



T C M Limited

(Formerly Travancore Chemical & Mfg.Co.Ltd.)

**63rd Annual Report
&
Accounts**

For the year ended 31. 03. 2007



DIRECTORS

T. THIRUGNANAM
JOSEPH VARGHESE
PHILOMINA THOMAS
GEORGE VARGHESE
ANTONY VARGHESE
C.H. ABDUL RAHIM
T. RAJA
RAMESH BABU
T.S. RAJAGOPALAN

AUDITORS

M/S LAZAR & GEORGE
Chartered Accountants

BANKERS

BANK OF BARODA

REGISTERED OFFICE

40/1131, SREERAGAM
CANNON SHED ROAD
ERNAKULAM
COCHIN - 682 011

SHARE TRANSFER AGENTS

CAMEO CORPORATE SERVICE LTD
SUBRAMANIAN BUILDING
NO.1, CLUB HOUSE ROAD
CHENNAI - 600 002

FACTORIES AT

KALAMASSERY
METTUR DAM
TUTICORIN



NOTICE TO SHAREHOLDERS

Notice is hereby given that the 63rd Annual General Meeting of the members of TCM Limited. will be held at 3.00 p.m. on 29.09.07 at Bharat Hotel, Ernakulam, to transact the following business.

Ordinary Business

1. To receive consider and adopt the audited Balance Sheet as at 31st March 2007 together with the Profit & Loss account made upto that date along with the report of the Directors & Auditors.
2. To appoint a director in place of Mr.T.Thirugnanam who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint auditors and to fix their remuneration and in this connection to pass, with or without modification, the following resolution as an ordinary resolution;
"Resolved that pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s Lazar & George, Chartered Accountants, be and are hereby appointed as auditors of the company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the company on a remuneration to be fixed by the Board of Directors."

Special Business

4. To pass with or without modification the following resolution as an ordinary resolution;
 - a) "Resolved that Mr. Ramesh Babu be and is hereby appointed as Director of the company subject to retirement by rotation."
 - b) "Resolved that Mr. T S Rajagopalan be and is hereby appointed as Director of the company subject to retirement by rotation."

Notes

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxy in order to be valid should be duly completed, signed and stamped and the same must be received at the registered office of the company not less than 48 hours before the commencement of the meeting.**



2. The register of members and the share transfer book of the company will remain closed from. 19.09.2007 to 29.09.2007(both days inclusive).
3. Members are requested to intimate any changes in their addresses to the share transfer agent M/s Cameo Corporation Services Limited, "Subramania Building", No.1, Club House Road, Chennai – 600 002 quoting their folio number.
4. Members are requested to bring their copies of the annual report and accounts to the meeting. Members are also requested to bring the attendance slip with them duly filled in and handover the same at the entrance of the venue.
5. The relative explanatory statement in respect of special business is given below

By order of the Board
For **TCM LIMITED**

Joseph Varghese
Director

Place: Ernakulam
Date : 31.07.2007

EXPLANATORY STATEMENT

Item no.4

- a. The company has received the notice u/s 257 of the Companies Act, 1956, together with requisite deposit, from a member signifying his intention to propose Mr. Ramesh Babu as a Director of the company. He was appointed by the board as an additional director and in terms of section 260 of the Companies Act, 1956 he holds office only upto the Annual General Meeting. The resolution as at item no.4(a) is placed before the shareholders for their approval. None of the Directors except Mr. Ramesh Babu as appointee is concerned or interested in the resolution. However the appointment is subject to the approval of BIFR.
- b. The company has received the notice u/s 257 of the Companies Act, 1956, together with requisite deposit, from a member signifying his intention to propose Mr.T S Rajagopalan as a Director of the company. He was appointed by the board as an additional director and in terms of section 260 of the Companies Act, 1956 he holds office only upto the Annual General Meeting. The resolution as at item.no.4(b) is placed before the shareholders for their approval. None of the Directors except Mr. T S Rajagopalan as appointee is concerned or interested in the resolution. However the appointment is subject to the approval of BIFR.



DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 63rd Annual Report together with the audited accounts for the year ended 31st March, 2007:

I FINANCIAL PERFORMANCE OF THE COMPANY

PARTICULARS	Year Ended	Period Ended
	31.03.07	31.03.06
	Rs in lakhs	
Sales	1.05	-
Raw Material & Packing Materials	-	-
Power	7.21	0.36
Employee Cost	47.65	1.10
Excise Duty	17.48	-
Financial Cost	5.7	110.96
Depreciation	45.07	34.35
Net Loss	(286.95)	(134.76)

II DIVIDEND

Due to loss sustained by the Company the Directors are not in a position to recommend payment of any dividend to the members for the year ended 31st March, 2007.

III EXISTING STATUS:

The Unit at Tuticorin which stopped production with effect from 01.04.2005 has restarted production activities with effect from 07.04.2007. (An agreement with labour has been entered into). As regards the Mettur unit, after series of discussions with the representatives of the workers, your directors have been successful in reaching an agreement with them to reopen the factory. Accordingly necessary maintenance of the plant is completed. The company is waiting for restoration of electricity and water connection to start operation. Your directors are trying to identify a suitable business for the Kalamassery

unit. Your company has been registered with BIFR as a Sick Industrial Unit vide Registration No.101/2005 dt.28.03.2005. A revival scheme is already prepared and filed with Bank of Baroda, the Operating Agency. The company has settled the dues to Bank Of Rajasthan on One Time Settlement basis. An agreement is arrived at with Sham Rao Vithal Co-Op bank Ltd., to settle their dues on a One Time Settlement basis. Negotiation for settlement of dues to Bank of Baroda and Federal Bank is in progress.

IV DIRECTORS

Mr. T Thirugnanam retires by rotation at the Annual General Meeting and being eligible has offered for reappointment. Mr. T S Rajagopalan and Mr. Ramesh Babu were appointed as additional directors with effect from 28.04.2007 and being eligible they seek appointment as directors at the Annual General Meeting, subject to the approval of BIFR.

The appointment of Mr. Antony Varghese, Mr. T Raja, Mr. George Varghese and Mr. C H Abdul Rahim made at the last Annual General Meeting has been stayed by the Company Law Board in response to a petition filed by shareholder.

V DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

VI PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration attracting the provisions of Section 217 (2A) of the Companies Act, 1956

VII DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors Report.

- i That in preparing the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors had selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the accounts on a going concern basis, as BIFR revival scheme is under preparation.

IX LISTING

The shares of the company are listed at the Mumbai Stock Exchange. The listing fees has been paid upto and including 2007-2008.

