



**TCM Limited**

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

**66<sup>th</sup> Annual Report  
&  
Accounts**

**For the year ended 31. 03. 2010**



**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**

32/1111, "SNIGDHA"  
CHATHANGAT CROSS ROAD,  
PALARIVATTOM,  
COCHIN - 682 025.

**SHARE TRANSFER AGENTS**

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

**FACTORIES AT**

METTUR DAM  
TUTICORIN



## NOTICE TO SHAREHOLDERS

Notice is hereby given that the 66th Annual General Meeting of the members of TCM Limited. will be held at 3.00 p.m. on 30.09.2010 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 2010 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. George Varghese, Mr. Antony Verghese & Mr. T. Raja 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. 20.09.2010 to 30.09.2010 (both days inclusive).
3. Members are requested to intimate any changes in their addresses to the share transfer agent M/s Cameo Corporate 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. Corporate members deputing their authorized representatives to attend the meeting are requested to submit a certified copy of Board resolution authorising the representatives to attend and vote at the meeting on their behalf.

Place : Ernakulam  
Date : 31.07.2010

Sd/-  
**Joseph Varghese**  
Managing Director



## DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 66th Annual Report together with the audited accounts for the year ended 31st March, 2010

### I FINANCIAL PERFORMANCE OF THE COMPANY

PARTICULARS	Year Ended	Year Ended
	31.03.10	31.03.09
	Rs in lakhs	
Sales	771.86	221.43
Raw Material & Packing Materials	381.01	145.46
Power	193.18	43.54
Employee Cost	158.81	129.28
Excise Duty	59.69	28.20
Financial Cost	3.20	0.90
Depreciation	33.20	32.11
Net Loss	(299.07)	(3.49)

### 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,2010.

### III EXISTING STATUS:

The Tuticorin unit restarted in 2007 and the Mettur unit restarted in 2008 are operating smoothly. The total production and sales have substantially increased . Production during the year under report was 4412.87 MT as compared to 1018.76 MT in the previous year. Sales revenue increased to Rs. 712.17 lakhs this year from Rs. 193.23 lakhs in the previous year.

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, which has been approved by the Hon'ble BIFR. However, as on date, the Appellate Authority for Industrial and Financial Reconstruction, New Delhi has ordered a status quo on the proceedings on an application filed by a shareholder praying for stay on the BIFR impugned order dated 28-11-2008 inter alia approving the above MOU and permitting the Company to enter into a Joint Venture Development Agreement with M/s Godrej Properties Ltd for its proposed project at Kalamassery, Cochin, Kerela. The matter is kept for Final Order.



#### IV DIRECTORS

Mr. George Varghese, Mr. Antony Varghese and Mr. T Raja 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 2009-2010	All the old power factor improving capacitors checked and lesser capacity capacitors has been paralled and connected to all Sub-switch boards for 3 transformers and maintained the power factor to the incentive level, for the entire operational period and obtained incentive from TNEB besides controlled the max. demand to the extend of 60 to 65 KVA / month
b Additional Investments and proposals ,if any, being implemented for reduction of consumption of energy	Proposal is already made to provide automatic power factor control panel for each transformer.
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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company 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. CORPORATE GOVERNANCE REPORT & MANAGEMENT DISCUSSION**

The corporate governance report and certificate from the auditors regarding compliance are annexed together with the management discussion and analysis.

## **XI SECRETARIAL COMPLIANCE REPORT**

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

## **XII QUALIFICATIONS IN AUDIT REPORT**

1. Being a sick company response from the debtors and creditors is very poor and only a very few concern send the conformations.
2. The company is in the process of obtaining duplicate copies of all documents in



respect of the investment as these were lost / misplaced during the long period of closure of the company.

