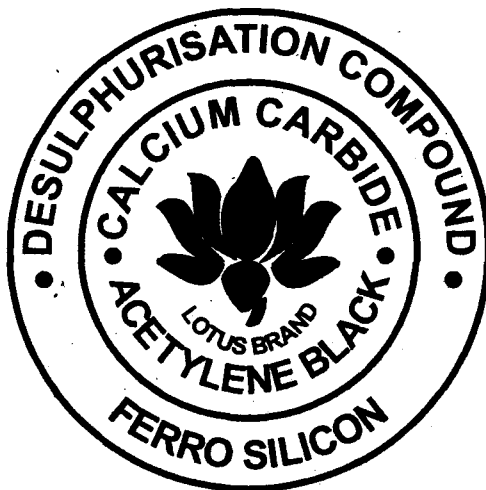


# 68<sup>TH</sup> ANNUAL REPORT

## 31<sup>ST</sup> 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, 3<sup>RD</sup> FLOOR,**  
**214, DR. D. N. ROAD, FORT,**  
**MUMBAI - 400 001.**

**WEBSITE :** [www.tecilchemicals.com](http://www.tecilchemicals.com)

**E-MAIL :** [contact@tecilchemicals.com](mailto:contact@tecilchemicals.com)

**NOTICE**

Notice is hereby given that the **SIXTY-EIGHTH ANNUAL GENERAL MEETING** of the Company will be held on Friday, the 27<sup>th</sup> 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 31<sup>st</sup> 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 20<sup>th</sup> September, 2013 to 27<sup>th</sup> 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 19<sup>th</sup> September, 2013. The Company will not be in a position to act upon any document, which is incomplete or received after 19<sup>th</sup> 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: 23<sup>RD</sup> 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 31<sup>st</sup> 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: 23<sup>RD</sup> 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:

<u>Year ended 31<sup>st</sup> March</u>	<u>2013</u>	<u>Rs. in Lakhs</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

- a. 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.
- 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 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 31<sup>st</sup> 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.



Presently the Company does not have a scheme for grant of stock options either to the working directors or employees.

No Remuneration (except sitting fees) was paid to any Non-Executive Directors during the year 2012-2013.

**Name and address of Compliance officer:**

Shri Ashok Joshi, Compliance Officer  
Empire House, 3<sup>rd</sup> Floor,  
214, Dr. D. N. Road, Fort. Mumbai - 400 001.

**4. General Body Meetings:**

(a) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Location
2011-2012	27/09/2012	11.00 a.m.	Tecil Premises, PO. Chingavanam - 686 531, Dist-Kottayam, Kerala
2010-2011	29/09/2011	11.00 a.m.	Tecil Premises, PO. Chingavanam - 686 531, Dist-Kottayam, Kerala
2009-2010	29/09/2010	11.00 a.m.	Tecil Premises, PO. Chingavanam - 686 531, Dist-Kottayam, Kerala

(b) Whether Special Resolutions were put through postal ballot last year: No

(c) Are votes proposed to be conducted through postal ballot this year : No

**5. Other disclosures:**

**(a) Related Party Transactions**

The details of related party transactions are duly disclosed in the Notes to Account of the Company for the year ended 31st March, 2013.

**(b) Disclosure of Accounting Treatment**

In preparation of its Financial Statements the Company has followed the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI)

**(c) Disclosures on Risk Management**

The Company has laid down procedures to inform Board Members about Risk assessment and minimization procedures and these procedures are periodically reviewed.

**(d) Code of Conduct**

The Board of Directors has adopted the Code of Ethics and Business Principles for the Non-executive Directors as also for the employees including Executive Director. The said Code has been communicated to all the Directors and the compliance of the same has been affirmed by them.

**(e) The Board of Directors has adopted the Code of Ethics and Business Principles for the Non-executive Directors as also for the employees including Executive Director. The said Code has been communicated to all the Directors and the compliance of the same has been affirmed by them.**

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**6. CEO/CFO Certification**

A Certificate from the CEO and CFO on the Financial Statements of the Company was placed before the Board, as required by Clause 49(V) of the Listing Agreement.

**7. Means of communication:**

**(a) Quarterly Results:**

The unaudited quarterly results are announced within Forty Five Days from the end of the quarter as stipulated under the listing agreement with the Bombay Stock Exchange Limited.

(b) Newspapers wherein normally published : No

(c) Any Website, wherein displayed : Yes

(d) Whether Website also displays official news releases : Yes

(e) Whether presentations made to institutional investors or to the analysts : No

(f) Whether Management Discussion & Analysis Report is a part of Annual Report : Yes

**8. General Shareholder information:**

- (a) **AGM date, time and venue:** Annual General Meeting will be held on 27<sup>th</sup> September, 2013, Thursday at 11.00 a.m. at its Regd. Office at Chingavanam, Kottayam, Kerala
- (b) **Financial Year :** The Financial Year is from 1<sup>st</sup> April to 31<sup>st</sup> March.  
Tentative Schedule
- |   |  |
|---|--|
| Unaudited Results for quarter ending June 30, 2013      | : upto 14 <sup>th</sup> August, 2013   |
| Unaudited Results for quarter ending September 30, 2013 | : upto 14 <sup>th</sup> November, 2013 |
| Unaudited Results for quarter ending December 31, 2013  | : upto 14 <sup>th</sup> February, 2014 |
| Unaudited Results for year ending March 31, 2014        | : upto 15 <sup>th</sup> May, 2014      |
| Audited Annual Accounts for year ending March 31, 2014  | : upto 30 <sup>th</sup> May, 2014      |
- (c) **Book Closure period :** 20<sup>th</sup> day, September, 2013 to 27<sup>th</sup> day, September, 2013 (both days inclusive).
- (d) **Dividend payment date:** Not Applicable
- (e) **Stock Exchanges where securities are listed.**

The Company's securities are listed at:

1. Bombay Stock Exchange Limited (BSE)  
Phiroze Jeejeebhoy Towers, Dalai Street, Mumbai – 400 001
2. National Stock Exchange of India Limited (NSE)  
"Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai – 400051.
3. Cochin Stock Exchange Limited.  
MES Dr. P. K. Abdul Gafoor Memorial Cultural Complex,  
36/1565, 4<sup>th</sup> Floor, Judges Avenue, Kaloor, Kochi-682017.
4. Madras Stock Exchange Limited  
Exchange Building, P. B. No. 183, 11, Second Line Beach,  
Chennai – 600 001.
5. Delhi Stock Exchange Limited  
DSE House, 3/1 Asaf Ali Road, New Delhi – 110002

**(f) SUBSIDIARY COMPANIES**

The revised Clause 49 defines a "material non listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, who's Turnover or Net Worth (Paid up Capital & Free Reserves) exceeds 20% of the Consolidated Turnover or Net Worth respectively, of the Listed Holding Company and its subsidiaries in the immediately preceding Accounting year.