X QUALIFICATIONS IN AUDIT REPORT

Item no. (f)

- (1) The necessary adjustments will be made when the one time settlement is finally made to the banks.
- (2) The company is trying to get its application for exemption from land ceiling disposed off at the earliest.
- (3) The land at Kalamassery unit continues to be with the company.
- (4) The company has reached an agreement with the workers at the Mettur unit to reopen the factory as soon as the electricity and water connection are restored.
- (5) The Tuticorin unit restarted production with effect from 07.04.07.
- (6) The liability in respect of the devolved letter of credit is being ascertained.
- (7) The realizable value of inventory at Mettur unit and Tuticorn unit is being ascertained.

XI AUDITORS

The retiring auditor M/s Lazar & George are eligible for reappointment.



XII FOREIGN EXCHANGE

There has been no foreign exchange earning or outgo, during the year.

XIII ACKNOWLEDGMENTS

Your directors wish to place on record their gratitude to companies, Customers for their continued patronage and Bank of Baroda, Bank of Rajasthan Limited, the Shamrao Vithal Co-operative Bank Limited, The Federal Bank Limited, ICICI Limited for their consistent guidance and co-operation. The Board also wished to place on record its appreciation for the co-operation extended by all ranks of employees.

By order of the Board
For **TCM LIMITED**

Place: Ernakulam
Date : 31.07.2007

Joseph Varghese
Director

T. Thiruganaham
Chairman



ANNEXURE TO DIRECTORS REPORT

1 .MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

The company is in the field of manufacture of two groups of chemicals:

1. Fungicides, Weedicides and their formulations
2. Barium and Strontium Salts (Carbonates, Nitrates and Chlorides)

A part of the fungicides and respective formulations are manufactured at Tuticorin. The plant which remained closed during the year restarted operations on 07.04.2007.

INDUSTRY STRUCTURE AND DEVELOPMENT

Fungicides, Weedicides and their formulations

The company used to enjoy a premium status in the production of Copper Sulphate, Copper Oxychloride and formulations. These products are used as a fungicide in coffee, rubber and cardamom plantation and in a variety of ground crops such as cotton, rice, chillies etc.

BARIUM AND STRONTIUM SALTS

These products are reserved for small scale sector and are always subject to a pressure on margin on account of competition from this sector. These products find application in television glass, ferrites, paints, heat treatment salts, fireworks, tanneries etc. The factory at Mettur remained closed during the year and is scheduled to reopen soon.

OPPORTUNITIES AND THREATS

The company is a sick company registered with BIFR and has submitted Revival Scheme to the Operating Agency.

OUTLOOK

The company has already restarted production at the Tuticorin unit and has taken effective steps to start operations at the Mettur unit



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company had established framework of internal controls for ensuring optimum use of resources and safeguarding assets.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The company maintains cordial relations with the employees of the company.

For and on Behalf of the
Board
For **TCM Limited**

Place: Ernakulam
Date : 31.07.2007

Joseph Varghese
Director

T. Thirugnanam
Chairman



REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

(As required by clause 49 of the Listing Agreement with the Stock Exchanges)

1. COMPANY'S PHILOSOPHY

The Company has consistently endeavoured to practice good Corporate Governance. The Company firmly believes in the values of transparency, professionalism and accountability in its dealings with its customers, dealers, employees, shareholders and with every individual who comes in contact with the company.

2. BOARD OF DIRECTORS

The Board consists of 9 directors of which one is a Executive Director. The composition, Independent Directorships and membership of other Board committees are tabulated hereunder:

Director	Executive/Non Executive/ Independent	No. of other Directorships	Membership of other Board Committees
Joseph Varghese	Executive	9	2
T Thirugnanam	Non Executive	-	-
Philomina Thomas	Non Exe & Independent	-	-
Antony Varghese	Non Exe & Independent	-	2
T Raja	Non Exe & Independent	-	-
George Varghese	Non Executive	8	1
C H Abdül Rahim	Non Exe & Independent	-	-
T S Raja gopalan	Non Exe & Independent	-	-
Ramesh Babu	Non Exe & Independent	-	-

Mr. T.S. Rajagopalan & Mr. Ramesh Babu were appointed as additional directors with effect from 28-04-2007.



The attendance at the Board Meetings and the last Annual General Meeting during the year ended 31.03.07 is tabulated hereunder:

Name of Director	No. of Board Meetings Attended	Whether attend the AGM
Joseph Varghese	5	Attended
T Thirugnanam	5	Attended
Antony Varghese	3	
T Raja	1	
George Varghese	3	Attended
Philimina Thomas	3	
C H Abdul Rahim	1	

Board Meetings held during the year 2006-07.

During the year ending 31.03.07, Five Board Meetings were held on the following dates:

30.05.06	31.10.06
30.06.06	31.01.07
31.07.06	

3. BOARD COMMITTEES

The Board has setup the following committees as per requirements of the code of Corporate Governance.

a. Audit Committee:

The Audit committee consists of three Directors Viz. Joseph Varghese, Joy Varghese and Antony Varghese who is the Chairman.



The attendance at the Audit committee is as follows.

Name	Designation	No. of meetings attended
Joseph Varghese	Director	3
Antony Varghese	Director	3
Joy Varghese	Director	3

The audit committee was reconstituted with effect from 28.04.07 with the following members.

Mr. T S Rajagopalan- Chairman, Mr. Ramesh Babu, Mr. Joseph Varghese and Mrs. Philomina Thomas as members.

Representatives of statutory auditors and internal auditors, as appropriate, are the invitees to the meetings of the Audit Committee. The role and terms of reference of the audit committee covers the areas mentioned under clause 49 of the listing agreement and section 292 A of the companies Act 1956. This, inter alia, includes overseeing the financial reporting process and disclosure of financial information, reviewing any change in accounting policies and practices, compliance with accounting standards and reviewing the adequacy of internal control system. The audit committee met thrice during the year.

b. Remuneration Committee

The Remuneration committee consisted of three directors namely Mr. Antony Varghese, Mr. Joy Varghese and Mr. T Raja. There was no requirement for the remuneration committee to meet during the year. This committee was reconstituted with effect from 28.04.07 with the following members – Mrs. Philomina Thomas – Chairperson, T S Rajagopalan, and Mr. Ramesh Babu as members.

c. Investor Grievances and share transfer committee.

The investor grievances and share transfer committee of the company consisted of the following directors during the year - Mr. Joseph Varghese, Mr. Joy Varghese and Mr. George Varghese as members.

During the year 2006-2007, no complaints has been received form the shareholders and investors.