3. Letters of confirmations of balances were sent to all banks who have not replied probably because the accounts are non operative for long period.
4. Letters of confirmations of deposits were sent to all parties who have not replied probably because the accounts are non operative for long time
5. The company is trying to get its applications for exemption from land ceiling disposed of at the earliest.
6. The company was closed for a very long period and started functioning only during last year and necessary steps for introducing formal internal audit are being taken.
7. The company was closed for a very long period and started functioning only during last year. The company is in the process of ascertaining the status of the assets and its impairment.
8. The company was closed for a vary long period and started functioning only during last year and necessary steps in respects of employee benefits are being taken, *considering the revival scheme pending with BIFR*
9. The company was closed for a very long period and started functioning only during last year. The company has made an application to The Ministry of Corporate Affairs for waiver from maintaining cost accounting records and the same is pending
10. The company registered with BIFR was closed for very long period and has started operations only last year .The outstanding statutory dues will be paid at the earliest as per revival scheme now pending with BIFR

### **XIII AUDITORS**

M/s VBSK and 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.

### **XIV FOREIGN EXCHANGE**

Outgo - Rs. 5154624 equivalent to USD 109400.00

Earning NIL



#### **XV 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 cooperation extended by all ranks of employees and trade unions.

By order of the Board  
For TCM LIMITED

Place: Ernakulam  
Date: 31.07.2010

Joseph Varghese  
Managing Director

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.

#### **OPPORTUNITIES AND THREATS**

The company is a sick company registered with BIFR and has submitted revival scheme to the Operating Agency. Also, the company may not be able to re establish its position in many of its earlier products.

#### **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 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 31.03.10 stood at 216.

For and on Behalf of the Board  
For TCM Limited

Place: Ernakulam

Joseph Varghese

T Thirugnanam

Date :31.07.2010

Managing Director

Chairman.



## REPORT ON CORPORATE GOVERNANCE

(As required by clause 49 of the listing agreement of the Stock Exchange)

### 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 an 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
George Varghese	Non executive	8	-
T Raja	Non executive	-	-
Antony Varghese	Non exe & Independent	-	-
C H Abdul Rahim	Non exe & Independent	-	-
T S Rajagopalan	Non exe & Independent	-	3
Ramesh Babu	Non exe & Independent	-	3



### **Board Meetings held during the year 2009-10.**

During the year ending 31.03.10, 5 Board Meetings were held on the following dates:

09.04.2009	30.06.2009
31.07.2009	31.10.2009
30.01.2010	

The attendance at the Board Meetings and the last Annual General Meeting during the period ended 31.03.10 is tabulated hereunder:

Name of Director	No. of Board Meetings Attended	Whether attend the AGM
Joseph Varghese	5	Attended
T Thirugnam	3	Attended
Philimina Thomas	5	Attended
T Raja	-	-
George Varghese	4	Attended
Antony Varghese	2	Attended
C H Abdul Rahim	1	-
T S Rajagopalan	5	Attended
Ramesh Babu	5	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 2009-10 the dates of which are 30.06.09, 31.07.09, 31.10.09 and 30.01.10.



The attendance of the Audit committee is as follows.

Name	Designation	No. of meetings attended
TS Rajagopalan	Director	4
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 are invitees to the meetings of the audit committee. The role and terms of reference of the audit committee covers the area mentioned under clause 49 of the listing agreement and section 292 A of the companies Act 1956. This, interalia, 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.TS Rajagopalan and Mr. Ramesh Babu . There was no requirement for the committee to meet during the year as there was no appointment or reappointment of executive director/s.

#### **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. TS Rajagopalan (Chairman) Mr. Joseph Varghese, and Mr. Ramesh Babu.

During the year 2009-2010, all transfers / transmissions, were effected on time and all the complaints received form the investors have been resolved to the satisfaction of the complainants.

### **4. DIRECTORS REMUNERATION**

#### **a. Remuneration policy**

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



b. Remuneration paid during 2009-2010

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.

**5. GENERAL BODY MEETINGS**

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

Year	Venue	Date	Time
2008-2009	Bharat Hotel, Ernakulam	30.09.09	3.00 p.m.
2007-2008	Bharat Hotel, Ernakulam	27.09.08	3.00 p.m.
2006-2007	Bharat Hotel, Ernakulam	29.09.07	3.00 p.m.

b) Special resolutions passed in the AGMs

2008-09 NIL

2007-08 resolution for delisting of securities from regional exchanges

2006-07 NIL

c) No resolution was put through postal ballot during the year.

**6. DISCLOSURES**

During the year 2009-10 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.

