



T C M Limited

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

**65th Annual Report
&
Accounts**

For the year ended 31. 03. 2009



DIRECTORS

T. THIRUGNANAM
PHILOMINA THOMAS(LIC NOMINEE)
GEORGE VARGHESE
T. RAJA
ANTONY VARGHESE
C. H. ABDUL RAHIM
T. S. RAJAGOPALAN
RAMESH BABU

MANAGING DIRECTOR

JOSEPH VARGHESE

AUDITORS

VBSK & COMPANY
CHARTERED ACCOUNTANTS

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



NOTICETO SHAREHOLDERS

Notice is hereby given that the 65th Annual General Meeting of the members of TCM Ltd. will be held at 3.00 p.m. on 30.09.09 at Bharat Hotel, Emakulam, to transact the following business.

Ordinary Business

1. To receive consider and adopt the audited Balance Sheet as at 31st March 2009 together with the Profit & Loss account made upto that date along with the report of the directors & auditors.
2. To appoint directors in place of Mr. T Thirugnanam, Mr. T S Rajagopalan and Mr. Ramesh Babu who retire by rotation.
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 VBSK & Company, 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."

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. 20.09.09 to 30.09.09 (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.

Place: Emakulam

Sd/-

Date:31.07.09.

Joseph Varghese
Managing Director



DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 65th Annual Report together with the audited accounts for the year ended 31st March, 2009.

I FINANCIAL PERFORMANCE OF THE COMPANY

PARTICULARS	Year Ended	Year Ended
	31.03.09	31.03.08
	Rs in lakhs	
Sales	221.43	43.2
Raw Materials & Packing Materials	145.46	12.67
Power	43.54	9.98
Employee Cost	129.28	14.53
Excise Duty	0.00	5.58
Financial Cost	0.90	0.36
Depreciation	32.11	32.68
Net Loss	(3.49)	(30.54)

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, 2009.

III EXISTING STATUS:

After a lapse of about four years of lull the company is slowly limping back to normal manufacturing activities both at Tuticorin and Mettur Units.

The Tuticorin unit, which was restarted in August 2007 has more or less stabilized the manufacturing activities. The Mettur Unit is also functioning since restarting production in May 2008.

The company has already reached agreements with all banks in respect of the loans and has repaid the entire bank loans in full & final settlement.



Your company has entered into an MOU with M/s. Godrej Properties Limited for developing the Kalamassery Unit in the field of property development, construction and infrastructure development.

IV DIRECTORS

Mr. T.Thirugnanam, Mr. T S Rajagopalan and Mr. Ramseh Babu retire by rotation at the Annual General Meeting. and being eligible have offered for reappointment.

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 STATEMENT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND R&D.

a Energy conservation measures taken during the year 2008-2009	Due to reduction of maximum demand by 50%, power cost is reduced to half. Introduced the capacitor to all motors energy consumption is reduced.
b Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.	Not applicable
c Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods.	Savings in energy and cost reduction.
d Total energy consumption and energy consumption per unit of production in Form A	Not applicable
2. TECHNOLOGY ABSORPTION	
1 Research & Development (R&D) specific areas in which R&D carried out by the company	Nil
2 Benefits derived as a result of above R&D	Not applicable
3 Future plan of action	Constant study is being made in all vital areas to reduce the cost further
4 Expenditure on R&D	Nil



VIII 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 manufacturing operations are restarted and the 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 2009-2010.

X SECRETARIAL COMPLIANCE REPORT

The secretarial compliance report in terms of section 383A(1) the Companies Act, 1956 is attached

XI QUALIFICATIONS IN AUDIT REPORT

1. Confirmation from debtors and creditors are being obtained by the company. However the management has given a request letter to auditors not to seek external confirmation, because of the fact that if letter goes to people, they will start asking for money which the company is not able to give, as the company is in revival path, any outflow at this moment, other than operation would severely jeopardize the substratum of the company
2. The company is in the process of obtaining certified copies of the all documents in respect of the investment as these were lost/misplaced during the long period of closure of the company.
3. Letters for confirmations of balances were sent to all banks who have not replied probably because the accounts are non operative for long period and they have reconciliations problems with their own branches.
4. Letters for confirmations of deposits were sent to all parties who have not replied probably because the accounts are non operative for long period.
5. The company is trying to get its applications for exception from land ceiling disposed of at the earliest.
6. The company was closed for a very long period and started functioning only during the year under review and necessary steps for introducing formal internal control are being taken.



7. The company was closed for a very long period and started functioning only during the year under review and necessary steps for introducing formal internal audit are being taken.
8. The company was closed for a very long period and started functioning only during the year. The company is in the process of ascertaining the status of the assets and impairment.
9. The company was closed for a very long period and started functioning only during the year under review and necessary steps in respect of employee benefits are being taken, considering the revival scheme pending with BIFR.
10. The company was closed for a very long period and started functioning only during the year under review. The company has made an application to The Ministry of Corporate Affairs for waiver from maintaining cost accounting records and the same is pending.
11. The company registered with BIFR was closed for very long period and has started operations only during the year. The outstanding dues will be paid at the earliest as per revival scheme now pending with BIFR.

XI AUDITORS

M/s. VBSK & Company, the Statutory Auditors of the company retire at the conclusion of this Annual General Meeting and being eligible have offered themselves for reappointment as statutory auditors for the next financial year.

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 and State Bank of Travancore for their guidance and co-operation. The Board also wished to place on record its appreciation for the co-operation extended by all ranks of employees and trade unions.