Apart from the normal transfers / transmissions, no complaints has been received from shareholders during the year.



This committee was reconstituted with effect from 28.04.07. as follows- Mr.T.S.Rajagopalan – Chairman, Mr. Ramesh Babu and Mr. Joseph Varghese as members.

DIRECTORS REMUNERATION

a. Remuneration policy

Remuneration to Executive Director has been paid in accordance with the provisions of the Companies Act, 1956.

b. Remuneration paid during 2006-2007:

Executive Director

Name	PARTICULARS	
	Salary and Advances	Other Benefits / Reimbursements
	NIL	NIL

4. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings are as under:

Year	Venue	Date	Time
2005-2006	Bharat Hotel,Ernakulam	30.09.06	3.00 p.m
2004-2005	Bharat Hotel,Ernakulam	31.12.05	3.00 p.m
2003-2004	Bharat Hotel,Ernakulam	31.12.04	3.00 p.m

There was no other General Body Meeting in the last three years and no resolution was put through postal ballot.

5. DISCLOSURES

During the year 2006-07 the company had no related party transaction, which is considered to have potential conflict with the interests of the Company.

There has not been any non-compliance with the requirements of the stock exchanges, SEBI etc on all matters relating to the capital markets.



6. MEANS OF COMMUNICATION

The quarterly, Half- Yearly and Annual Results are generally published by the Company in the English and Vernacular Newspapers. The results are also sent to the Stock Exchange where the company's shares are listed. The Half-Yearly reports are not sent to household or shareholders. The company currently does not have a website.

7. GENERAL SHAREHOLDER INFORMATION

a. Annual general meeting

Date and Time	29-09-2007 at 3.00 p.m
Venue	Bharat Hotel, Ernakulam,

b. Financial Calendar of the company:

The financial year covers the period from 1st April, 2006 to 31st March, 2007.

c. Date of Book Closure:

The period of book closure is fixed from 19.09.2007 to 29.09.2007 (both days inclusive)

d. Outstanding ADRs / GDRs / Warrants or any convertible Instruments, conversion date and likely impact on equity

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The shares are available for trading in the depository system of both the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL). As on 31st March 2007, 28,43,339 company's total shares representing 83.65% shares, were held in dematerialized form and the balance were in physical form.

The international securities identification (ISIN) Number for demat is INE034FO1010.



Market Price Data - The 52 week high and low price of the company's share is given below:

Month	Year	High	Low
April	2006	4.02	3.7
May	2006	4.20	3.81
June	2006	4.00	3.70
July	2006	4.30	3.90
August	2006	4.43	3.48
September	2006	4.59	3.20
October	2006	4.24	3.53
November	2006	4.05	3.31
December	2006	6.22	3.31
January	2007	9.59	6.53
February	2007	6.87	5.18
March	2007	6.12	5.40

Registrar and Transfer agents; Share Transfer System

The Registrar and Share Transfer Agents of the Company is M/s Cameo Corporate Services Ltd, Chennai. The share transfer forms are processed and placed before the Share Transfer Committee (one member committee) once in 15 days which is approved by the Board

DISTRIBUTION OF SHAREHOLDING

Slab of Shareholding	Shareholders	%	No. of Shares	%
0-5000	2608	98.53	935540	27.52
5001-10000	17	0.64	126595	3.73
10001 - & above	22	0.83	2336900	68.75
Total	2647	100.00	3399035	100.00



**CERTIFICATE FROM THE AUDITORS' REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

TO THE SHAREHOLDERS OF TCM LIMITED

We have examined the compliance of conditions of Corporate Governance by TCM Limited for the year ended 31ST March 2007 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's 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 based on the representations made by the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned listing agreements.

We state that no investor's grievances were pending for a period of one month against the company as per the records maintained by the shareholders / investors Grievances Committee.

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.

Place : ALUVA,

Date : 30.06.2007.

For LAZAR & GEORGE
Chartered Accountants

GEORGE LAZAR
Partner



AUDITORS REPORT TO SHAREHOLDERS

TO THE MEMBERS OF TCM LIMITED

We have audited the attached Balance Sheet of M/s. TCM LIMITED, as at 31st March 2007 and the Profit and Loss Account of the Company for the year ended on that date annexed hereto and Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub section (4A) of Section 227, of the Companies Act 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above, 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 purposes of our audit ;
 - (b) In Our opinion , proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - (c) The Balance Sheet , Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts;
 - (d) In Our opinion, the Balance Sheet , Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;



- (e) On the basis of the written representation received from the Directors of the Company as at 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) In Our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject to:
- (1) *The Company has negotiated with the Banks for a One Time Settlement of the loan dues and agreements are underway. Negative net worth and substantial operating losses and other matters dealt in AAS 16 raise a substantial doubt that will be able to continue as a GOING CONCERN. In the light of this adjustments may be required to the recorded assets amounts and classification of liabilities: The financial statements (and notes there to) do not disclose this fact.*
 - (2) *Note 6 regarding Ulundurpet Land, out of the total extent of land admeasuring 99.92 acres purchased at Ulundurpet, 54 acres of land come under Urban Land Ceiling Act. The application for exemption from Land ceiling is pending before the Government. The clearance for the land admeasuring 99.92 Acres has not been granted by Pollution Control Board because of the stretch of land falling within one Kilometer from the banks of the river. In view of the Land Ceiling act, the possibilities for disposal of lands possess difficulty. In the light of the above and in the absence of reported reasonable marketable value, the increase or decrease in the value of the Land is not ascertainable. In view of this, the quantification of the amount at this juncture as to the effect on the impairment of assets, if any, in the Profit and Loss Account is not possible.*
 - (3) *Note 7 regarding Kalamaserry Unit, the plant and machinery items and a major portion of the factory buildings have been disposed of and its effect in the Profit and Loss account has been given effect to. Land still continues to be the property of the company.*
 - (4) *Note 8 regarding Mettur unit, the production activities were stopped with effect from 16.08.2004. After series of discussions by the present management with the representatives of the workers, agreement has been reached with the labour to reopen the factory. Maintenance of the plant is completed.*



Company is waiting for restoration of electricity and water connection. A plan for the revival of the Mettur Unit is already filed in the Bank of Baroda, the Operating Agency appointed by the BIFR.