Shareholding by non executive directors -T Thirugnanam-328562 shares, George Varghese 221307 Shares



## 7. 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..

## 8. GENERAL SHAREHOLDER INFORMATION

### a. Annual general meeting

Date and Time	30.09.2010 at 3.00 pm.
Venue	Bharat Hotel, Ernakulam

### b. Financial Calendar of the company:

The financial year covers the period from 1st April, 2009 to 31st March, 2010.

### c. Date of Book Closure:

The period of book closure is fixed from 20.09.2010 to 30.09.2010 (both days inclusive)

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

Not applicable

### e. Dematerialisation of shares & 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 2010, 2922952 shares representing 85.99% of the total shares, were held in dematerialized form and the balance were in physical form.

### f. The international securities identification (ISIN) Number for demat is INEO34FO1010.



## G. MARKET PRICE DATA

The 52 week high and low price of the company's share is given below

Month	Year	High	Low
April 2009	2009	15.70	14.50
May	2009	16.35	14.30
June	2009	17.00	13.40
July	2009	16.25	15.25
August	2009	15.75	14.30
September	2009	18.21	14.25
October	2009	25.05	16.80
November	2009	36.05	26.05
December	2009	28.75	21.90
January 2010	2010	35.70	20.00
February	2010	46.35	31.25
March	2010	45.05	30.30

## H. 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 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	%
1-100	1242	52.98	92814	2.73
101-500	772	32.91	214745	6.32
501-1000	168	7.16	128442	3.78
1001-2000	92	3.92	133779	3.93
2001-3000	26	1.11	64819	1.91
3001-4000	10	0.43	35011	1.03
4001-5000	9	0.38	42297	1.24
5001-10000	11	0.47	82840	2.44
10001- and Above	15	0.64	2604288	76.62
Total	2345	100.00	3399035	100.00





**K. P. THOMAS & CO.**  
Company Secretaries

Carmel Building, 1st Floor, Banerji Road,  
Ernakulam, Kochi, Pin-682 018.  
Phone: 0484-2395304, 09995467377  
Email: kptfcs@gmail.com

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## 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(the Act) 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, 2010. 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 5 times on 09.04.2009, 30.06.2009, 31.07.2009, 31.10.2009 and 30.01.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. The audit committee met 4 times on 30.06.2009, 31.07.2009, 31.10.2009 and 30.01.2010.
5. The company has closed its Register of Members, during the financial year for the period from 20.09.2009 to 30.09.2009 (both days inclusive).
6. The annual general meeting for the financial year ended on 31/03/2009 was held on 30.09.2009 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. Except for an amount of Rs. 60,620/- being unpaid debenture and unpaid debenture interest remaining, pertaining to 1992-93, the company is in compliance with section 205C of the Act.
  - 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 as per the provisions of the Act and in compliance with the listing agreement.
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 SRN A53021499-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 Sec.418 of the Companies Act, 1956.

Place : Ernakulam  
Date : 27.07.2010

Signature  
Name of Company Secretary - K.P. Thomas  
C.P. No.8886

Annexure A to my report dated 27.07.2010.



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. Minutes book of Board, committees and General Meetings 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/s 77A
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 of Renewed and Duplicate certificates
7. Register of Destruction 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 31.03.2010

Sl. no	Forms 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 23 AC&ACA	220	Year ending 31/3/2010	15.10.2009	Yes	No
2	Form 20B	159	-do-	11.11.2009	Yes	No
3	Form 18	146	-do-	26.11.2009	Yes	No
4	Form 66	383(A)	-do-	13.10.2009	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 2010 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.