Place: Ernakulam
Date: 31.07.2009

Joseph Varghese
Managing Director

By order of the Board
For TCM LIMITED

T Thirugnanam
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.

INDUSTRIES 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 which remained closed during the year 2007-2008 is reopened in May 2008.

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 and Mettur units and has taken effective steps to start operations at Kalamassery Unit. As such your Directors should be able to report better results next year.



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 and no man day was lost due to labour problems. The employee strength of the company as on 31.03.09 stood at 206.

For and on Behalf of the Board
For TCM Limited

Place: Ernakulam
Date : 31.07.09

Joseph Varghese
Managing Director

T Thirugnanam
Chairman.



REPORT ON CORPORATE GOVERNANCE

(As required by clause 49 of the listing agreement of 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. The company is in compliance with the Corporate Governance regulations provided in the listing agreement.

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 (LIC Nominee)	Non Exe & Independent	-	2
Antony Varghese	Non Exe & Independent	-	-
T Raja	Non Exe & Independent	-	-
George Varghese	Non Executive	9	-
C H Abdul Rahim	Non Exe & Independent	-	-
T S Raja gopalan	Non Exe & Independent	-	3
Ramesh Babu	Non Exe & Independent	-	3



Board Meetings held during the year 2008-09.

During the year ending 31.03.09 Six board Meetings were held on the following dates:

30.04.08	28.06.08
19.07.08	31.10.08
30.12.08	31.01.09

The attendance at the Board Meetings and the last Annual General Meeting during the period ended 31.03.09 is tabulated hereunder:

Name of Director	No. of Board Meetings Attended	Whether attended the AGM
Joseph Varghese	6	Attended
T Thirugnanam	3	Attended
Philomina Thomas	6	Attended
T Raja	-	-
George Varghese	3	Attended
Antony Varghese	1	Attended
C H Abdul Rahim	-	-
T S Rajagopalan	5	Attended
Ramesh Babu	6	Attended

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 four Directors viz. Mr. T S Rajagopalan, Mr. Ramesh Babu, Mrs. Philomina Thomas and Mr. Joseph Varghese. Four Audit Committee Meetings were held during the year 2008-2009, the dates of which are 30-06-08, 19.07.08, 31.10.08, 31.01.09.



The attendance at the Audit committee is as follows.

Name	Designation	No. of meetings attended
T.S Rajagopalan	Director	3
Ramesh Babu	Director	4
Philomina Thomas	Director	4
Joseph Varghese	Managing Director	4

Mr. T S Rajagopalan is the Chairman of the Committee.

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 over seeing 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.

b. Remuneration Committee

The Remuneration committee consisted of three directors namely Mrs. Philomina Thomas (chairperson) Mr. T S Rajagopalan and Mr. Ramesh Babu. The committee met once i.e.19.07.08 during the year. All the members were present at the meeting.

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.T.S.Rajagopalan Chairman, Mr. Joseph Varghese and Mr. Ramesh Babu.

During the year 2008-2009, all transfers/transmissions were effected on time and all the complaints received from the shareholders and investors have been resolved to the satisfaction of the complainants.

DIRECTORS REMUNERATION

a. Remuneration policy

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

b. Remuneration paid during 2008-2009:



Managing Director- No remuneration was paid/payable to the Managing Director during the year.

No sitting fee was paid during the period to Non - Executive Directors as the Directors have waived the same.

The company does not have any stock option scheme and as such no stock options have been issued to Directors.

4. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2007-2008	Bharat Hotel, Ernakulam	27.09.08	3.00 p.m.
2006-2007	Bharat Hotel, Ernakulam	29.09.07	3.00 p.m.
2005-2006	Bharat Hotel, Ernakulam	30.09.06	3.00 p.m.

No resolution was put through postal ballot during the year.

5. DISCLOSURES

During the year 2008-09 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 matters relating to the capital markets.

Shareholding by non executive directors- T Thirugnanam -328562 shares, George Varghese – 70090 shares

6. MEANS OF COMMUNICATION

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



7. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date and Time	30.09.09. 3.00 p.m.
Venue	Bharat Hotel, Ernakulam

b. Financial Calendar of the company:

The financial year covers the period from 1st April, 2008 to 31st March, 2009.

c. Date of Book Closure:

The period of book closure is fixed from 20.09.09. to 30.09.09. (both days inclusive)

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

Not applicable

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 (CDSI). As on 31st March 2009, 29,03,265 shares representing 85.4% of the total shares, were held in dematerialized form and the balance were in physical form.

The international securities identification (ISIN) Number of the share 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	2008	14.52	8.00
May	2008	15.50	11.54
June	2008	12.00	9.02
July	2008	10.05	8.70
August	2008	10.02	8.75
September	2008	10.45	8.60
October	2008	16.40	10.95
November	2008	19.05	15.80
December	2008	16.10	13.20
January	2009	14.00	13.25
February	2009	15.48	13.40
March	2009	15.44	13.90

SHARE TRANSFER

Registrar and Transfer agents:- Cameo Corporate Services Limited,
No:1, Club House Road, Chennai – 600 002

Share Transfer System

The share transfers forms are processed and placed before the share transfer committee (one member committee) once in 10 days which is approved by the Board. The committee is authorized to approve share transfers/transmissions

DISTRIBUTION OF SHAREHOLDING

Slab of Shareholding	Shareholders	%	No. of Shares	%
10-5000	2048	84.77	317210	9.33
5001-10000	192	7.94	149247	4.39
10001-20000	96	3.97	140484	4.13
20001-100000	61	2.53	222295	6.55
100001-& above	19	0.79	2569799	75.60
Total	2416	100.00	3399035	100.00



K.G.MOHAN, FCS
Practising Company Secretary
FCS No.4989 CP No.3497

'Sreyas'
Thekkumbhagam,
Tripunithura, Ernakulam
Kerala – 682 301

COMPLIANCE CERTIFICATE

CIN of the company : L24299KL1943PLC001192
Nominal Capital : Rs. 10,00,00,000/-.