- (5) *Note 9 regarding Tuticorin unit, the activities of Tuticorin unit was stopped with effect from 01.04.2005. After agreement with the labour union and maintenance of the plant, the unit has restarted production activities with effect from 7th April 2007. The Revival plan for this unit is already with the Operating Agency.*
- (6) *No provision has been made in respect of interest on Letter of Credit devolved due to inadequacy of information. Hence the effect thereof in Profit and Loss Account could not be quantified.*
- (7) *Due to uncertainty in the estimate of realisable value, the inventory at Mettur Unit and Tutucorin unit have been adopted as in the previous year. Therefore, the quantification of the amount at this juncture is not possible as to its effect in the Profit and Loss Account.i.*
- i in the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2007 and
- ii. in the case of the Profit and Loss Account of the Loss for the Company for the year ended 31st March 2007.
- iii. in the case of Cash Flow Statement of the Cash Flows for the year ended on that date.
- iv As on 31st March 2007, the company is a Sick Industrial Company within the meaning of clause (o) of sub-section (1) of section 3 of Sick Industrial Companies (Special Provisions) Act, 1985 read with the guidance note issued by ICAI in this regard and The Company has been registered with BIFR as a sick Industrial company vide Registration No. 101/2005 dt 28-03-2005.

Place : Always,

Date : 30.06.2007

For LAZAR & GEORGE
Chartered Accountants.

GEORGE LAZAR
Partner



ANNEXURE TO THE AUDITORS REPORT

Referred to in Paragraph 1 of Our Report of even date.

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed assets
- (b) While all the Assets have not been physically verified by the management during the period but the majority of fixed assets have been physically verified by the management at reasonable intervals.
- (c) The Plant and Machinery and substantial portion of the factory buildings at Kalamassery has been sold. Negative net worth and substantial operating losses and other matters dealt in AAS 16 raise a substantial doubt that it will be able to continue as a GOING CONCERN.
- (ii) Physical verification of inventory has not been conducted by the Management
- (iii) The company has not granted or taken any loans secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 except interest free loan from Director.
- (iv) There has been no effective internal control procedure commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for sale of goods.
- (v) The Company has not accepted any deposits from the public during the current year. Therefore provision of 58 A and 58 AA of the Companies Act, 1956 and rules there under are not applicable to the Company
- (vi) The company has no internal audit system.
- (vii) We are of the opinion that prima facie accounts and records have not been made and maintained by the company pursuant to the order made by the central government for the maintenance of cost records under Clause (d) of Sub Section (1) Section 209 of the Act.



- (a) According to the information given to us and records examined by us, the company is not regular in depositing undisputed statutory dues including Provident Fund, Employees' state Insurance

SN	Name of the Statute	Nature of Dues	Amount	Period to which amount relates.
1	Provident Fund Act	Provident Fund	428787.00	2003-04
2	Employees' State Insurance	Insurance	38128.48	2003-04
3	Income Tax	Income Tax	308313.00	2002-03 & 2003-04
4	Professional Tax	Professional Tax	51583.00	2002-03
5	Sales Tax (TNGST,CST, AST,KST etc)	Sales Tax	263309.43	2002-03 & 2003-04
6	Entry Tax	Entry Tax	5802.00	2003-03
7	Excise Duty	Excise Duty on F/G	1267.00	2002-03
			1097189.91	

- (b) The Income tax demand of Rs.34.59 Lakhs for the year 1997-98 being under dispute unpaid and is pending before the Income tax Appellate Tribunal.

- (viii) The Accumulated Losses at the end of the financial year are more than 50% of the Net worth. Cash Loss incurred during the year ended 31.03.2007 is Rs. 242 Lakhs. Cash Loss incurred during the period ended 30.03.06 (6 months) is Rs.113 Lakhs. There is erosion of Net Worth more than 50%. However, the value of land is shown only at cost since purchase of land. The realisable value of land and other assets have not been ascertained.

- (ix) The amount due to the financial institutions / banks towards repayment are given hereunder.

(Rupees in Lakhs)

Period of default	Principal	Interest	Total
April 2000 to March 2007	71.79	108.68	180.47
February 2000 to March 2007	159.78	281.17	440.95
Total	231.57	389.85	621.42



- (x) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xi) Observation on the Benefit Funds, Nidhis being not applicable is not dealt with.
- (xii) Observation on the Stock & Shares business being not applicable is not dealt with.
- (xiii) The Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (Xiv) The Company has not availed any term loan during this period.
- (xv) Funds raised on short term basis have not been used for long term investment
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies act.
- (xvii) The Company has not issued debentures
- (xviii) As per the information furnished to us and to the best of our knowledge, no fraud on or by the company has been noticed or reported during the period

Place : Always,
Date : 30.06:2007

For LAZAR & GEORGE
Chartered Accountants.

GEORGE LAZAR
Partner



TCM Limited

BALANCE SHEET AS AT 31ST MARCH 2007

	Schedule Ref	AS AT 31.03.2007 (12 MONTHS)		AS AT 31.03.2006 (6 MONTHS)	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS:					
1. Share Holders' Funds					
a) Share Capital	A	33990350		33990350	
b) Reserves & Surplus	B	<u>9867508</u>	43857858	<u>9867508</u>	43857858
2. Deferred Tax Liability Adjustment			4003902		4003902
3. Loan Funds					
a) Secured Loans	C	165143107		169878920	
b) Unsecured Loans	D	<u>4744500</u>	<u>169887607</u>	2200000	<u>172078920</u>
TOTAL			<u>217749367</u>		<u>219940680</u>
II. APPLICATION OF FUNDS:					
1. Fixed Assets	E				
a) Gross Block		104209261		205649866	
b) Less: Depreciation		<u>60911794</u>		<u>129546726</u>	
c) Net Block		43297467		76103140	
d) Capital Works-in-progress		0		38308	
e) Assets not in actual use		<u>393280</u>	43690747	<u>2082315</u>	78223763
2. Investments	F		2364010		2364010
3. Current Assets, Loans & Advances	G				
a) Inventories		7053343		15221238	
b) Sundry Debtors		17208202		16942802	
c) Cash & Bank Balances		2322238		2997887	
d) Loans & Advances		<u>18303126</u>		<u>25752366</u>	
	(A)	44886909		60914295	
Less:					
Current Liabilities & Provisions					
a) Liabilities	H	50197774		69871759	
	(B)	50197774		69871759	
Net Current Assets (A-B)			(5310865)		(8957464)
Profit and Loss Account	I		177005475		148310371
TOTAL			<u>217749367</u>		<u>219940680</u>
Notes on Accounts	J				

Joseph Varghese
Director

T.Thirugnanam
Chairman

As per Report of even date attached for and on behalf of
For Lazar & George
Chartered Accountants