Ernakulam  
30th June 2010

**For VBSK & Company**  
Chartered Accountants  
(FRN 010779S)

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



## AUDITORS REPORT TO SHAREHOLDERS

### TO THE MEMBERS OF TCM LIMITED

We have audited the attached Balance sheet of TCM LTD as at 31st March 2010 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 except Equity Shares in Shamrao Vithal Co-op Bank Ltd for Rs. 50,000/-. Hence we are unable to express an opinion on the valuation and existence of those investments as on 31st March 2010*
  - iii. Note No. 4 regarding excess land.*
  - iv. Non confirmation of deposits as per note no.12. to Notes on Accounts*
  - v. Non confirmation of balances with banks as per note no.13 to Notes on Accounts*

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, 2010.
- 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 2010 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 Report of even date attached for and on behalf of

**VBSK & Company**  
Chartered Accountants  
(FRN 010779S)

Ernakulam  
30th June 2010

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



## ANNEXURE TO THE AUDITORS REPORT

Annexure referred to in Paragraph 1

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Management informed us that all the fixed assets have been physically verified by the Management during the period and no serious discrepancies between book records and physical assets have been noticed. 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 substratum 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.52,00,000/-) and a director ( Rs.12,35,000/-)
- 4) ***In our opinion there exist an adequate internal control system commensurate with size of the company and nature of its business for the purchase of inventory, fixed assets and sale of goods. Further we are of the opinion that there is no failure on the part of the company to correct any major weakness in the internal control in regard to purchase of inventory, 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 2009-2010, 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 regular in depositing undisputed statutory dues, except the following which has been outstanding for more than 6 months as at the end of financial year 2009-2010.

SN	Name of the Statute	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 Employee	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 2010 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, 2010.
- 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.2, 50, 00,000) during the period under audit, the balance of the same as on 31-03-2010 was Rs.19,67,52,846.00 ( Previous Year Balance Rs.17,17,52,846.00) 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 Report of even date attached for and on behalf of

**VBSK & Company**  
Chartered Accountants  
(FRN 010779S)

Ernakulam  
30th June 2010

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



## TCM Limited

### BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule Ref	31.03.2010 Rs.	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2009 Rs.
<b>I. SOURCES OF FUNDS:</b>					
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	C		2213905		3031814
3. Loan Funds					
a) Secured Loans	D	196752846		171752846	
b) Unsecured Loans	E	<u>23517508</u>	220270354	<u>17082508</u>	188835354
<b>TOTAL</b>			<u><u>266342117</u></u>		<u><u>235725026</u></u>
<b>II. APPLICATION OF FUNDS:</b>					
1. Fixed Assets	F				
a) Gross Block		105771435		103453443	
b) Less: Depreciation		<u>69129879</u>		<u>65810095</u>	
c) Net Block		<u>36641556</u>		<u>37643348</u>	
d) Assets not in actual use		<u>1</u>	36641557	<u>1</u>	37643349
2. Investments	G		2361010		2362510
3. Current Assets, Loans & Advances	H				
a) Inventories		19007130		17885881	
b) Sundry Debtors		17209744		14810668	
c) Cash & Bank Balances		2782008		2873517	
d) Loans & Advances		<u>19626353</u>		<u>20965974</u>	
	(A)	<u>58625235</u>		<u>56536040</u>	
Less:					
Current Liabilities & Provisions					
a) Liabilities	I	41600884		41224786	
	(B)	41600884		41224786	
Net Current Assets (A-B)			17024351		15311254
Profit and Loss Account	J		210315199		180407913
<b>TOTAL</b>			<u><u>266342117</u></u>		<u><u>235725026</u></u>
Notes on Accounts	K				

Joseph Varghese  
Managing Director

T.Thiruganam  
Chairman

Ernakulam  
30th June 2010

As per Report of even date attached for and on behalf of  
VBSK & Company  
Chartered Accountants  
(FRN 010779S)  
Suresh G  
Partner  
(M. No. 210211)



**TCM Limited**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

	Schedule Ref	31.03.2010		31.03.2009	
		Rs.	Rs.	Rs.	Rs.
Sales			77185644		22143405
Less: Excise Duty			<u>5969101</u>		<u>2819914</u>
			71216543		19323491
Other Income	1		3906151		4053111
Stock Differential (Decrease)	2		<u>(416925)</u>		<u>4628781</u>
Total			74705769		28005383
Raw materials consumed		36912598		14362547	
Packing Materials		1188707		182993	
Stores&Spares consumed		2493874		1514084	
Manufacturing Expenses	3	34567611		17019474	
Employee Cost	4	15880514		12927897	
Selling Expenses	5	835282		96833	
Administration Expenses	6	2923789		8676458	
Finance Charges	7	320058		90041	
Depreciation		3319784	98442217	3211017	58081344
Net Loss/Profit before tax and prior period items			(23736448)		
Extra Ordinary Items					
Extra Ordinary Incomes	8		7273648	30238153	
Extra Ordinary Expenses	9		14261885	1427939	
Net Loss/Profit before tax					(1265747)
Tax Expenses					
Fringe Benefit Tax		510		55240	
Deffered Tax		(817909)		(972088)	
Profit After Tax			(29907286)		(348899)
Profit Carried to Balance Sheet			(29907286)		(348899)