Under this definition, the Company does not have any "material non listed Indian subsidiary" during the Year under review

**(g) STOCK MARKET DATA:**

Since the trading in shares has been suspended from trading in Stock Exchanges the Stock Market Data is not available. The Company however has already approached BSE Ltd. for revocation of suspension in trading of shares.

**(h) Stock Code: 506680****(i) Registrar and Transfer Agent:**

**M/s System Support Services**  
209, Shivai Industrial Estate, Next to Parke Davis Ltd.  
Saki Naka, Mumbai-400072  
Tel. No 022 – 28500835  
E-mail id : sysss72@yahoo.com

(j) **Share transfer system with number of Shares Transferred:**

Share transfers in physical form are registered and returned within a period of 15 days from the date of receipt, in case documents are complete in all respects. The Share Transfer & Shareholders' / Investors' Grievance Committee meets periodically. The total number of Shares transferred during the financial year under review were as below:

	No. of transfers	No. of Shares
No. of Transfers	26	460240
No. of Consolidation	1	30000
<b>Total:</b>	<b>27</b>	<b>490240</b>

(k) **Dematerialization of shares and liquidity:**  
Outstanding GDRs/ Warrants, Convertible Bonds, conversion date and its impact on equity.

Nil

(l) **Distribution of Shareholding and Shareholding Pattern as on 31.03.2013**(i) **Distribution of Shareholding as on 31<sup>st</sup> March, 2013:**

No. of Shares	No. of Shareholders	% of holding	No. of Shares held	% of Share held
Up to 500	20975	92.060	4722758	24.904
501-1000	1090	4.784	907035	4.783
1001-2000	422	1.852	642980	3.391
2001-3000	94	0.413	237520	1.252
3001-4000	36	0.158	127720	0.673
4001-5000	34	0.149	160130	0.844
5001-10000	54	0.237	409680	2.160
10001 & Above	79	0.347	11755877	61.991
<b>Total</b>	<b>22803</b>	<b>100</b>	<b>18963700</b>	<b>100</b>

(ii) **Shareholding pattern as at 31<sup>st</sup> March, 2013:**

	No. of Shares held	% to Total Shares
Promoter Group	6639667	35.01
Mutual Funds and UTI	382530	2.02
Banks, FIs & Insurance Companies	1435900	6.13
Central / State Governments	436270	2.30
Corporate Bodies	1223175	6.45
General Public	7976418	42.06
NRIs/ OCBs	1142240	6.02
<b>TOTAL</b>	<b>18963700</b>	<b>100</b>

(m) **Plant Location:**

The Company's Manufacturing Plants are located at Chingavanam, Dist. Kottayam (Kerala).

(n) **Address for Correspondence:**

The Company's Registered Office is situated at Chingavanam, Dist. Kottayam, Kerala Pin. 686 531.

Correspondence by the shareholders should be addressed either to Registered Office or Registrar Share Transfer Agents or its administrative Office at following address-  
**Tecil Chemicals & Hydro Power Limited**  
 Empire House, 3<sup>rd</sup> Floor, 214, Dr. D. N. Road, Fort, Mumbai 400 001

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2013.

Place : Mumbai  
 Date : 23<sup>RD</sup> MAY, 2013

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

**CEO/ CFO CERTIFICATE**

We, S. B. Somani, CEO and Ashok Joshi, CFO of Tecil Chemicals & Hydro Power Ltd. appointed in terms of the Companies Act, 1956 certify to the Board that:

1. I have reviewed the Balance Sheet and Statement of Profit & Loss account for the year ended 31<sup>st</sup> March, 2013 and all its schedules and notes to accounts, as well as the cash flow statement;
2. Based on my knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made;
3. Based on my knowledge, information and belief, the financial statements and other financial information included in this report present a true and fair view of the company's affairs for the period presented in this report and are in compliance with the existing accounting standards, applicable laws and regulations;
4. To the best of my knowledge, information and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's Code Of Conduct;
5. I am responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
6. I have disclosed, based on their most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps taken or proposed to be taken to rectify the deficiencies;

I have indicated to the Auditors and the Audit Committee:

- a) Significant changes in the Company's internal control over financial reporting during the year;
- b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;

Any fraud whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

Place: Mumbai,  
23<sup>RD</sup> May, 2013

Sd/-  
Ashok Joshi  
CFO

Sd/-  
S.B. Somani  
CEO

**CERTIFICATE OF CORPORATE GOVERNANCE REPORT**

To The Members of Tecil Chemicals and Hydro Power Limited  
Empire House, 3rd Floor, 214, Dr. D. N. Road,  
Fort, Mumbai - 400 001

We have examined the compliance of Corporate Governance by Tecil Chemicals and Hydro Power Limited for the year ended 31<sup>st</sup> Mach, 2013 as stipulated in Clause 49 of Listing Agreement(s) of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

in our opinion, and to the best of our information, and according to the explanation given to us, and representations made by the Directors and the Management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in Clause 49 of the above mentioned

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR S. K. JAIN & COMPANY  
PRACTICING COMPANY SECRETARIES

Sd/-  
(S. K. JAIN)  
Partner  
C.P. NO. 3076

PLACE: MUMBAI  
DATE : 23/05/2013

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of TECIL CHEMICALS AND HYDRO POWER LTD.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Tecil Chemicals and Hydro Power Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 audit

### **opinion.**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For VMD & CO.  
CHARTERED ACCOUNTANTS  
FRN: 125002W

Sd/-  
CA V. M. DESAI, (Partner)  
Membership No. F/9219

No: A/01/0513  
Place: Mumbai  
Date: 23rd May, 2013.