Ernakulam
30th June 2007

GEORGE LAZAR
Partner



TCM Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

	Schedule Ref	AS AT 31.03.2007 (12 MONTHS)		AS AT 31.03.2006 (6 MONTHS)	
		Rs.	Rs.	Rs.	Rs.
Sales			104832		0
Other Income	1		7221835		3656948
Stock Differential (Decrease)	2		(1342948)		(1757750)
Total			5983719		1899198
Excise, Duty,		1748978		0	
Manufacturing Expenses	3	2910791		291742	
Employee Cost	4	4765166		110407	
Selling Expenses	5	254365		13757	
Administration Expenses	6	19913905		428145	
Finance Charges	7	578798		11096115	
Depreciation		4506819	34678822	3434791	15374957
Net Loss			(28695104)		(13475759)
Adjustment for prior year items	8		0		1297234
Net Loss carried to Balance Sheet			(28695104)		(14772993)
			<u>0</u>		<u>0</u>

Joseph Varghese
Director

T.Thirugnanam
Chairman

As per Report of even date attached for and on behalf of
For Lazar & George
Chartered Accountants

Ernakulam
30th June 2007

GEORGE LAZAR
Partner



TCM Limited

Schedules forming part of Balance Sheet as at 31ST MARCH 2007

	31-03-2007 Rs.	31-03-2006 Rs.
Schedule A: SHARE CAPITAL		
AUTHORISED:		
1,00,00,000 Shares of Rs.10/- each.	10,00,00,000	10,00,00,000
ISSUES:		
33,99,035 Equity Shares of Rs.10/- issued as fully paid up (of the above shares 6,00,000 shares were allotted as fully paid up by way of Bonus Shares by capitalisation of Share Premium, Capital Redemption Reserve & General Reserve without payment being received in cash)	3,39,90,350	3,39,90,350
SUBSCRIBED, CALLED AND PAID UP:		
33,99,035 Equity Shares of Rs.10/- issued as fully paid up (of the above shares 6,00,000 shares were allotted as fully paid up by way of Bonus Shares by capitalisation of Share Premium, Capital Redemption Reserve & General Reserve without payment being received in cash)	33990350	3,39,90,350
Per Balance Sheet	<u>33990350</u>	<u>3,39,90,350</u>
Schedule B: RESERVES & SURPLUS		
	31-03-2007 Rs.	31-03-2006 Rs.
RESERVES		
Capital Reserve as per Last Balance Sheet	7767508	7767508
Share Premium	2100000	2100000
Per Balance Sheet	<u>9867508</u>	<u>9867508</u>



TCM Limited

Schedules forming part of Balance Sheet as at 31st March 2007

Schedule C: SECURED LOANS	31-03-2007	31-03-2006
	Rs.	Rs.
LOANS FROM BANKS/OTHERS		
From Bank of Baroda by first charge created/ to be created on stocks of Raw Materials, WIP, Finished Goods, Consumable Stores and Second charge on all immovable properties of the Company and by the hypothecation of Book Debts.		
Cash Credit Facility from Bank of Baroda	29446306	29446306
Working Capital Term Loan from Bank of Baroda	44000000	44000000
Letter of Credit from Bank of Baroda	10536532	10536532
Term Loan from Bank of Rajasthan Ltd	0	2000000
Term Loan from Shamrao Vithal Co.op. Bank Ltd	7178696	7178696
Term Loan from Federal Bank Ltd	15978000	15978000
By joint mortgage of immovable properties both present and future (along with the Industrial Finance Corporation of India Ltd) and first charge by way of hypothecation of all movable properties (Save and except Book Debts) present and future subject to prior charge created/to be created in favour of Bank of Baroda on stocks of Raw Materials, WIP goods, Finished goods and consumable stores for securing the borrowing for working capital.		
Interest accrued on the above	58003573	60739386
Per Balance Sheet	165143107	169878920

Schedule D: UNSECURED LOANS

	31-03-2007	31-03-2006
	Rs.	Rs.
Conditional Loan from ICICI Ltd under Sponsored Research & Development Programme	2200000	2200000
Advance from Director	2544500	0
Per Balance Sheet	4744500	2200000

Schedule : E :

FIXED ASSETS

Depreciation	Cost as on 31.03.2006 Rs.	Additions during the year Rs.	Deductions during the year Rs	Gross Block as on 31/03/2007 Rs	Depreciation as on 1.04.2006 Rs.	Depreciation during the year Rs.	Deductions during the year Rs.	Depreciation up to 31.03.2007 Rs.	Net Block as on 31/03/2007 Rs	Net Block as on 31/03/2006 Rs
Land & Development	11502656	0	0	11502656	0	0	0	0	11502656	11502656
					0					
Buildings	22570770	0	7647702	14923068	17082496	480932	5384141.56	11179286	3743781	5488274
Plant & Machinery	167696627	0	93172996	74523631	109005109	3954662	66157993	46801778	27721852	58691518
Furniture & Fixtures & Office										
Equipments	2609183	0	0	2609183	2231454	61253	0	2292707	316476	377729
Vehicles	1270630	0	619907	650723	1227667	9972	599617	638023	12700	42963
TOTAL	205649866	0	101440605	104209261	129546727	4506819	73141751	60911794	43297467	76103140
Previous Year	205649866	0	0	205649866	129546727	3434791	0	132981518	76103140	79537931
Capital Work in Progress										38308
Assets not in actual use									393280	2082315
Per Balance Sheet									43690747	782223763



TCM Limited

Schedules forming part of Balance Sheet as at 31st March 2007

Schedule F: INVESTMENTS	31-03-2007	31-03-2006
	Rs.	Rs.
NON-TRADE:UNQUOTED		
600 Shares of Rs.2.50 each in TCM Consumers' Co.op. Society Ltd.,fully paid up.	1500	1500
600 Shares of Rs10/- each in TCM Employees' Co.op. Stores Ltd., fullypaid up.	6000	6000
300 Shares of Rs.10/- each in TCM Employees Credit Co.op. Society Ltd., fully paid up	3000	3000
TRADE:UNQUOTED		
14,000 Shares of Rs,10/- each fully paid up in Imkemex India Ltd.,(includes 4000 Bonus Shares)	100000	100000
4,500 Equity Shares of Rs.10/- each fully paid up in RamakrishnaChemicals Ltd.	45000	45000
20,000 Equity Shares of Rs.10/- each fully paid up in SunshieldChemicals Ltd., (includes premium of Rs.23/- per Share)	660000	660000
One Equity Share of Rs.10/- fully paid up in Bell Trachem Ceramics Ltd	10	10
2000 Equity Shares of Rs.25/- fully paid up in Shamrao Vithal Co.operative Bank Ltd.,	50000	50000
TRADE:QUOTED		
66,600 Shares of Rs.10/- each fully paid up in Bell Ceramics Ltd.(includes premium of Rs.12.50 per Share. Market Value Rs.382950/-)	1498500	1498500
Per Balance Sheet	2364010	2364010