Joseph Varghese  
Managing Director

T.Thirugnanam  
Chairman

As per Report of even date attached for and on behalf of  
VBSK & Company  
Chartered Accountants  
(FRN 010779S)

Ernakulam  
30th June 2010

Suresh G  
Partner  
(M. No. 210211)



## TCM Limited

Schedules forming part of Balance Sheet as at 31st March 2010

	31-03-2010 Rs.	31-03-2009 Rs.
<b>Schedule A: SHARE CAPITAL</b>		
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
<b>As Per Balance Sheet</b>	<b>3,39,90,350</b>	<b>3,39,90,350</b>
<b>Schedule B: RESERVES &amp; SURPLUS</b>		
	31.03.2010 Rs.	31-03-2009 Rs.
RESERVES		
Capital Reserve as per last balance sheet		
Subsidy from Indrl.department	897508	
Subsidy from Sipcot	120000	
Investment Subsidy ( Generator)	750000	
ICICI Spread Loan	6000000	7767508
Share Premium		2100000
<b>As Per Balance Sheet</b>	<b>9867508</b>	<b>9867508</b>



**TCM Limited**  
**Schedules forming part of Balance Sheet as at 31st March 2010**

<b>Schedule C: DEFFERED TAX</b>	<b>31.03.2010</b>	<b>31-03-2009</b>
	<b>Rs.</b>	<b>Rs.</b>
As per Last balance Sheet	3031814	
Less Reversal of Deffered Liability	<u>817909</u>	<u>2213905</u>
		<u>3031814</u>
<b>Schedule D: SECURED LOANS</b>		
<b>LOANS FROM BANKS/OTHERS</b>		
Secured by first charge on the land admeasuring 21.66 acres at Company's Kalamassery Property	196752846	171752846
As Per Balance Sheet	<u>196752846</u>	<u>171752846</u>
<b>Schedule E: UNSECURED LOANS</b>		
	<b>31.03.2010</b>	<b>31-03-2009</b>
	<b>Rs.</b>	<b>Rs.</b>
Advance from Directors	23517508	17082508
As Per Balance Sheet	<u>23517508</u>	<u>17082508</u>

## Schedule : F :

## FIXED ASSETS

Depreciation	Cost as on 31.03.2009 Rs.	Additions during the year Rs.	Deductions during the year Rs	Gross Block as on 31/03/2010 Rs	Deprecion as on 31.03.2009 Rs.	Deprecion during the year Rs.	Deductions during the year Rs.	Deprecion up to 31.03.2010 Rs.	Net Block as on 31/03/2010 Rs	Net Block as on 31/03/2009 Rs
Land & Development	11502656	0	0	11502656	0	0	0	0	11502656	11502656
Buildings	14923068	230000	0	15153068	11827867	287280	0	12115147	3037922	3095201
Plant & Machinery	74218697	2048992	0	76267689	51406556	2995666	0	54402222	21865467	22812141
Furniture & Fixtures & Office Equipments	2552289	39000	0	2591289	2328035	35708	0	2363743	227546	224254
Vehicles	256733	0	0	256733	247637	1131	0	248768	7965	9096
TOTAL	103453443	2317992	0	105771435	65810095	3319784	0	69129879	36641556	37643348
Previous Year	102527852	925591	0	103453443	62599078	3211017	0	65810095	37643348	39928774
Assets not in actual use									1	1
<b>As Per Balance Sheet</b>									36641557	37643349