**ANNEXURE REFERRED TO PARAGRAPH 2 OF OUR REPORT TO SHAREHOLDERS OF TECIL CHEMICALS AND HYDRO POWER LTD., CHINGAVANAM OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013**

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed Assets were physically verified by the Management during the current year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its Fixed Assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) As per the explanations given to us no substantial portion of fixed assets were disposed of during the year.
- (ii) In our opinion and as per the explanation given to us there is no inventory at close of the year so sub-clause (a), (b) and (c) of clause (ii) is not applicable.
- (iii) (a) The company has given loans to three parties. In respect of the said loans, the maximum amount outstanding at any time during the year was Rs 312.00 Lacs and the year end balance is Rs 112.00 Lacs (including interest free loan of Rs 62.00 Lacs).
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the company are not prima facie prejudicial to the company. In respect of the interest free loan given, we cannot comment whether the terms and conditions of the loan given are prejudicial to the interest of the company.
- (c) The company had taken loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.331.60 Lacs and the year end balance of loan taken from such party was Rs. Nil.
- (d) Since the loan taken was interest free without repayment stipulation we cannot comment whether terms and conditions of the loan taken is prejudicial to the interest of the company.
- (iv) Due to lock out of the factory during the most part of the year and on account of only few transactions for the whole of the year, the company has not implemented adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials; including components, plant and machinery, equipments and other assets and for the sale of goods.
- (v) According to the information and explanations given to us, there are no transactions of purchase / sale of goods and materials and services in value, aggregating during the year to Rs.5,00,000/- or more in respect of each party made in pursuance of contracts or arrangements entered in the register maintained u/s.301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, no fixed deposits were accepted during the period to which the provisions of Sections 58A and 58AA or any other relevant provisions of the Act apply.
- (vii) Due to lock out of the factory during the most part of the year and on account of only few transactions for the whole of the year, the company has not implemented adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials; including components, plant and machinery, equipments and other assets and for the sale of goods.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the companies Act, 1956 for the products of the company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, ESIC and Income Tax.
- (b) According to the information and explanations given to us there were no undisputed amounts payable in the respect of Income Tax, Sales Tax, Wealth Tax, Excise Duty and other material statutory dues in arrears as at 31st March, 2013.
- (x) According to the information and explanations given to us, accumulated losses at the end of the year are more than 50% of the Net Worth and the Company has incurred a Cash Loss of Rs. 597.10 Lacs (P.Y. Rs.72.07 Lacs)

**ANNEXURE REFERRED TO PARAGRAPH 2 OF OUR REPORT TO SHAREHOLDERS OF TECIL CHEMICALS AND HYDRO POWER LTD., CHINGAVANAM OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013**

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed Assets were physically verified by the Management during the current year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its Fixed Assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) As per the explanations given to us no substantial portion of fixed assets were disposed of during the year.
- (ii) In our opinion and as per the explanation given to us there is no inventory at close of the year so sub-clause (a), (b) and (c) of clause (ii) is not applicable.
- (iii) (a) The company has given loans to three parties. In respect of the said loans, the maximum amount outstanding at any time during the year was Rs 312.00 Lacs and the year end balance is Rs 112.00 Lacs (including interest free loan of Rs 62.00 Lacs).
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the company are not prima facie prejudicial to the company. In respect of the interest free loan given, we cannot comment whether the terms and conditions of the loan given are prejudicial to the interest of the company.
- The company had taken loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.331.60 Lacs and the year end balance of loan taken from such party was Rs. Nil.
- (d) Since the loan taken was interest free without repayment stipulation we cannot comment whether terms and conditions of the loan taken is prejudicial to the interest of the company.
- (iv) Due to lock out of the factory during the most part of the year and on account of only few transactions for the whole of the year, the company has not implemented adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials; including components, plant and machinery, equipments and other assets and for the sale of goods.
- (v) According to the information and explanations given to us, there are no transactions of purchase / sale of goods and materials and services in value, aggregating during the year to Rs.5,00,000/- or more in respect of each party made in pursuance of contracts or arrangements entered in the register maintained u/s.301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, no fixed deposits were accepted during the period to which the provisions of Sections 58A and 58AA or any other relevant provisions of the Act apply.
- (vii) Due to lock out of the factory during the most part of the year and on account of only few transactions for the whole of the year, the company has not implemented adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials; including components, plant and machinery, equipments and other assets and for the sale of goods.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the companies Act, 1956 for the products of the company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, ESIC and Income Tax.
- (b) According to the information and explanations given to us there were no undisputed amounts payable in the respect of Income Tax, Sales Tax, Wealth Tax, Excise Duty and other material statutory dues in arrears as at 31st March, 2013.
- (x) According to the information and explanations given to us, accumulated losses at the end of the year are more than 50% of the Net Worth and the Company has incurred a Cash Loss of Rs. 597.10 Lacs (P.Y. Rs.72.07 Lacs)
- (xi) Based on our audit procedure and according to the information and explanation given to us by the management the company

**BALANCE SHEET AS AT 31-03-2013**

Amount Rs. (000's)

Sl. No	PARTICULARS	NOTES	CURRENT YEAR	PREVIOUS YEAR
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
(1)	<b><u>SHARE HOLDERS FUNDS</u></b>			
	a) Share Capital	1	189,637	189,637
	b) Reserves and Surplus	2	(188,127)	(140,607)
	<b>TOTAL</b>		<b>1,510</b>	<b>49,030</b>
(2)	<b><u>NON-CURRENT LIABILITIES</u></b>			
	Unsecured Loans	3	-	3,140
	<b>TOTAL</b>		<b>-</b>	<b>3,140</b>
(3)	<b><u>CURRENT LIABILITIES</u></b>	4		
	Short-Term Borrowings		-	-
	Other Current Liabilities		154,063	20,353
	Short-Term Provisions		821	821
	<b>TOTAL</b>		<b>54,884</b>	<b>21,174</b>
	<b>GRAND TOTAL</b>		<b>156,394</b>	<b>73,344</b>
<b>II</b>	<b><u>ASSETS</u></b>			
(1)	<b><u>NON-CURRENT ASSETS</u></b>			
A.	<b><u>FIXED ASSETS</u></b>	5		
	a) Tangible Assets		45,624	47,319
	b) In-Tangible Assets		-	-
	d) Capital Work-in-Progress		1,052	1,052
	<b>TOTAL</b>		<b>46,676</b>	<b>48,371</b>
B.	<b><u>NON-CURRENT INVESTMENTS</u></b>	6		
	Investments		3,771	3,771
C.	<b><u>LONG TERM LOANS AND ADVANCES</u></b>	7		
			23,418	14,720
V	<b><u>CURRENT ASSETS</u></b>	8		
	a) Short Term Loan and Advances	8(a)	54,804	6,065
	b) Inventories	8(b)	-	-
	c) Cash and Cash equivalents	8(c)	27,725	417
	<b>TOTAL</b>		<b>82,529</b>	<b>6,482</b>
	<b>GRAND TOTAL</b>		<b>156,394</b>	<b>73,344</b>
			-	-