TCM Limited

Schedules forming part of Balance Sheet as at 31st March 2007

Schedule G: CURRENT ASSETS, LOANS & ADVANCES	31-03-2007	31-03-2006
	Rs.	Rs.
(a) INVENTORIES		
(as certified by the Director)		
Stores & Spare Parts (at cost)		
In Godown	3658964	10094507
Loose Tools	165502	187514
Raw Materials (at cost)		
In Godown	1050464	1417856
Stock in trade		
Finished Goods at cost or net realisable value whichever is less	1076483	1166483
Work-in-Process at cost	1101930	2354878
Per Balance Sheet	7053343	15221238
(b) SUNDRY DEBTORS (Unsecured)		
a. Debts considered good :	265400	
Debts Outstanding for a period exceeding six months	16942802	16942802
Per Balance Sheet	17208202	16942802
(c) CASH & BANK BALANCES		
Cash Balance on hand	41904	60344
Balance with Scheduled Banks		
1. On Current Accounts	1309575	1966784
2. On Deposit Accounts	856189	856189
3. On Unclaimed Dividend Accounts	110970	110970
Balance with Post Office Savings Account	3600	3600
Per Balance Sheet	2322238	2997887
(d) LOANS & ADVANCES		
(Unsecured & considered good)		
Advance recoverable in cash or in kind	9109347	16605838
Income Tax Department	1964439	1955081
Deposits	6848506	6810615
Prepaid Expenses	113477	113477
Balance with Central Excise Dept	267357	267357
Per Balance Sheet	18303126	25752368



TCM Limited

Schedules forming part of Balance Sheet as at 31st March 2007

Schedule H: CURRENT LIABILITIES	31-03-2007	31-03-2006
	Rs.	Rs.
Sundry Creditors	46339688	42791913
Unfunded Gratuity Payable	1188410	9634086
Workmen Compensation Payable (through award under Agreement)	1373275	14240266
Restarting Wages - Workmen	1050000	0
Unclaimed Dividend	110970	110970
Bonus Payable	135431	180624
VRS Compensation payable	0	2675900
Provision for Gratuity Fund	0	238000
Per Balance Sheet	50197774	69871759

Schedule I: PROFIT AND LOSS ACCOUNT	31-03-2007	31-03-2006
	Rs.	Rs.
Profit & Loss Account Appropriation	148310371	
Add: Net Loss during the period	28695104	177005475
Per Balance Sheet	177005475	148310371



TCM Limited

Schedules forming part of Balance Sheet as at 31st March 2007

SCHEDULE 1 : OTHER INCOME	31.03.2007	31.03.2006
	Rs.	Rs.
Refund of Excise Duty	100000	0
Interest from Bank Deposit	93191	0
Miscellaneous Sales	6660113	3656948
Profit on Sale of Asset	79710	0
Miscellaneous Income	288821	0
	<u>7221835</u>	<u>3656948</u>
SCHEDULE 2 : STOCK DIFFERENTIAL	31.03.2007	31.03.2006
	Rs.	Rs.
Opening Stock :		
Finished Goods	1166483	1166483
Work-in-Process	2354878	4112628
	3521361	5279111
Closing Stock :		
Finished Goods	1076483	1166483
Work-in-Process	<u>1101930</u>	<u>2354878</u>
	2178413	3521361
Net Decrease	<u>(1342948)</u>	<u>(1757750)</u>
SCHEDULE 3 : MANUFACTURING EXPENSES	31.03.2007	31.03.2006
	Rs.	Rs.
Power	721053	35852
Repairs & Renewals-Plant-others	339944	77698
Factory Expenses-others	1809802	177617
Handling Expenses	4175	575
Fright & Clearing Expenses	9468	0
Inspection Fee	26350	0
	<u>2910791</u>	<u>291742</u>



TCM Limited

Schedules forming part of Balance Sheet as at 31st March 2007

SCHEDULE 4 : EMPLOYEE COST	31.03.2007	31.03.2006
	Rs.	Rs.
Salaries, Wages	75854	0
Restarting Wages- Workmen	1050000	0
Employees State Insurance	0	100000
Contribution to Provident Fund & other Funds	0	7377
Administrative Charges on PF & DLI	0	1722
Workmen & Staff Welfare Expenses	10423	828
Workmen Compensation	1737232	480
Unfunded Gratuity Fund	1188410	0
Retirement Compensation Staff Gratuity	640000	0
	63247	0
	<u>4765166</u>	<u>110407</u>
SCHEDULE 5 : SALES EXPENSES	31.03.2007	31.03.2006
	Rs.	Rs.
Sales Expenses	62000	0
C&F Service Tax	119236	0
Advertisement Charges	41028	13757
Sales Tax Paid	26698	0
ST Registration Fee	5403	0
	<u>254365</u>	<u>13757</u>
SCHEDULE 6 : ADMINISTRATIVE EXPENSES	31.03.2007	31.03.2006
Rent	21000	4500
Travelling & Conveyance	120415	31728
Motor Vehicle Maintenance	38683	0
Law Charges	94530	57000
Donation	500	0
Rates & Taxes Others	23105	11000
Listing Fee - Stock Exchanges	10400	0
Executive Director's Remuneration	0	82500
Executive Director's Perquisites	0	1371
Executive Director's PF & Other Funds	0	0
Travelling Expenses - Director	64606	0
Auditors' Remuneration		
Statutory Audit Fee	20000	20000
Service Tax - Adit Fee	3207	2040
For other Services	6000	0
For Travelling & other Expenses	0	0
Printing & Stationery	35004	23543
Loss on sale of Stores Items	5771253	0
Loss on Sale of Asset	12928351	0
General Expenses/Others	720278	167082
Postage & Telephone	56574	27381
	<u>19913905</u>	<u>428145</u>



TCM Limited

Schedules forming part of profit and Loss Account for the year ended 31st March 2007

SCHEDULE 7: FINANCE CHARGES	31.03.2007	31.03.2006
	Rs.	Rs.
Interest on:		
Term Loans/ CC A/c	553008	11095955
Bank & other Charges	25790	160
	<u>578798</u>	<u>11096115</u>
SCHEDULE 8: PRIOR YEAR ADJUSTMENTS	0	1297234
	<u>0</u>	<u>1297234</u>



SCHEDULE : J

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2007.