The members
TCM Limited
Ernakulam

I have examined the registers, records, books and papers of TCM LIMITED as required to be maintained under the Companies Act 1956, and the rules made thereunder and also the provisions contained in the Memorandum & Articles of Associations of the company for the financial year ended on 31st March, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in annexure B to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder
3. The company being public limited company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 6 times on 30.04.08, 28.06.08, 19.07.08, 31.10.08, 30.12.08 and 31.01.09 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. The audit committee met 4 times on 28.06.08, 19.07.08, 31.10.08 and 31.01.09.
5. The company has closed its Register of Members, during the financial year for the period from 17.09.2008 to 27.09.08 (both days inclusive).
6. The annual general meeting for the financial year ended on 31/03/2008 was held on 27.09.08, after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary general meeting was held during the financial year.
8. The company has complied with Provisions of section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.



10. The company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company has:
 - I. Delivered all the certificates on allotment of securities in accordance with the provisions of the Act.
 - II. Has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - III. Was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - IV. Had no unpaid dividend amount and as the company has not accepted any deposit or issued any debentures, provisions relating to transfer of unclaimed or unpaid amount to investor education and protection fund are not applicable.
 - V. Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of Directors and additional directors have been duly made.
15. The company has complied with Provisions of section 269 of the Act, with regard to appointment of Managing Director.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and /or such authorities prescribed under the various provisions of the Act during the financial year, except approval of the Central Government for the appointment of Mr. Joseph Varghese as Managing Director, obtained vide SRNA53021499-CL-VII dated 30.06.09.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The company, had no borrowings attracting the Provisions of section 293(1) (d) of the Act.



25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the year.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not constituted any Provident Fund attracting provisions of S.418 of the Companies Act, 1956.

Sd/-

Name of Company Secretary – K G Mohan

Place : Ernakulam

Date : 31.07.09.

C.P. No.3497

Annexure A to my report dated 31.07.09.

Registers as maintained by the Company

1. Register of Members u/s 150
2. Register of Directors u/s 303
3. Register of Directors shareholding u/s 307
4. Register of Board and General Meeting Minutes u/s 193
5. Book of Accounts u/s 209
6. Register of Transfer of Shares.
7. Register of Charges u/s 143
8. Register under section 301.

Note : The company has not maintained the following registers as it was informed that there were no entries/transactions recorded thereon:

- 1- Register of Deposits u/s 58A
2. Register of Securities Bought back u/s77A
3. Register of Debentures holders u/s 152



4. Foreign Register of members or Debentures holders u/s 157
5. Register of investments or loan made u/s 372A
6. Register or Renewed and Duplicate certificates
7. Register of Destructions of records

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31.03.09.

Sl. no.	Foms no./ returns	Filed under Section	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form 20B	159	Year ending 31/3/2008	10/03/09	No	Yes
2	Form 23AC&ACA	220	-do-	06/12/08	No	Yes
3	Form 23	269/192	Appointment of Mg. Director	28/10/08	No	Yes
4	Form 23	192	Delisting of securities	28/10/08	Yes	No
5	Din3	Rule 6	-	02/12/08	Yes	No
6	Form 25A	269/309	Appointment of Mg. director	26/12/08	Yes	No
7	Form 17 (15nos)	138	Satisfaction of charges	31/12/09	Yes	No
8	Form 17 (2 nos)	138	-do-	26/12/08	Yes	No
9	Form 17	138	-do-	21/12/08	Yes	No
10	Din3	Rule 6	-	11/03/09	Yes	No

Note : Forms/Returns mentioned above were filed at the MCA21 e-filing of the office of the Registrar of Companies.



**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 2009 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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders/Investor's Grievance 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.

VBSK & COMPANY
Chartered Accountants

Ernakulam
30.06.2009

SURESH G
Partner
(M. No.210211)



AUDITORS' REPORT

TO THE MEMBERS OF TCM LIMITED

We have audited the attached Balance sheet of TCM LTD as at 31st March 2009 and the Profit and Loss account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on the financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraph 4 and 5 of the said Order.

- 1) Further to our comments in the Annexure referred to in the paragraph (1) above and subject to the following qualifications,
 - i. All creditors and debtors are subject to confirmation, we are unable to report upon its financial implication on the financial statements under audit*
 - ii. None of the underlying documents in support of the investments as per the financial statements were made available for our verification. Hence we are unable to express opinion on the valuation and existence of those investments as on 31st March 2009*
 - iii. Non confirmation of balances with banks as per note no.15 to notes on accounts*
 - iv. Non-confirmation of deposits as per note no.14. to notes on accounts*
 - v. Note No. 6 regarding excess land*

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, the Company has kept proper books of accounts as required by the law so far as appears from our examination of those books of accounts.
- c) The Balance sheet and the profit and Loss account dealt with by this report are in agreement of the books of accounts.
- d) In our opinion, the Balance sheet and the Profit and Loss account comply with the Accounting Standard referred to in sub-section 3C of section 211 of the Companies Act, 1956, except Accounting Standard 28 on Impairment of Assets and Accounting Standard 15 on Employee Benefits