This is the Balance sheet referred to in our reports of even date  
Notes referred to above form an integral part of the Balance sheet

For and on behalf of the Board of Directors

for **VMD & CO,**  
Chartered Accountants (FRN: 125002W)

Sd/-  
**V.M. DESAI, Partner**  
Membership No. F/9219  
No. A/01/0513  
Mumbai, 23<sup>RD</sup> May, 2013

Sd/-  
**S.B. SOMANI**  
Chairman and Managing Director

Sd/-  
**G.K. JOSHI, Director**  
Mumbai, 23rd May, 2013



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2013**

Amount Rs. (000's)

Sl. No	PARTICULARS	NOTES	CURRENT YEAR	PREVIOUS YEAR
	<b>CONTINUING OPERATIONS</b>			
	<b>INCOME</b>			
I	Revenue from Operations	-	-	-
II	Other Income	9	16,784	90,943
III			16,784	90,943
IV	<b>EXPENSES</b>			
1	Cost of Materials Consumed		-	-
2	Purchases of Stock-in-Trade		-	-
3	Changes in inventories		-	-
4	Employee Benefit Expense	10	3,659	36,661
5	Finance costs	11	-	-
6	Depreciation & amortization Exp		-	-
	Less: Trafer to Revaluation towards addl deph	1,428	580	681
		848		
7	Other Expenses		62,836	61,489
8	Provision for Income Tax for Earlier Years	12		
	<b>TOTAL EXPENSES (IV)</b>		<b>67,075</b>	<b>98,831</b>
V	<b>Profit before exceptional items &amp; Tax</b>	(IV - V)	(50,291)	(7,888)
VI	<b>EXCEPTIONAL ITEMS</b>			
	Excess Provision Written Back		3,619	-
VII	<b>Profit before extraordinary items &amp; Tax</b>	(V - VI)	(46,672)	(7,888)
VIII	<b>EXTRAORDINARY ITEMS</b>			
IX	<b>Profit before Tax</b>	(VII - VIII)	(46,672)	(7,888)
X	<b>EXTRAORDINARY ITEMS</b>			
1	Current Tax		-	-
2	Deferred Tax		-	-
XI	<b>Profit (Loss) from continuing operations</b>	(VII - VIII)	(46,672)	(7,888)
XII	<b>Profit (Loss) from discontinuing operations</b>		-	-
XIII	<b>Tax expense of discontinuing operations</b>		-	-
XIV	<b>Profit (Loss) from discontinuing op's after tax</b>	(XII - XIII)	-	-
XV	<b>Profit (Loss) for the period</b>	(XI + XIV)	(46,672)	(7,888)
XVI	<b>Earnings per equity share:</b>			
1	Basic		(2.46)	(0.42)
2	Diluted		(2.46)	(0.42)

See accompanying notes to the financial statements

Summary of significant accounting policies

Seperately Attached

This is the Profit and Loss Account referred to in our reports of even date  
Notes referred to above form an integral part of the Profit & Loss Account

For and on behalf of the Board of Directors

for VMD &amp; CO,

Chartered Accountants (FRN: 125002W)

Sd/-

V.M. DESAI, Partner  
Membership No. F/9219  
No. A/01/0513  
Mumbai, 23<sup>RD</sup> MAY, 2013

Sd/-  
S.B. SOMANI  
Chairman and Managing Director

Sd/-  
G.K. JOSHI, Director  
Mumbai, 23rd May, 2013

**ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT****Cash Flow Statement for the year 31st March, 2013**

<i>Particulars</i>	<b>31-March-2013</b> <i>(Rs. in '000)</i>		<b>31-March-2012</b> <i>(Rs. in '000)</i>	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit / (Loss) Before Extra Ordinary items</b>		(50,291)		(7,888)
<i>Adjusted For :</i>				
Depreciation Provided	580		681	
Interest Received	-		(688)	
Dividend Received	-		-	
Profit on Sale of Investments	-		-	
Profit on Sale of Fixed Assets	-		(87,652)	
Provisions written back	-		(2,603)	
Interest Expenses	-	580	-	(90,262)
<b>Operating Profit before Working Capital Changes</b>		(49,711)		(98,150)
<i>Adjusted For :</i>				
Trade and other receivables	(45120)		3,322	
Inventories	-		11,535	
Loans & Advances	(8,698)		693	
Trade payable and provisions	133,710	79,892	(92,926)	(77,376)
<b>Cash Generated including From Operations :</b>		30,181		(175,526)
Direct Taxes Paid		-		-
<b>NET CASH FROM OPERATING ACTIVITIES</b>		30,181		(175,526)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Increase in Capital and Reserves	-		-	
Increase in Fixed Assets	-		(5,032)	
Sales / Decrease of Fixed Assets	267		157,506	
Sale of Investments	-		-	
Interest Received	-		688	
Dividend Received	-	267	-	153,162
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		30,448		(22,364)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Loss on sale of Assets	-		-	
Payment of Non Current Liabilities	(3,140)		-	
Interest Paid	-	(3,140)	-	-
<i>Net Increase in Cash and Cash Equivalents</i>		27,308		(22,364)
<i>Cash and Cash equivalents at the Beginning of the Year</i>		417		22,781
<i>Cash and Cash equivalents at the End of the Year</i>		27,725		417
<b>Actual Balance as per Balance Sheet</b>		27,725		417

**Note:**

- The above Cash Flow Statement has been prepared under the indirect method as set out in the AS-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India
- Previous Year's figures have been re-arranged / re-grouped wherever necessary  
This Cash Flow Statement referred in our report of even date