1. The accounts for the current year are for a period of 12 months, whereas previous figures are for a period of 6 months..
2. Accounting Policies:
 - i. The Company prepares its accounts on accrual basis, except otherwise stated, in accordance with the normally accepted accounting principles. All accounting standards have been complied with.
 - ii. Fixed Assets are stated at their original cost including taxes, duties, freight and other incidental expenses related to acquisition, as reduced by Cenvat Credit.
 - iii. Depreciation has normally been provided on Plant & Machinery on straight line method on historical book cost and in respect of other fixed assets on Written Down Value method, as per Schedule XIV of the Companies Act 1956.
 - iv. Valuation of Inventories as per AS-2 of ICAI :-

Raw materials, stores & spares are valued at cost, finished goods at cost or net realisable value whichever is less including excise duty payable and work-in-process at cost.
 - v. Investments are valued at cost except those where permanent diminution has arisen for which due provision has been made. Dividends are accounted as and when declared and received.
 - vi. Leave payments to employees are accounted as and when claimed and paid.
 - vii. The company had been following the system where Retirement benefits were provided in the books of accounts and payments were made to Life Insurance Corporation of India on the basis of actuarial principles. However No provision has been made during the current year.
 - viii. Revenue expenditure on Research & Development is charged to Profit & Loss Account for the period in which it is incurred while the Capital Expenditure is shown as an addition to Fixed Assets and depreciation is charged in the books.
 - ix. Excise Duty on the closing stock of finished goods at the factory is included in the valuation of Stock-in-trade. This will have no effect on the working results of the company.



- x. Foreign Exchange transactions remaining unsettled at the end of the period are converted at the rates prevailing on the last day of the period.
- xi. The subsidies of capital nature received or receivable are accounted as capital reserves. The subsidies of revenue nature, if any, are taken as income.

3. Executive Director's Remuneration

	01.04.2006 to 31.03.2007 (12 Months) Rs.	01.10.2005to 31.03.2006 (6 Months)Rs.
Salary	No Remuneration paid to Director	82500
Perquisites	NIL	1371
Contribution to PF & Other Funds	NIL	9000
Total	Nil	92871

- 4. Deferred Tax Asset / Liability as on 31.03.2007 has not been recognized since there is no reasonable certainty of sufficient taxable income being available against which such tax assets can be realized.
- 5. (a) The Income Tax Assessments have been completed upto the accounting year 2003-04. As between the financial period ended 31.03.1996 and 31.03.1997, there is net demand of Rs.17.56 Lakhs, which has already been paid. However, the disputed tax is disclosed as a Contingent Liability. The appeal filed by the company is pending before the Commissioner of Income Tax (Appeals)
- (b) In exercise of Reversionary Powers of the Commissioner of Income Tax under section 263 of the Income Tax Act, a re-assessment was made for the assessment year 1997-98 raising a demand of Rs.47.46 Lakhs. The company filed an appeal against the order of the assessing officer before the Commissioner of Income Tax (Appeals). The Commissioner (Appeals) has made a demand of Rs.34.58 Lakhs. The company filed an appeal against the order of commissioner (Appeals) before income tax appellate tribunal. The appeal challenging the reversionary powers of the Commissioner of Income Tax under section 263 is also pending before the High Court of Kerala.
- (c) In respect of Power charges raised by Kerala State Electricity Board, the Supreme Court has admitted a special leave petition. Against the demand by KSEB of Rs.24 Lakhs, the company has paid Rs.8 Lakhs as per High Court order.
- (d) Against the demand of Rs.1.92 Lakhs towards interest for non-payment of ESI contribution for the period from 01.04.1992 to 31.10.1992, the company has filed a petition before Kerala High Court. The company has also filed an appeal against the demand of Rs. 3.09 lakhs towards the payment of ESI contribution with interest for the period from 1999-2000 to 2000-2001.



6. Out of the total extent of land admeasuring 99.92 acres purchased at Ulundurpet, 54 acres of land come under Urban Land Ceiling Act. The application for exemption from Land ceiling is pending before the Government. The clearance for the land admeasuring 99.92 Acres has not been granted by Pollution Control Board because of the stretch of land falling within one Kilometer from the banks of the river. In the light of the Land Ceiling act, the possibilities for disposal of lands possess difficulty. In absence of reasonable marketable value, the increase or decrease in the value of the Land is not ascertainable.
7. The unit at Kalamassery has been closed. The company has disposed a major portion of plant and machinery and Building. The profit or loss assuming out of such sale is disclosed in the accounts.
8. The unit at Mettur has been closed with effect from 16/8/2004. The existing condition of the plant and machinery and Land and building is not ascertained. In the absence of realizable value of the assets, the increase or diminution in the value of the assets has not been quantified. So the value as per books have been adopted and therefore no loss could be estimated at this juncture
9. The unit at Tuticorin which was closed with effect from 01-04-2005 is reopened with effect from 07.04.2007. A revival plan is submitted to BIFR. The value as per books have been adopted for the assets and therefore no loss/profit could be quantified at this juncture.
10. The company reference application to BIFR as a Sick Industrial Company stands registered on caseNo.101/2005 dt. 28.03.2005. BIFR has appointed Bank of Baroda, as the Operating Agency. The company has submitted a revival proposal to Bank of Baroda.
11. The maintenance expenditures of the closed units are charged to revenue.
12. Balances of debtors, creditors, loans and advances and banks / financial institutions are subject to confirmation / reconciliation by the parties.
13. In the absence of adequate information as to the identification of parties and interest on devolved LCs (both Inland and Foreign Letter of Credit), no adjustment has been made in the books. However the amount pending against such devolved LCs to the tune of Rs.105.36 Lakhs (ILC : Rs.87.58 Lakhs and FLC : Rs.17.78 Lakhs) has been considered as advances by the bank evidenced by confirmation letter. Hence the effect of such treatment in Profit and Loss account and in balance Sheet could not be ascertained.
14. Company does not possess full information as to, which of its suppliers are small scales industrial undertakings holding permanent registration certificate issued by the relevant authorities.
15. The operations of the Company relate only to one segment viz., manufacture and sales of chemicals.