- e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the 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.
- i) In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2009.
- ii) In the case of Profit and Loss account, of the loss of the Company for the year ended on that date.
- 2) On the basis of representations received from the Directors as on 31st March 2009 and taken on record by the Board of Directors of the Company, We report that none of the Directors is disqualified from being appointed as Directors under Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

As per our Report of even date attached for and on behalf of
VBSK & Company
Chartered Accountants

Emakulam
30.06.2009

Suresh G.
Partner
(M. No.210211)



ANNEXURE REFERRED TO IN PARAGRAPH 1

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. On the basis of our verification of the above register and as per the information and explanation given by the management, ***we are of the opinion that regular physical verification of fixed assets is not being done by the management at regular intervals***, so no action is taken on discrepancy found in connection with such verification. Further regarding substantial disposal of assets it is informed by the Management and on our verification it is found that no substantial disposal of assets have been effected in the period under audit which would affect the sub stratum of the company as a going concern
- 2) Physical verification of inventory is being made by the management on an ongoing basis and the procedure of physical verification is reasonable and adequate in relation to size and nature of the business of the company. The company maintains proper records of inventory and no discrepancy were noticed during physical verification of inventory during the period under audit.
- 3) According to information and explanation given by the management of the company, the company has neither granted nor taken any loan secured or unsecured from companies, firms or other parties listed in the register maintained under section 301, except unsecured interest free loan from the Managing Director (RS.52,65,420)
- 4) ***In our opinion there exist no internal control commensurate with size of the company and nature of its business in regard to purchase of fixed assets and sale of goods.***
- 5) It is informed by the management that no contract or arrangement referred to in section 301 of the Companies Act, 1956 have been entered in to by the company during the period under audit, as such recording the particulars thereof is not applicable
- 6) The company has not accepted any deposit from the public during the period under audit
- 7) ***The company has no internal audit system commensurate with the size of the company and nature of its business.***
- 8) Though maintenance of cost accounting records is applicable to the company, yet the same is not maintained at the premise of the company. According to the information made available to us, the company has made an application to the Ministry of Corporate affairs asking for waiver of such requirement for financial years 2004-05 to 2007-2008, since the company was under BIFR net. ***However no such request is pending for the year 2008-2009, the year under audit.***
- 9) ***(a) According to the information given to us and on the basis of our verification of the books and accounts and other records of the company, the company is not regular in depositing undisputed statutory dues. The undisputed amount due and outstanding for more than 6 months as at the end of financial year 2008-2009.***



Sl. No	Name of the Statute/Department	Nature of Dues	Amount	Period to which amount relates
1	Central Sales Tax Act	CST Payable	34,827.98	2004-05
2	TNGST	AST Payable	11,821.50	2004-05
3	Central Excise Act	Excise Duty	2,82,705.00	2004-05
4	Income Tax	TDS	32,199.00	2004-05
5	LIC Department	LIC Premium of Employees	1,48,181.66	2004-05
6	Postal Department	RD Collected from Employees	4,650.00	2004-05
7	Ministry Of Corporate Affairs (Investor Education Protection Fund)	Unpaid Debenture and interest on unpaid debenture	60,620.00	1992-93

- (b) The Income Tax demand for Rs.27.85 lakhs for the year 1997-98 being under dispute unpaid and is pending before the Income Tax Appellate Tribunal.
- 10) The Accumulated losses at the end of the financial year are more than 50% of the net worth of the company. The company has incurred cash loss during the financial year ended 31st March 2009 and in the immediately preceding financial year. There is erosion in the net worth of the company for a sum exceeding 50% of the paid up share capital and free reserves as at 31st March, 2009.
 - 11) The company has not defaulted in payment of dues to banks / financial institutions/ debenture holders during the period under audit.
 - 12) The company has not granted any loan/advance against security of pledge of shares, debentures and other securities.
 - 13) The company is not a chit fund/nidhi/mutual benefit fund/society
 - 14) The company is not dealing/ trading in shares, securities, debentures and other investments
 - 15) The company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year under audit.
 - 16) The company has taken an interest free secured term loan from Goderaj Properties Ltd (Rs.17,17,52,846) during the period under audit and the same has been utilized for the purpose for which it is taken.
 - 17) It is informed by the Management that the funds raised on short-term basis have not been used for long-term investments.
 - 18) The company has not made any preferential issue of shares during the period under audit to parties and companies covered in the register maintained under section 301 of the Act.



- 19) The company has not issued any debentures during the period under audit therefore the question of creation of security or charges do not arise.
- 20) The company has not made any public issue during the year under audit hence the question of disclosing the end-use of those funds does not arise.
- 21) According to information and explanation given to us and audit procedures performed by us, no fraud or discrepancy on or by the company has been noticed or reported during the year under audit.