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013**

		Amount Rs. (000's)	
PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
<b>1 SHARE CAPITAL</b>			
<u>Authorized Shares:</u>			
2,00,00,000 Equity Shares of Rs.10/- each		200,000	200,000
10,00,000 Cumulative Preference Shares of Rs.100/- each		100,000	100,000
<b>TOTAL</b>		<b>300,000</b>	<b>300,000</b>
<u>Issued, Subscribed and Paid-up Shares in Nos:</u>			
18963700 Equity Shares of Rupees 10/- each Fully Paid Up		189,637	189,637
<i>(of the above 10,000 shares were allotted as fully paid up pursuant to a contract without payment being received in cash and 8166000 shares were allotted as fully paid Bonus shares by capitalizing General Reserves)</i>			
<b>TOTAL</b>		<b>189,637</b>	<b>189,637</b>
<u>Reconciliation of the Shares outstanding at the beginning and at the end of reporting period</u>			
<b>a Equity Shares:</b>		<u>No of shares</u>	<u>No of shares</u>
At the beginning of the period		18,963,700	18,963,700
Issued during the period		-	-
<b>Outstanding at the end of the period</b>		<b>18,963,700</b>	<b>18,963,700</b>
<b>b Preference Shares:</b>			
At the beginning of the period		-	-
Issued during the period		-	-
<b>Outstanding at the end of the period</b>		<b>-</b>	<b>-</b>
<b>LIST OF SHAREHOLDING 5% AND ABOVE</b>			
<u>Sl.No</u>	<u>Name of the Shareholder</u>	<u>No. of Shares held</u>	<u>Percentage</u>
1	Chemo Pharma Laboratories Ltd	5,236,930	27.62%
<b>2 RESERVES AND SURPLUS</b>			
a. Capital Redemption Reserve (As per Last Balance Sheet)		5,814	5,814
b. Shares Forfeited account		16,480	16,480
c. Securities Premium (As per Last Balance Sheet)		139,330	139,330
d. Securities Premium Forfeited (As per Last Balance Sheet)		32,960	32,960
e. Investment Allowance Reserve (As per Last Balance Sheet)		2,629	2,629
f. Fixed Assets Revaluation Reserve -			
- As per last Balance Sheet		29,439	
<u>Less: Adjustments during the year:</u>			
(a) Transfer to Depreciation Account		848	
(b) Transfer on a/c of Assets disposed		-	
<b>TOTAL</b>		<b>225,804</b>	<b>226,252</b>
<u>Less: Debit Balance of Profit and Loss Account</u>			
- As per last Balance Sheet		367,259	
<u>Add / (Less): Current Year Loss (Profit)</u>		46,672	367,259
<b>GRAND TOTAL</b>		<b>(188,127)</b>	<b>(140,607)</b>
<b>3 LONG TERM BORROWINGS</b>			
From Related Parties		-	3,140
<b>TOTAL</b>		<b>-</b>	<b>3,140</b>
<b>4 CURRENT LIABILITIES</b>			
i Short Term Borrowings		-	-
ii Other Current Liabilities		154,063	20,353
iii Short Term Provisions		821	821
<b>TOTAL</b>		<b>154,884</b>	<b>21,174</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013****NOTE - 5****FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.4.2012	Additions	Deductions	Upto 31.3.2013	As on 01.4.2012	For the year	On Deductions	Upto 31.3.2013	As on 31.3.2013	As on 31.3.2012
<b>a) TANGIBLE ASSETS (OWNED)</b>										
Land (Freehold)	24,958	-	-	24,958	-	-	-	-	24,958	24,958
Buildings	53,830	-	673	53,157	33,862	1,015	407	34,470	18,687	19,968
Furniture & Off Equip	2,231	-	-	2,231	2,044	38	-	2,082	149	187
Motor Vehicles	2,955	-	-	2,955	749	376	-	1,125	1,830	2,206
<b>SUB TOTAL</b>	<b>83,974</b>	<b>-</b>	<b>673</b>	<b>83,301</b>	<b>36,655</b>	<b>1,429</b>	<b>407</b>	<b>37,677</b>	<b>45,624</b>	<b>47,319</b>
<b>b) INTANGIBLE ASSETS</b>										
<b>SUB TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>83,974</b>	<b>-</b>	<b>673</b>	<b>83,301</b>	<b>36,655</b>	<b>1,429</b>	<b>407</b>	<b>37,677</b>	<b>45,624</b>	<b>47,319</b>
<b>PREVIOUS YEAR</b>	<b>888,328</b>	<b>5,032</b>	<b>809,386</b>	<b>83,974</b>	<b>713,567</b>	<b>1,575</b>	<b>678,487</b>	<b>36,655</b>	<b>47,319</b>	<b>174,661</b>

**Notes:**

- 1 Land, and Buildings were revalued as on 31.03.1995 by an approved Chartered Engineer and based have been reinstated as on 01.04.1995
- 2 The Gross Block as on 31.03.2012 includes an amount of Rs.53,207 on account of revaluation of Fixed Assets.
- 3 Depreciation is not provided for the assets not put to use during the year

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013**

PARTICULARS	Amount Rs. (000's)				
	CURRENT YEAR	PREVIOUS YEAR			
<b>6 NON-CURRENT INVESTMENTS (at cost)</b>					
<b>A In Government Security (Unquoted)</b>	-	-			
<b>TOTAL (A)</b>	-	-			
<b>B OTHER INVESTMENTS</b>					
<b>i. Shares in Joint Stock Companies - Quoted</b>					
<i>Equity Shares of:</i>	<i>Face Value</i>	<i>No of Shares (Current Yr)</i>	<i>No of Shares (Last Yr)</i>		
BOMBAY OXYGEN CORP. LTD	100	5	5	1	1
<b>TOTAL (B(i))</b>				1	1
<i>(Aggregate Market Value of Quoted Shares - Rs. 30,750/- (Rs.11,344/-))</i>					
<b>ii. Shares in Joint Stock Companies - Others</b>					
<i>Equity Shares of:</i>					
CITRIC INDIA LTD	10	1,673,755	1,673,755	3,766	3,766
PUNJAB ANAND BATTERIES LTD	10	50	50	1	1
GREATER BOMBAY CO-OP BANK LTD	25	100	100	3	3
<b>TOTAL (B(ii))</b>				3,770	3,770
<b>GRAND TOTAL (A) + (B)</b>				3,771	3,771
<b>7 LONG TERM LOANS AND AVANCES</b>					
Inter-corporated Deposits				21,200	11,200
Advances to security deposits			2,353		
Less: Provision for Doubtful Debts made			135	2,218	3,520
<b>TOTAL</b>				23,418	14,720
<b>8 NON-CURRENT ASSETS (at cost)</b>					
<b>a) ADVANCES RECOVERABLE IN CASH OR KIND</b>			65,743		
Less: Provision for Doubtful Debts made			10,942	54,804	6,065
<b>TOTAL (a)</b>				54,804	6,065
<b>b) INVENTORIES</b>					
<b>TOTAL (b)</b>				-	-
<b>c) CASH AND CASH EQUIVALENTS</b>					
Cash in Hand				40	39
With Scheduled Bank Current Accounts				27,685	378
Unclaimed interest				-	-
<b>TOTAL (c)</b>				27,725	417
<b>GRAND TOTAL (a) + (b) + (c)</b>				82,529	6,482
<b>9 OTHER INCOME</b>					
Dividend Received				-	-
Interest Received				1,377	688
Other Income				10,000	-
Surplus on Stores disposed				-	1,014
Surplus on Assets disposed				-	86,638
Excess Provisions written back				9,026	2,603
<b>TOTAL</b>				20,403	90,943