16. In the absence of realizable value of assets of the company, the decrease or increase in value of assets has not been quantified. Hence the impairment of assets could not be ascertained.
17. Earning per Share of the Company is Rs. (Nil)
18. Contingent liabilities not provided for:

(Rs. in Lakhs)

	31.3.2007	31.3.2006
a. Guarantees issued by bankers on behalf of the company	25.58	25.58
b. Disputed Income Tax Demand	52.14	52.14
c. Disputed Power Charges demand from KSEB not acknowledged as debt by the Company	265.12	265.12
d. The demand of Rs.1.92 Lakhs towards interest for non-payment of ESI contribution for the period from 01.04.1992 to 31.10.1992. and Rs.3.09 lakhs towards ESI contribution with interest for the period from 1999-2000 & 2000-2001	5.01	5.01

19. Additional Particulars: Schedule to Balance Sheet as at 31.3.2007.

	PRODUCTION		SALES			
	Quantity/ MT		Quantity /MT		Value (Rs. in Lakhs)	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Pesticides	0	0	0	0	0	0
Other Chemicals	0	0	1.5	0	1	0
Total	0	0	1.5	0	1	0

(b) Stock of Finished Goods

(Rs. In Lakhs)

	31.3.2007		31.3.2006		30.9.2005	
	Quantity	Value	Quantity	Value	Quantity	Value
	MT	(Rs)	MT	(Rs)	MT	(Rs)
Pesticides	1.0	0.50	1	0.50	1	0.50
Other Chemicals	3.5	0.58	5	1.75	5	1.75
Total	4.5	1.08	6	2.25	6	2.25



- (b) Raw Materials consumed. There was no consumption of raw materials during the year 2005-06 & 2006-07.

	Quantity in MT		Value/Rs. (Lakhs)	
	2006-07	2005-06	2006-07	2005-06
Copper Scrap	-	-	-	-
Others	0	0	0	0
	0	0	0	0

(in Rs.)

	2006-07	2005-06
(d) <i>CIF Value of Imports - Raw Materials</i>	NIL	NIL
(e) <i>Particulars of Raw Materials, Components and Stores consumed – Imported</i>	NIL	NIL
(f) <i>Indigenous</i>	NIL	NIL
1. Expenditure in Foreign Currency		
Foreign Travel	NIL	NIL
Others	NIL	NIL
2. Earnings in Foreign Exchange		
Export – Direct	NIL	NIL
Export through Agent	NIL	NIL
Previous year figures have been regrouped wherever necessary.		

JOSEPH VARGHESE
DIRECTOR

T. THIRUGANAM
CHAIRMAN

As per Report of even date attached
For LAZAR & GEORGE
Chartered Accountants

Ernakulam
30.06.2007

George Lazar
Partner

**TCM LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31-3-2007**

	Year ended 31-03-2007	Six months Period ended 31-03-2006
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and extraordinary items	(28695104.00)	(13475759.00)
Adjustments for		
Depreciation	4506819.00	3434791.00
Profit on sale of Fixed assets	(79710.00)	0.00
Loss on sale of Fixed assets	12928351.00	0.00
Waiver of interest on term loan(Miscellaneous Income)	(288821.00)	0.00
Interest Expenses	553008.00	11095955.00
Operating Profit before Working Capital changes	(11075457.00)	1054987.00
Adjustments for		
Decrease in Trade & Other Receivables	7183842.00	(3690484.00)
Decrease in Inventories	8167895.00	1757750.00
Decrease in Trade Payables	(19673985.00)	2134387.00
Cash generated from operations	(15397705.00)	1256640.00
Cash flow before extraordinary items	(15397705.00)	1256640.00
Extraordinary/ prior period items	0.00	(1297234.00)
Net Cash flow from Operating Activities - (A)	(15397705.00)	(40594.00)
B CASH FLOW FROM INVESTING ACTIVITIES		
Sales of Fixed assets	17177556.00	0.00
Net Cash used in Investing Activities - (B)	17177556.00	0.00
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(5000000.00)	0.00
Unsecured Loan received	2544500.00	0.00
Net cash used in Financing Activities - ©	(2455500.00)	0.00
NET INCREASE/DECREASE IN CASH AND EQUIVALENTS (A+B+C)	(675649.00)	(40594.00)
CASH & CASH EQUIVALENTS AS AT 31/03/2006	2997887.00	3038481.00
CASH & CASH EQUIVALENTS AS AT 31/03/2007	2322238.00	2997887.00

Joseph Varghese
Director

T.Thirugnanam
Chairman

We have checked the attached cash flow statement for TCM limited for the year ended 31st, March 2007, from the books and records maintained by the ordinary course of business and have, found it in accordance therewith.

As per Report of even date attached for and on behalf of
For Lazar & George
Chartered Accountants

Ernakulam
30.06.2007

George Lazar
Partner



Balance Sheet Abstract and Company's General Business Profile (As per Schedule VI Part (IV) of the Companies Act 1956)

I. Registration Details

Registration No.

1 1 9 2

State Code

0 9

Balance Sheet Date

3 1 0 3 2 0 0 7

II. Capital Raised during the year (Amount in Rs.Thousand)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities

2 1 7 7 4 9

Total Assets

2 1 7 7 4 9

Source of Funds

Paid-Up Capital

3 3 9 9 0

Reserves & Surplus

1 3 8 7 2

Secured Loans

1 6 5 1 4 3

Unsecured Loans

4 7 4 4

Application of Funds

Net Fixed Assets

4 3 6 9 1

Investments

2 3 6 4

Net Current Assets

- 5 3 1 1

Misc. Expenditure

1 7 7 0 0 5

IV. Performance of Company (Amount in Rs.Thousands)

Turnover

5 9 8 4

Total Expenditure

3 4 6 7 9

+Profit/-Loss before tax-

2 8 6 9 5

+Profit/-Loss before tax-

2 8 6 9 5

Earning per share in Rs.

N I L

Dividend rate %

N I L

V. Generic Names of principal products of company (as per monetary terms)

Items Code No. (ITC Code)

1

N A

Product Description

P E S T I C I D E S

2

N A

I N O R G A N I C C H E M I C A L S

Joseph Varghese
Director

T.Thirugnanam
Chairman

Ernakulam
30.06.2007



TCM Limited

FORM OF PROXY

I / We.....

of

..... being member(s) of TCM Limited

hereby appoint.....

..... of

..... or failing him / her

..... of

as my / our proxy to vote for me / us on my / our behalf at the 63rd Annual General Meeting of the company to be held on Saturday the 29th September 2007 at 15.00 hrs and at any adjournment thereof.

As witness my / our hand this day of2007

Signed by the said

Affix 1.00 Rupee Revenue Stamp
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NOTE: To be deposited at the Company's Registered Office not less than 48 hours before the time of the meeting i.e before 15.00 hrs on 27.09.2007.

U. C. P

BOOK - POST

Printed Matter

If undelivered, please return to:



TCM Limited

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KALAMASSERY-683 104.