**TCM Limited****Schedules forming part of Balance Sheet as at 31st March 2010**

<b>Schedule G: INVESTMENTS</b>	<b>31-03-2010</b>	<b>31-03-2009</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>NON-TRADE:UNQUOTED</b>		
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., fully paid-up.	6000	6000
150 Shares of Rs.10/- each in TCM Employees Credit Co.op. Society Ltd., fully paid up	0	1500
<b>TRADE:UNQUOTED</b>		
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
<b>TRADE:QUOTED</b>		
66,600 Shares of Rs.10/- each fully paid up in Bell Ceramics Ltd.(includes premium of Rs.7.48 per Share. Market Value Rs.498168/-)	1498500	1498500
<b>As Per Balance Sheet</b>	<b>2361010</b>	<b>2362510</b>





## TCM Limited

### Schedules forming part of Balance Sheet as at 31st March 2010

Schedule H: CURRENT ASSETS, LOANS & ADVANCES	31-03-2010	31-03-2009
	Rs.	Rs.
<b>(a) INVENTORIES</b>		
(as certified by the Director)		
Stores & Spare Parts (at cost)		
In Godown	6254907	5011424
Loose Tools	165502	165502
Raw Materials (at cost)		
In Godown	6970202	5985292
Stock in trade		
Finished Goods at cost or net realisable value whichever is less	3906151	4967785
Work-in-Process at cost		
Rawmaterial at cost in Transit	1710368	1065659
	0	690219
<b>As Per Balance Sheet</b>	<b>19007130</b>	<b>17885881</b>
<b>(b) SUNDRY DEBTORS (Unsecured)</b>		
Debts Outstanding for a period exceeding six months		
	17209744	14810668
<b>As Per Balance Sheet</b>	<b>17209744</b>	<b>14810668</b>
<b>(c) CASH &amp; BANK BALANCES</b>		
Cash Balance on hand		
	20565	59449
Balance with Scheduled Banks		
1. On Current Accounts	1901654	1954279
2. On Deposit Accounts	856189	856189
Balance with Post Office Savings Account	3600	3600
<b>As Per Balance Sheet</b>	<b>2782008</b>	<b>2873517</b>
<b>(d) LOANS &amp; ADVANCES</b>		
(Unsecured & considered good)		
Advance recoverable in cash or in kind		
	10883186	11208484
Income Tax Department	2050873	2107006
Deposits	6674309	7177139
Prepaid Expenses	0	5500
Balance with Central Excise Dept	17985	467845
<b>As Per Balance Sheet</b>	<b>19626353</b>	<b>20965974</b>



## TCM Limited

### Schedules forming part of Balance Sheet as at 31st March 2010

	31-03-2010	31-03-2009
	Rs.	Rs.
<b>Schedule I: CURRENT LIABILITIES</b>		
Sundry Creditors	40360570	40029964
Unfunded Gratuity Payable	190314	144822
Restarting Wages - Workmen	1050000	1050000
As Per Balance Sheet	<u>41600884</u>	<u>41224786</u>
	<b>31.03.2010</b>	<b>31-03-2009</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Schedule J: PROFIT AND LOSS ACCOUNT</b>		
Profit & Loss Account Appropriation	180407913	
Add: Loss during the period	(29907286)	210315199
		<u>210315199</u>
		<u>180407913</u>



## TCM Limited

Schedules forming part of Profit and Account for the year ended 31st March 2010

	31.03.2010	31.03.2009
	Rs.	Rs.
<b>SCHEDULE 1 : OTHER INCOME</b>		
Dividend Income	105157	0
Interest from Bank Deposit/Others	2221	34507
Miscellaneous Sales	3752375	3802725
Profit on Sale of Securities	12046	0
Miscellaneous Income	34352	215879
	<u>3906151</u>	<u>4053111</u>
<b>SCHEDULE 2 : STOCK DIFFERENTIAL</b>		
	31.03.2010	31.03.2009
	Rs.	Rs.
Opening Stock :		
Finished Goods	4967785	625733
Work-in-Process	<u>1065659</u>	<u>778930</u>
	6033444	1404663
Closing Stock :		
Finished Goods	3906151	4967785
Work-in-Process	<u>1710368</u>	<u>1065659</u>
	5616519	6033444
Net Decrease	<u>(416925)</u>	<u>4628781</u>
<b>SCHEDULE 3 : MANUFACTURING EXPENSES</b>		
	31.03.2010	31.03.2009
	Rs.	Rs.
Power	6817927	4354734
Fuel	21515174	7247619
Repairs & Renewals-Plant-others	1625521	3347472
Conversion Charges	1718331	0
Factory Expenses-others	2676434	1705835
Handling Expenses	87765	278870
Freight & Clearing Expenses	118789	35969
Inspection Fee	7670	489754
	<u>34567611</u>	<u>17019474</u>