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013**

Amount Rs. (000's)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>10 PAYMENT TO &amp; PROVISION FOR EMPLOYEES</b>		
Salaries, wages and bonus	3,118	2,795
Employees Welfare Expenses	187	650
Provident Fund	243	250
E.S.I. Scheme	27	29
Retrenchment Compensation paid	-	12,106
Ex-Gratia Payments	-	20,811
Leave Salary/wages	84	20
<b>TOTAL</b>	<b>3,659</b>	<b>36,661</b>
<b>11 FINANCE COST</b>		
Interest paid (others)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>12 OTHER EXPENSES</b>		
Rent Paid	5,125	656
Rates & Taxes	46	170
Repairs & Maintenance - Others	443	187
Addl payments in settlement of creditors	-	3,335
Travelling expenses	3,584	2,583
Motor Car Expenses	218	156
Professional charges	1,191	924
Directors' Sitting Fees	15	12
Audit Fee	22	18
Electricity charges	1,095	
Electricity charges - as per addl. demand	<u>49,731</u>	52,347
Bank Charges	30	120
Telephone & Telex charges	97	99
Postage & Courier Expenses	40	108
Stationary & Printing charges	173	120
Annual Listing Fee	-	45
Share Transfer expenses	4	229
Office Maintenance Expenses	149	151
Books, Magazines & periodicals	97	70
Web Designing / Web Regn exp	12	13
Sundry Balance Written Off	498	5
Fixed Assets written off	266	141
<b>TOTAL</b>	<b>62,836</b>	<b>61,489</b>
<b>13 EXCESS PROVISION WRITTEN BACK</b>		
Excess Provision Written Back	3,619	-
<b>TOTAL</b>	<b>3,619</b>	<b>-</b>

**14. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013****SIGNIFICANT ACCOUNTING POLICIES:****a) Basis of Preparation of Financial Statements: -**

The accompanying financial statements for the fiscal period have been prepared under historical cost convention, in compliance with Indian Generally Accepted Accounting Principles ("GAAP") with mandatory and relevant Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and in compliance with the provisions of Companies Act, 1956.

**b) Revenue and Expenditure Recognition: -**

Revenue is recognized and expenditure is accounted for on accrual basis.

**c) Fixed Assets: -**

Fixed Assets are stated at cost as increased by revaluation in case of land, building and Plant and Machinery less accumulated depreciation thereon in respect of assets acquired up to 31.03.1995. Fixed assets were revalued as on 31.03.1995.

**d) Depreciation: -**

Depreciation on fixed assets (including revalued assets) was used to provide at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 to the extent specified in section 205(2)(a) as per written down value method.

Depreciation on Residential Building, Furniture and Fittings, Motor vehicles, etc and addition to and deduction from such assets are provided for on pro-rata basis from/up to the month of addition / deduction.

Additional depreciation representing the difference between depreciation on revalued amount and original cost of the assets like Land has been withdrawn from revaluation reserve.

**e) Retirement benefits: -**

Employer's Contributions to Provident Fund and gratuity are charged as expenditure.

**f) Investments: -**

Long Term Investments made by the Company in shares are valued as per the Accounting Standards issued by The Institute of Chartered Accountants of India. Provision has been made for permanent diminution in the value of Long Term investments.

**g) Inventories: -**

Inventories are valued at lower of cost or estimated net realizable value as certified by the Managing Director of the company. Cost of inventories is computed on a weighted average basis. The value of finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Proceeds in respect of sale of raw materials or stores will be credited to the respective heads. The closing stock of scrap, waste products such as lime sludge are not valued and shown in the balance sheet as in the opinion of the management these items do not have a ready market.

**h) Sales: -**

Sales include recovery of Excise Duty, Sales tax and shown net of the adjustment against transporting and forwarding expenses incurred.

**i) Excise Duty: -**

Excise duty on finished goods is accounted for at the time of clearance of goods.

**j) Treatment of contingent Liabilities: -**

Contingent liabilities not provided for, are disclosed by way of Notes to accounts with particulars of the nature and quantum, wherever possible, of such liabilities.

**k) Segment Reporting: -**

The Company has carried out no trading activity and hence there is no separate segment as per AS-17 issued by ICAI.

**l) Earnings per Share: -**

The Company reports basic earning per share in accordance with AS-20 for "Earnings per Share" issued by the ICAI. Basic earning per share has been computed by dividing net profit by the weighted average number of equity shares outstanding for the year.

m) **Accounting for taxes on income: -**

Income tax expense is recognized in accordance with AS-22- "Accounting for Taxes on Income" which includes current taxes and deferred taxes.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax assets are not recognised in the absence of reasonable/virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**15. NOTES FORMING PART OF ACCOUNT:****1. Disputed items not provided for:****Central excise Refund**

As per the order of the Asst. Commissioner of Central Excise, Kottayam Division, Kottayam dated 23.12.1998 holding that Calcium Carbide manufactured and used captive consumption in the manufacture of acetylene black within the factory is not liable for levy of excise duty, the company is entitled to a refund of excise duty of Rs. 82,89,691/- in respect of the period from April 1978 to July, 1983.