As per our Report of even date attached for and on behalf of
VBSK & Company
Chartered Accountants

Emakulam
30.06.2009

Suresh G.,
Partner
(M. No.210211)

**TCM Limited****BALANCE SHEET AS AT 31ST MARCH 2009**

	Schedule Ref	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.	AS AT 31.03.2008 Rs.
I. SOURCES OF FUNDS:				
1. Share Holders' Funds				
a) Share Capital	A	33990350	33990350	
b) Reserves & Surplus	B	<u>9867508</u>	<u>9867508</u>	43857858
2. Deferred Tax Liability Adjustment	C		3031814	4003902
3. Loan Funds				
a) Secured Loans	D	171752846	160620607	
b) Unsecured Loans	E	<u>17082508</u>	<u>188835354</u>	<u>172437695</u>
TOTAL			<u>235725026</u>	<u>220299455</u>
II. APPLICATION OF FUNDS:				
1. Fixed Assets				
a) Gross Block	F	103453443	102527852	
b) Less: Depreciation		<u>65810095</u>	<u>62599078</u>	
c) Net Block		<u>37643348</u>	<u>39928774</u>	
d) Assets not in actual use		<u>1</u>	<u>393280</u>	40322054
2. Investments	G		2362510	2364010
3. Current Assets, Loans & Advances				
a) Inventories		17885881	6876460	
b) Sundry Debtors		14810668	14640846	
c) Cash & Bank Balances		2873517	3038044	
d) Loans & Advances		<u>20965974</u>	<u>20566366</u>	
Less:	(A)	<u>56536040</u>	<u>45121716</u>	
Current Liabilities & Provisions				
a) Liabilities	I	41224786	47567339	
	(B)	41224786	47567339	
Net Current Assets (A-B)			15311254	(2445623)
Profit and Loss Account	J		180407913	180059014
TOTAL			<u>235725026</u>	<u>220299455</u>
Notes on Accounts	K			

Joseph Varghese
Managing Director

T.Thirugnanam
Chairman

As per our Report of even date attached for and on behalf of
VBSK & Company
Chartered Accountants

Emakulam
30.06.2009

Suresh G.
Partner
(M.No.210211)



TCM Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH 2009

	Schedule Ref	AS AT 31.03.2009		AS AT 31.03.2008	
		Rs.	Rs.	Rs.	Rs.
Sales			22143405		4320234
Less: Excise Duty			<u>2819914</u>		
			19323491		
Other Income	1		4053111		6001888
Stock Differential (Decrease)	2		4628781		(773750)
Total			28005383		9548372
Raw materials consumed		14362547		1262547	
Packing Materials		182993		4095	
Stores&Spares consumed		1514084		33076	
Excise Duty		0		558262	
Manufacturing Expenses	3	17019474		4078908	
Employee Cost	4	12927897		1453376	
Selling Expenses	5	96833		176858	
Administration Expenses	6	8676458		1730610	
Finance Charges	7	90041		35680	
Depreciation		3211017	58081344	3268499	12601911
Net Loss/Profit before tax and prior period items			(30075961)		(3053539)
Extra Ordinary Items					
Extra Ordinary Incomes	8	30238153			
Extra Ordinary Expenses	9	1427939			
Net Loss/Profit before tax			(1265747)		
Tax Expenses					
Current Tax		0			0
Fringe Benefit Tax		55240			0
Deferred Tax		(972,088)			0
Loss			<u>(348899)</u>		<u>(3053539)</u>
Loss Carried to Balance Sheet			<u>(348899)</u>		<u>(3053539)</u>

Joseph Varghese
Managing Director

T.Thirugnanam
Chairman

As per our Report of even date attached for and on behalf of
VBSK & Company
Chartered Accountants

Emakulam
30.06.2009

Suresh G.
Partner
(M. No.210211)



TCM Limited

Schedules forming part of Balance Sheet as at 31st March 2009

	31.03.2009 Rs.	31-03-2008 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)	3,39,90,350	3,39,90,350
Per Balance Sheet	<u>3,39,90,350</u>	<u>3,39,90,350</u>
Schedule B: RESERVES & SURPLUS		
RESERVES		
Capital Reserve, as per last Balance Sheet		
Subsidy from Indri.department	897508	
Subsidy from Sipcot	120000	
Investment Subsidy (Generator)	750000	
ICICI Spread Loan	6000000	
	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 2009

	31.03.2009 Rs.	31-03-2008 Rs.
Schedule C: DEFERRED TAX		
As per Last balance Sheet	4003902	
Less Reversal of Deferred Liability	972088	<u>3031814</u> <u>4003902</u>
Schedule D: SECURED LOANS		
LOANS FROM BANKS/OTHERS		
Secured by first charge on the land admeasuring 21.66 acres at Company's Kalamassery Property	171752846	0
Cash Credit Facility from Bank of Baroda	0	29446306
Working Capital Term Loan from Bank of Baroda	0	44000000
Letter of Credit from Bank of Baroda	0	10536532
Term Loan from Shamrao Vithal Co.op. Bank Ltd	0	2656196
Term Loan from Federal Bank Ltd	0	15978000
Interest accrued on the above	0	58003573
Per Balance Sheet	<u>171752846</u>	<u>160620607</u>
Schedule E: UNSECURED LOANS		
Advance from Director	17082508	11817088
Per Balance Sheet	<u>17082508</u>	<u>11817088</u>

Schedule : F :

FIXED ASSETS

Depreciation	Cost as on 31.03.2008 Rs.	Additions during the year Rs.	Deductions during the year Rs.	Gross Block as on 31/03/2009 Rs.	Deprecia- tion as on 31/03/2008 Rs.	Deprecion during the year Rs.	Deductions during the year Rs.	Deprecia- tion up to 31/03/2009 Rs.	Net Block as on 31/03/2009 Rs.	Net Block as on 31/03/2008 Rs.
Land & Development	11502656	0	0	11502656	0	0	0	0	11502656	11502656
Buildings	14923068	0	0	14923068	11516891	310976	0.00	11827867	3095201	3406176
Plant & Machinery	73293106	925591	0	74218697	48547786	2858770	0	51406556	22812141	24745321
Furniture & Fixtures & Office Equipments	2552900	0	0	2552289	2288290	39745	0	2328035	224254	264610
Unserviceable Assets	1									
Vehicles	256121	0	0	256733	246111	1526	0	247637	9096	10011
TOTAL	102527852	925591	0	103453443	62599078	3211017	0	65810095	37643348	39928774
Previous Year	104209261	0	1681409	102527852	60911794	3268500	1590155	62599078	39928774	43297467
Assets not in actual use									1	393280
As Per Balance Sheet									37643349	40322054



