, MANAGING DIRECTOR AND CEO
(DIN No. – 00077939)**

ANEXURE TO THE ITEM NO. 2 OF NOTICE**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING IN PUSUANCE OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Sr. No.	1
Name of the Director	Shri. S. B. Somani
Director Identification Number	00077939
Nationality	Indian
Date of Appointment on Board	18-06-1969
Shareholding in the Company	1302090 (6.87 %)
List of Directorships held in other Companies (excluding foreign, private, and Section 8 Company)	1. M/s. Citric India Limited
Memberships/Chairmanships of Audit Committee and Share Transfer and Stakeholders Relationship Committee	Nil

ANNEXURE 'A' TO THE NOTICE

INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS

- (i) The Remote E-Voting period begins on Monday, 05th September, 2016 (09:00 a.m.) and ends on Wednesday, 07th September, 2016 (05:00 p.m.). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 01st September, 2016, may cast their vote electronically. The Remote E-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the E-Voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (v) Next enter the Image Verification as displayed and Click on Login
- (vi) If you are holding shares in DEMAT Form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in DEMAT Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both DEMAT shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your DEMAT Account or in the company records for the said DEMAT Account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your DEMAT account or in the Company records for the said DEMAT account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in DEMAT Form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT Holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for Remote E-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for E-Voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **TECIL CHEMICALS AND HYDRO POWER LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If DEMAT account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding Remote E-Voting, you may refer the Frequently Asked Questions ("FAQs") and Remote E-Voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

FOR TECIL CHEMICALS AND HYDRO POWER LIMITED

Sd/-

S. B. SOMANI

CHAIRMAN AND MANAGING DIRECTOR AND CEO
(DIN No. – 00077939)

Place: Mumbai
Date: 25th July, 2016

BOARD'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

To
The Members of
M/S. TECIL CHEMICALS AND HYDRO POWER LIMITED

The Directors take pleasure in presenting the **Seventy First Annual Report** together with the Audited Financial Statements for the year ended 31st March, 2016. The Management Discussion and Analysis has also been incorporated into this report.

FINANCIAL RESULTS

RESULTS OF OPERATIONS

The Management of **TECIL CHEMICALS AND HYDRO POWER LIMITED** in its Analysis Report has highlighted the performance and outlook of the Company in order to comply with the requirement of Corporate Governance as laid down in Regulation 15 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 of the Listing Agreement. However, investors and readers are cautioned that this discussion contains certain forward looking statements that involve risk and uncertainties.

1. OVERVIEW

The Financial Statements have been prepared provisions of Section 129 and Schedule III of Companies Act, 2013 and in accordance with the Accounting Principles generally accepted in India including the Accounting Standards specified under Section 133 of the said Act read with Rule 7 of The Companies (Accounts) Rules, 2014. Our management accepts responsibility or the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

2. THE PRESENT STATUS OF THE COMPANY

As the Company has not been carrying any manufacturing operations at Chingavanam, the Company has ceased to be an Industrial Undertaking. However, the Company has sufficient freehold land at Chingavanam to commence any new business activity. Till such time any new business activity is commenced, the Company has invested its surplus funds on which it has earned interest income of Rs. 63.03 Lacs during the year under report.

3. OPERATIONS

There was no Manufacturing activity during the Year.

4. CONSOLIDATION OF FINANCIAL STATEMENTS

In terms of Section 129 (3) of the Companies Act, 2013 read with Accounting Standard (AS) 23, the Company has prepared Consolidated Financial Statements in respect of its Associate Company i.e. M/s. Citric India Limited.

4. OUTLOOK OPPORTUNITIES AND THREATS

The Company has freehold land at Chingavanam, Kottayam, Kerala. Since the Company has already discharged all its major liabilities, our Directors have been exploring into new business activities. The Company has potential to enter into viable business, more efficiently and economically as it has sufficient land at Chingavanam.

5. FINANCIAL RESULTS

<u>Particulars</u>	<u>31/03/2016</u> <u>(Rs.)</u>	<u>31/03/2015</u> <u>(Rs.)</u>
Income		
- Other Income	63,03,000	69,83,000
Profit/Loss before Tax and Depreciation	(51,03,000)	(48,96,000)
Less: Depreciation	8,90,000	10,74,000
Profit/Loss after Depreciation but before Tax	(59,93,000)	(38,22,000)
Less: Tax Expenses	-	-
Profit/Loss after Tax	(59,93,000)	(38,22,000)
Earnings Per Share (Nominal Value of Share Rs. 10/-) Basic & Diluted	(0.27)	(0.24)

6. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was Rs.18.96 Crores. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

7. RISK AND CONCERN

Pursuant to the requirement of Section 134 (3) (n) of the Companies Act, 2013, the Board of Directors of the Company has adopted Risk Management Policy. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. The detailed risk management policy has been hosted on the website of the Company.

There are no perceived risks in the present activity.

8. DIVIDEND

Due to inadequacy of profit, the Directors of the Company did not recommend any dividend.

9. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place well defined and adequate internal controls commensurate with the size of the Company and the same were operating effectively throughout the year.

The Company as an in-house Internal Audit Function (IA). To maintain its objectivity and independence, the IA Department evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company. Based on the report of IA function, process owners undertake corrective action in their respective areas and thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place of ensuring proper and efficient conduct of the business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information.