This was confirmed by the Hon'ble CEGAT, New Delhi as per the order No.A/1076/02 NB (D) dated 24.10.2002. Based on the above order the company filed a refund claim for Rs.82,86,691/- before the Deputy Commissioner of Central Excise, Kottayam Division on 30.01.2003. However the Deputy Commissioner allowed only Rs.37,99,198/- as refund and the same was recognized as income in the Profit & Loss account in the year 2002-2003. The claim for the balance amount of Rs.44,86,993/- was rejected by the Excise authorities for want of proof for payment of duty.

Against this order the company had filed an appeal before the Commissioner of Central Excise and Customs (Appeals) Cochin on 22-10-2003 and the appeal was disposed of in favour of the Company.

The Department has gone in Appeal. In view of the above, the claim for the refund of the balance amount of Rs. 44,86,993/- has not been recognized in the accounts.

Company has also filed appeal before CEGAT, New Delhi for release of balance amount, which is pending for disposal.

The Department has gone in Appeal. In view of the above, the claim for the refund of the balance amount of Rs. 44,86,993/- has not been recognized in the accounts. Company has also filed appeal before CEGAT, New Delhi for release of balance amount, which is pending for disposal.

2. The Company has paid Rs.10 Crores towards KSEB arrears in F.Y.2011-2012. The Total arrears was settled under One Time Settlement at Rs.14.75 Crores and the balance amount of Rs.4.75 Crores paid in full and final settlement during the year 2012-13.

**3. Managerial Remuneration:**

Paid to Shri. S. B. Somani, Chairman and Managing Director:

Particulars	Amount F.Y.2012-2013 (In Rupees)	Amount F.Y.2011-2012 (In Rupees)
Salary	7,20,000	7,20,000
Perquisites	4,32,000	4,32,000
Contribution to Provident Fund	86,400	86,400
<b>Total</b>	<b>12,38,400</b>	<b>12,38,400</b>



**3.1 Computation of loss in accordance with Section 349 of the Companies Act, 56:**

(Rs. in '000)

March 31 <sup>st</sup> of ->	2013	2012
Profit (Loss) as per Profit and Loss Account	(50,290)	(7,888)
Less: i. Depreciation charged to A/c's	(580)	(681)
ii. Directors Sitting fees	(15)	(12)
iii. Remuneration to MD	(1,238)	(1,238)
Business Profit (Lbss)	(48,458)	(5,957)
Less /Add: Depreciation as per Section 350	-	-
Total Profit for the year		
Add: C/f (Losses) from earlier years	(4,13,931)	(3,67,259)
(Losses) under section 198		

**4. Contingent Liabilities:**

The Company had acquired lease hold land and invested a sum of Rs.1.76 Lacs thereon. The matter is sub-judice before the Hon'ble Kerala High Court against resumption of said land order by Kerala Government. In the event any adverse judgment is passed the said sum of Rs. 1.76 Lacs may have to be written off.

**5. Other Pending Matters****A. DLF Settlement**

During the year under report the Company has entered into Settlement Agreement with DLF Ltd. in pending Arbitration matter. A Joint Settlement Application has been filed during the current year and Company has also made payment of Rs.4.50 Crores in addition to Rs.50 Lacs paid in F.Y.2011-12 to DLF Ltd. leaving a sum of Rs. 1.76 Crores to be paid in instalments. The effect of settlement will be given in the account in the year 2013-14 as the Arbitration Tribunal has to pass an award in terms of Settlement Agreement arrived at.

**B. Inter Corporate Deposits**

The Company has given Inter-Corporate Deposits to Rashtriya Metal Industries Ltd. Rs. 100 Lacs and Vindhyachal Hydro Power Ltd. Rs. 50 Lacs. These Inter-Corporate Deposits have been made with the aforesaid Companies against Security of Post Dated Cheques. The Company is receiving interest on the Inter-Corporate Deposits regularly.

The Company has also made Inter-Corporate Deposit with India Ener-Gen Ltd. Rs.62 Lacs. However, the said company has not made any payment towards interest. The Company has made demand for repayment of the said loan and the repayment is expected during the year 2013-14.

**C. Survey of Freehold Land of the Company at Chingavanam**

The Independent Directors of the Company had conducted physical survey of the freehold land at Chingavanam on 30/09/2012 and no discrepancy has been found by them.

**D. Flat at New Delhi**

The company was in possession of one flat at 97-Sunder Nagar, New Delhi. In terms of Supreme Court Order, the company has handed over the vacant possession of the said flat on 31/03/2013. The Company has also written off the book value amounting to Rs.2.66 Lacs of the said flat on 31/03/2013

**E. Advances Given to the parties**

The Company had given recoverable advances to Mr. Joseph Manual Rs.10 Lacs and Mr. Sudhir Kale Rs.1.01 Lacs. The Company is expecting to recover their advances during the year 2013-14.

**F. Embezzlement of Funds by an employee of the Company**

One employee of the Company had embezzled a sum of Rs.4.98 Lacs in the year 2005-2006 and did not account for the said amount to the Company. The Company had also filed a Criminal Complaint against the said employee. Since the chances of the recovery of the amount was bleak, the Company has written off the said amount during the year under report.

**G. Sale of Surplus Land at Chingavanam**

The Company had entered into an Agreement for Sale for sale of Surplus Land at Chingavanam with some Parties who had paid a sum of Rs. Six Crores as an advance. However, the said Parties defaulted in making payment of balance consideration as per Agreement for Sale dated 04/07/2012 in spite of extension of time granted to them. The said Agreement was cancelled in terms of Clause 8 thereof. The Company has made refund of Rs. Five Crores (These Cheques are reflected in Bank Reconciliation Statement as on 31.03.2013 as "Cheques Issued But Not Presented For Payment".) to the said parties after appropriating a sum of Rs. One Crore towards Opportunity Loss, Claims etc., The Cheques sent to the said Parties have, however, been returned with remark "REFUSED" on the envelopes by Postal Department. The said sum of Rs. One Crore towards Opportunity Loss, Claims etc. appropriated from advances received from the said Parties has been credited under the head "Other Income". After appropriation of the said amount, there is no amount due to the said parties.