TCM Limited

Schedules forming part of Balance Sheet as at 31st March 2009

	31.03.2009 Rs.	31-03-2008 Rs.
Schedule G: INVESTMENTS		
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	1500	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.1378620/-)	1498500	1498500
Per Balance Sheet	2362510	2364010



TCM Limited

Schedules forming part of Balance Sheet as at 31st March 2009

	31.03.2009 Rs.	31-03-2008 Rs.
Schedule H: CURRENT ASSETS, LOANS & ADVANCES		
(a) INVENTORIES		
(as certified by the Director)		
Stores & Spare Parts (at cost)		
In Godown	5011424	3846677
Loose Tools	165502	165502
Raw Materials (at cost)		
In Godown	5985292	1459618
Stock in trade		
Finished Goods at cost or net realisable value whichever is less	4967785	625733
Work-in-Process at cost	1065659	778930
Rawmaterial at cost in Transit	690219	0
Per Balance Sheet	<u>17885881</u>	<u>6876460</u>
(b) SUNDRY DEBTORS (Unsecured)		
Debts Outstanding for a period exceeding six months		
	14810668	14640846
Per Balance Sheet	<u>14810668</u>	<u>14640846</u>
(c) CASH & BANK BALANCES		
Cash Balance on hand		
	59449	52882
Balance with Scheduled Banks		
1. On Current Accounts	1954279	2125373
2. On Deposit Accounts	856189	856189
Balance with Post Office Savings Account	3600	3600
Per Balance Sheet	<u>2873517</u>	<u>3038044</u>
(d) LOANS & ADVANCES		
(Unsecured & considered good)		
Advance recoverable in cash or in kind		
Income Tax Department	11208484	10972454
Deposits	2107006	2109461
Prepaid Expenses	7177139	6897978
Balance with Central Excise Dept	5500	113477
	467845	472996
Per Balance Sheet	<u>20965974</u>	<u>20566366</u>



TCM Limited

Schedules forming part of Balance Sheet as at 31st March 2009

	31.03.2009	31-03-2008
	Rs.	Rs.
Schedule I: CURRENT LIABILITIES		
Sundry Creditors	40029964	45649445
Unfunded Gratuity Payable	144822	732463
Restarting Wages - Workmen	1050000	1050000
Bonus Payable	0	135431
Per Balance Sheet	<u>41224786</u>	<u>47567339</u>

Schedule J: PROFIT AND LOSS ACCOUNT

Profit & Loss Account Appropriation	180059014	
Add: Loss during the year	(348899)	
	<u>180407913</u>	<u>180059014</u>
	<u>180407913</u>	<u>180059014</u>



TCM Limited

Schedules forming part of Profit and Account for the year ended as at 31st March 2009

	31.03.2009	31.03.2008
	Rs.	Rs.
SCHEDULE 1 : OTHER INCOME		
Rent received	0	626548
Interest from Bank Deposit/Others	34507	58492
Miscellaneous Sales	3302725	238357
Profit on Sale of Asset	0	1376306
Miscellaneous Income	215879	111010
Unclaimed amount W/B	0	3591175
	<u>4053111</u>	<u>6001888</u>
SCHEDULE 2 : STOCK DIFFERENTIAL		
Opening Stock :		
Finished Goods	625733	1076483
Work-in-Process	778930	1101930
	1404663	2178413
Closing Stock :		
Finished Goods	4967785	625733
Work-in-Process	<u>1065659</u>	<u>778930</u>
	<u>6033444</u>	<u>1404863</u>
Net Decrease	<u>4628781</u>	<u>(773750)</u>
SCHEDULE 3 : MANUFACTURING EXPENSES		
Power	4354734	997817
Fuel	7247619	709465
Repairs & Renewals-Plant-others	3347472	942388
Factory Expenses-others	1705835	1359098
Handling Expenses	278870	25910
Freight & Clearing Expenses	35969	20235
Inspection Fee	48975	23995
	<u>17019474</u>	<u>4078908</u>



TCM Limited

Schedules forming part of Profit and Account for the year ended as at 31st March 2009

	31.03.2009 Rs.	31.03.2008 Rs.
SCHEDULE 4 : EMPLOYEE COST		
Salaries, Wages	10029549	1196021
Employees State Insurance	806047	87627
Contribution to Provident Fund & other Funds	1189275	45046
Administrative Charges on PF & DLI	104859	1525
Workmen & Staff Welfare Expenses	402332	108157
Workmen Compensation		15000
Retirement Compensation Staff	1960	0
Gratuity	375875	0
Exgratia	18000	0
	<u>12927897</u>	<u>1453376</u>
SCHEDULE 5 : SALES EXPENSES		
Selling Agent's Commission	0	4961
Special Discount & Commission	23453	67721
Sales Expenses	5000	14000
C&F Service Tax	0	12465
Advertisement Charges	36810	30570
Sales Tax Paid	0	35296
Carriage Outwards	1789	10345
ST Registration Fee	1500	1500
Service Tax	28281	0
	<u>96833</u>	<u>176858</u>
SCHEDULE 6 : ADMINISTRATIVE EXPENSES		
Rent	81057	43000
Travelling & Conveyance	250338	170353
Motor Vehicle Maintenance	10205	8590
Law Charges	455150	330500
Donation	26751	800
Rates & Taxes Others	275679	226712
Listing Fee - Stock Exchanges	10000	10000
Travelling Expenses - Managing Director	219411	124782
Statutory Audit Fee	33090	20000
Tax Audit Fee	11030	0
For other Services	17950	15927
Printing & Stationery	65325	35402
General Expenses/Others	1549363	602428
Bad Debts W/O	0	73769
Postage & Telephone	92307	68347
Brokerage on other Loans	5578802	0
	<u>8676458</u>	<u>1730610</u>



TCM Limited

Schedules forming part of profit and Loss Account for the year ended 31st March 2009

	31.03.2009 Rs.	31.03.2008 Rs.
SCHEDULE 7: FINANCE CHARGES		
Bank & other Charges	90041	35680
	<u>90041</u>	<u>35680</u>
SCHEDULE 8: EXTRA ORDINARY ITEMS - INCOME		
Interest Waived by Banks	22865516	0
Patser A/c Written Banck	2800000	0
Unclaimed Creditors Written Back	4572637	0
	<u>30238153</u>	<u>0</u>
SCHEDULE 9: EXTRA ORDINARY EXPENSE		
Unserviceable Assets Written Off	393278	0
Bonus Advance Written Off	362500	0
Bad Debts Written Off	672161	0
	<u>1427939</u>	<u>0</u>



SCHEDULE : K

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2009.

1. Accounting Policies:
 - i. Fixed Assets are stated at their original cost including taxes, duties, freight and other incidental expenses related to acquisition, as reduced by Cenvat Credit.
 - ii. 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.
 - iii. Valuation of Inventories as per AS-2 of ICAI :-
Raw materials, stores & spares are valued at cost, finished goods at cost or net realizable value whichever is less including excise duty payable and work-in-process at cost.
 - iv. 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.
 - v. Leave payments to employees are accounted as and when claimed and paid.
 - vi. 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.
 - vii. 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.
 - viii. Foreign Exchange transactions (monetary items) remaining unsettled at the end of the period are converted at the rates prevailing on the last day of the period.
 - ix. The subsidies of capital nature received or receivable are accounted as capital reserves.
The subsidies of revenue nature, if any, are taken as income.
4. There is a reversal Deferred Tax during the year and the deferred tax liability has been reduced to that effect as on 31.03.2009 . Entire difference arise because of reversal of timing (Liability) difference of Rs.28,59,926.00



- 5.(a) The Income Tax Assessments have been completed up to 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 Income Tax Appellate Tribunal
- (b) In exercise of Revisionary 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 revisionary powers of the Commissioner of Income Tax under section 263 is also pending before the High Court of Kerala.
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 difficult. In absence of reasonable marketable value, the increase or decrease in the value of the Land is not ascertainable.
7. 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 the Bank of Baroda.
8. The maintenance expenditures of the closed units are charged to revenue.
9. Balancès of debtors, creditors, loans and advances and banks / financial institutions are subject to confirmation / reconciliation by the parties.
10. 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.
11. The operations of the Company relate only to one segment viz., manufacture and sales of chemicals.
12. 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.



13. Earning per Share of the Company are:- Basic EPS (-.10), Diluted EPS (-.10)
14. The balance under deposits made by the company with different authorities and various other parties were not confirmed as on 31st March 2009. The following are the details,

Sl.No.	Particulars	Deposit Holder	Amount
2	Deposit- Tenders	Various Parties	6,98,232.40
3.	Deposit Others	Various Parties	5,17,093.00
4.	TWAD Deposits	Tamilnadu water Authority	2,36,250.00
5	Check Post Deposit	Kerala Sales Tax Department	49,639.00
6	Central Excise – Duty Refundable	Central Excise Department	90,059.00

15. The following balances with banks as on 31st March 2009 were not confirmed.

Sl.No.	Name of the Bank	Branch Name	Amount
1	Bank of Baroda	Kalamassery	1,859.75
2	Bank of Baroda	Kollam	3,750.87
3	Bank of Baroda	M G Road Banglore	10,101.28
4.	Bank of Baroda – Paster A/c	Salem	11,206.49
5	Bank of Baroda	Mumbai	5,000.00
6	Bank of Baroda	Mumbai	5,166.54
7	Bank of Baroda	Mumbai-Collection	5,203.00
8	Bank of Baroda	New Delhi	5,06,965.11
9	Bank of Baroda – FDI Warrant A/c	Kalamassery	41,072.35
10	Bank of Baroda- Unpaid Debenture A/c	Kalamassery	48,490.00
11	Indian Overseas Bank	Mettur	2,824.86
12	Indian Overseas Bank	Sivakasi	2,708.67
13	State Bank of Travancore	Sivakasi	4,571.45
14	State Bank of India	Sattur	5,242.28
15.	Bank of Baroda – No lien A/c	Salem	5,001.00
16	Canara Bank	Sivakasi	3,553.94
17	State Bank of India	Sivakasi	8,726.72
18	State Bank of India	Kovilpatti	7,377.88
19	Margin on Guarantee with Bank	Kalamassery	8,56,189.00
20	Cash with Post office		
	SB A/c	Kalamassery	3,600.00
	TOTAL		15,38,611.19