**6. Due to Small Scale Industrial undertakings.**

There is no outstanding dues as defined under the Interest on Delayed Payments of Small Scale and Ancillary Industrial Undertaking Act, 1933 and section 3(l) of the Industrial (Development and Regulation) Act, 1951.

**7. Loans and Advances**

Include an amount of Rs. 1,12,00,000/- (Rs. 1,20,50,962/-) paid to Associate Concern as per Note No. 19(I).

**8. Fixed Assets.**

The entire Plants and Machineries, equipments and other old movables at Chingavanam Factory were disposed off in the previous year 2011-12. However, due to reasons beyond control, i.e. delay in getting concurrence the Revenue Department, agitation by the former workers, etc the purchaser could not dismantle / remove the scrap from the Company's premises till the end of this financial year.

**9. Current Assets**

- 9.1. As the Company has been under Lock -out since July 1999, dues under the heads Sundry Debtors, Loans and Advances and Current Liabilities including Sundry Creditors are subject to confirmation.
- 9.2. In the earlier years, the Company had made full provision of Rs. 1,35,31,446/- towards amount due from Sundry Debtors for a period exceeding 3 years. During this year the Company has reviewed the status of the amount recoverable from Sundry Debtors as well as the Suits filed of Rs.42,91,787/- by the Company for recovery of the amount due from some of the parties. After conducting review, the Company has Written Off a sum of Rs.7,37,311/- and has credited Rs.36,18,754/- to "Excess Provision Written Back Account".
- 9.3. Advance against purchases include an amount of Rs. NIL (Rs.8,36,990/-) due for a period exceeding three years for which provision for doubtful advance has been made. During the year this was adjusted against the provision created earlier.

**Fundamental accounting assumption regarding Going Concern.**

10. As pending issues inter-alia resumption of power supply, grant of Financial Assistance and other incentives from State Government and other concerned Authorities remain unresolved, the chances of early resumption of manufacturing activities of viable plants receded. The Company has disposed off its Factory Buildings, Plant & Machineries etc., at Chingavanam during the year 2011-12. The above conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

**Quantitative Details**

11. Information pursuant to Para 3, 4C and 4D of Schedule VI, Part II to the Companies Act, 1956 are given below:

NOT APPLICABLE (as the Company has no Licensed / installed capacity)

**Traded Goods -**

A. CHEMICALS	QUANTITY. (KG.)	VALUE (Rs./'000)
Opening Stock	Nil (Nil)	Nil (Nil)
Purchases	Nil (Nil)	Nil (Nil)
Sales	Nil (Nil)	Nil (Nil)
Closing Stock	Nil (Nil)	Nil (Nil)
	<b>During 2013</b>	<b>During 2012</b>
12. Raw Materials Consumed	NIL	NIL
12.1. Percentage of consumption of indigenous / imported raw - Materials, packing materials, spare parts and components	NIL	NIL
13. Expenditure in Foreign Currency	2704	818
14. CIF value of Imports - Raw materials / Spares / Capital goods	NIL	NIL

15. Capital Commitments NIL
16. The Companies in which the Directors are associated have filed the Annual Returns and did not make any default in the repayment of deposits if any fallen out. On the basis of representations received from the Directors, none of the Directors attract disqualifications under section 274(1)(g) of the Companies Act, 1956.
17. The Company had no full time Company Secretary as required u/s 383A of the Companies Act, 1956 during the year under report due to layoff / lock out.
18. Others
- 18.1 Basic earning per Equity Share and Diluted earning per Equity Share have been computed by dividing net profit by the weighted average number of equity shares outstanding for the year.
- 18.2 Calculation of basic Earnings per share

Sl. No.	Particulars	Equivalent number of shares for the year	
		2012-2013	2011-2012
1.	Opening No of Shares	1,89,63,700	1,89,63,700
2.	Total Shares Outstanding	1,89,63,700	1,89,63,700
3.	Profit after Taxes in Rs. (000)	(46,672)	(7,888)
4.	Nominal value of Shares	Rs. 10.00	Rs. 10.00
5.	Earning per Share	(2.46)	(0.42)

19. Disclosure of transactions with Related parties, as required by Accounting Standard 18 as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by key managerial personnel and information available with the Company.

Relationship Entities where control exist: Nil

#### I. Associate and Group Companies

- (1) Citric India Limited, (2) Chemo Pharma Labs Limited, (3) India Energen Limited  
(4) Vindhyachal Hydro Power Ltd.

#### II. Key Management Personnel:

Shri. S B Somani, Chairman & Managing Director

Transactions	Associates and Group Co. Rs.	Key Management Personnel / Rs.	Total Rs.
Opening Balance receivable	120,50,962	-	1,20,50,962
Opening Balance payable	31,40,000	-	31,40,000
Finance Provided including loans given	6,19,60,000	-	6,19,60,000
Amount received	5,96,70,962	-	3,66,70,962
Outstanding Balance receivable	1,12,00,000	-	1,12,00,000
Outstanding Balance payable	-	-	-
Remuneration paid including perquisites		12,38,400	12,38,400

20. The Sundry Debtors, Sundry Creditors and Loans and Advances are subject to confirmation, reconciliation, and adjustments. The Management is of the opinion that such reconciliation or adjustments if any will not materially affect the accounts.
21. Traveling Expenses include foreign travel expenses of Directors amounting to Rs.2704652/-, which are incurred for purposes other than business.
22. In view of the accumulated losses, the Management has not provided deferred tax assets as well as deferred tax liabilities. Hence the disclosure in respect of accounting of taxes on income as required under Accounting Standard 22 issued by ICAI is not done.
23. Figures are given in thousands unless otherwise stated
24. Figures for the previous year have been regrouped / rearranged wherever necessary and are given in bracket unless otherwise specified.
25. The Financial Statements for the year ended 31.03.2013 are prepared as per revised Schedule VI. Accordingly, the previous year figures have been re-classified, wherever necessary, to conform to this year's classification.

As per attached report of even date

For and behalf of Board of Directors

Sd/-  
VIJAY KUMAR DESAI  
Membership No. F/9219  
No. A/01/0513

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

Sd/-  
G. K. JOSHI  
DIRECTOR

Place: Mumbai  
Date: 23<sup>RD</sup> MAY, 2013

If undelivered please return to :  
**TECIL CHEMICALS & HYDRO POWER LTD.**  
P.O. Chingavanam – 686 531  
Dist. Kottayam (Kerala)