16. Contingent liabilities not provided for:

	(Rs. in Lakhs)	
	31.3.2009	31.3.2008
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	208.00	265.12

17. Additional Particulars: Schedule to Balance Sheet as at 31.3.2009.

	PRODUCTION		SALES			
	Quantity/ MT		Quantity /MT		Value (Rs. in Lakhs)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Pesticides	0	0	0	0	0	
Other Chemicals	1018.766	82.20	670.025	72.10	193.23	33.71
Total	1018.766	82.20	670.025	72.10	193.23	33.71

(b) Stock of Finished Goods

(Rs. In Lakhs)

	31.3.2009		31.3.2008		31.03.2007	
	Quantity	Value	Quantity	Value	Quantity	Value
	MT	(Rs)	MT	(Rs)	MT	(Rs)
Pesticides					1.00	0.50
Other Chemicals	225.586	49.68	3.55	1.63	3.50	0.58
Total	225.586	49.68	3.55	1.63	4.50	1.08

(c) Raw Materials consumed.

	Quantity in MT		Value/Rs. (Lakhs)	
	2008-09	2007-08	2008-09	2007-08
Copper Scrap	-	-	-	-
Others	1973.99	165.94	137.00	12.62
Total	1973.99	165.94	137.00	12.62



(in Rs.)

	2008-09	2007-08
(d) CIF Value of Imports - Raw Materials	3776304	NIL
(e) Particulars of Raw Materials, Components and Stores consumed – Imported	691131.	NIL
(f) Indigenous		
1. Expenditure in Foreign Currency	NIL	NIL
Foreign Travel	NIL	NIL
Others		
2. Earnings in Foreign Exchange		
Export – Direct	NIL	NIL
Export through Agent	NIL	NIL
(g) No.of Non-Resident Shareholders	7	6
No.of Shares held by them	6758	6758

Previous year figures have been regrouped wherever necessary.

JOSEPH VARGHESE
MANAGING DIRECTOR

T.THIRUGNANAM
CHAIRMAN

As per report of even date attached
VBSK & COMPANY
Chartered Accountant

Ernakulam
30.06.2009

SURESH G
Partner
(M. No.210211)

**TCM LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2009.**

	Year ended 31-03-2009	Year ended 31-03-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) after tax and extraordinary items	(348,899.00)	(3,053,539.00)
Adjustments for		
Depreciation	3,211,017.00	3,268,499.00
Profit on sale of Fixed assets	-	(1,376,306.00)
Waiver of interest on term loan(Miscellaneous Income)	-	(3,591,175.00)
Operating Profit before Working Capital changes	2,862,118.00	(4,752,521.00)
Adjustments for		
Increase in Trade & Other Receivables	(1,517,769.00)	304,116.00
Increase in Inventories	(11,009,421.00)	176,883.00
Increase in Trade Payables	1,260,820.00	(1,239,260.00)
Cash generated from operations	(8,404,252.00)	(5,510,782.00)
Cash flow before extraordinary items	(8,404,252.00)	(5,510,782.00)
Extraordinary/ prior period items	(29,867,123.00)	-
Net Cash flow from Operating Activities - (A)	(38,271,375.00)	(5,510,782.00)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(925,591.00)	
Sales of Fixed assets	-	1,476,500.00
Net Cash used in Investing Activities - (B)	(925,591.00)	1,476,500.00
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(137,985,827.00)	(4,522,500.00)
Secured Loan Received	171,752,846.00	-
Unsecured Loan received	5,265,420.00	9,272,588.00
Net cash used in Financing Activities - ©	39,032,439.00	(475,0088.00)
NET INCREASE/DECREASE IN		
CASH AND EQUIVALENTS (A+B+C)	(164,527.00)	715,806.00
CASH & CASH EQUIVALENTS AS AT 31/03/2008	3,036,044.00	2,322,238.00
CASH & CASH EQUIVALENTS AS AT 31/03/2009	2,873,517.00	3,038,044.00

Joseph Varghese
Managing Director

T.Thirugnanam
Chairman

We have checked the attached cash flow statement for TCM limited for the year ended 31st March 2009, from the books and records maintained by the company in the ordinary course of business and have, found it in accordance therewith.

As per Report of even date attached for and on behalf of
VBSK & Company
Chartered Accountants

SURESH G
Partner
(M. No.210211)

Ernakulam
30.06.2009



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 65th Annual General Meeting of the company to be held on Wednesday the 30th September 2009 at 15.00 hrs and at any adjournment thereof.

As witness my / our hand this day of2009

Signed by the said

Affix 1.00 Rupee Revenue Stamp
--

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 28.09.2009.



TCM Limited

40/1131, Sreeragam, Cannon Shed Road, Ernakulam, Cochin - 682 011

ATTENDANCE SLIP

Please complete this attendance slip before you come to the meeting and hand it over at the entrance of the Meeting Hall.

1. Name of the Share holder
(in Block Letters)
2. Member's Register Folio/D.P-ID Number.....
3. Name of Proxy (in Block Letters)
(to be filled in the proxy attends instead of Members)
4. No. of Shares held.....

I hereby record my presence at the 65th Annual General Meeting at the Bharath Hotel, Ernakulam on 30th September 2009.

Member's/Proxy's Signature

BOOK - POST

Printed Matter

If undelivered, please return to:



TCM Limited

Post Box No.19,
KALAMASSERY-683 104.