## TCM Limited

Schedules forming part of Profit and Account for the year ended 31st March 2010

	<b>31.03.2010</b>	<b>31.03.2009</b>
	Rs.	Rs.
<b>SCHEDULE 4 : EMPLOYEE COST</b>		
Salaries, Wages	11610531	10029549
Employees State Insurance	622382	806047
Retainer Fee & Stipend	667565	0
Contribution to Provident Fund & other Funds	1257680	1189275
Administrative Charges on PF & DLI	114905	104859
Workmen & Staff Welfare Expenses	914473	402332
Workmen Compensation	12668	0
Retirement Compensation Staff	131650	1960
Gratuity	118190	375875
Exgratia	430470	18000
	<u>15880514</u>	<u>12927897</u>
<b>SCHEDULE 5 : SALES EXPENSES</b>		
	<b>31.03.2010</b>	<b>31.03.2009</b>
	Rs.	Rs.
Selling Agent's Commission	4490	0
Special Discount & Commission	600687	23453
Sales Expenses	6207	5000
Advertisement Charges	46488	36810
Sales Tax Paid	10939	0
Carriage Outwards	52247	1789
ST Registration Fee	1500	1500
Service Tax	112724	28281
	<u>835282</u>	<u>96833</u>
<b>SCHEDULE 6 : ADMINISTRATIVE EXPENSES</b>		
	<b>31.03.2010</b>	<b>31.03.2009</b>
Rent	124354	81057
Travelling & Conveyance	331577	250338
Motor Vehicle Maintenance	134153	10205
Law Charges	110500	455150
Donation	12601	26751
Rates & Taxes Others	335341	275679
Listing Fee - Stock Exchanges	12114	10000
Travelling Expenses - Managing Director	159401	219411
Statutory Audit Fee	33090	33090
Tax Audit Fee	11030	11030
For other Services	2758	17950
Printing & Stationery	107842	65325
General Expenses/Others	1208067	1549363
Income Tax Short term capital gain	1862	0
Postage & Telephone	161649	92307
Brokerage on other Loans	177450	5578802
	<u>2923789</u>	<u>8676458</u>



## TCM Limited

Schedules forming part of profit and Loss Account for the year ended 31st March 2010

	31.03.2010	31.03.2009
	Rs.	Rs.
<b>SCHEDULE 7: FINANCE CHARGES</b>		
Bank & other Charges	320058	90041
	<u>320058</u>	<u>90041</u>
<b>SCHEDULE 8: EXTRA ORDINARY ITEMS - Income</b>		
Interest Waived by Banks	0	22865516
Patser A/c Written Banck	0	2800000
Unclaimed Creditors Written Back	7273648	4572637
	<u>7273648</u>	<u>30238153</u>
<b>SCHEDULE 9: EXTRA ORDINARY EXPENSE</b>		
Unserviceable Assets Written Off	0	393278
Bonus Advance Written Off	0	362500
Bad Debts Written off	1761885	672161
Power Charges	12500000	0
	<u>14261885</u>	<u>1427939</u>



## SCHEDULE : K

### NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2010

#### 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 and Machinery on a 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.
2. There is a reversal Deferred Tax during the year and the deferred tax liability has been reduced to the effect as on 31.03.2010. Entire difference arise because of reversal of timing (Liability) difference of Rs.26, 46,954/-



3. (a) The income tax assessment has been completed up to the accounting year 2003-2004.

As between the financial period ended 31.03.1996 and 31.03.1997, there is a 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 before Income Tax Appellate Tribunal is decided against the Company and the Company is in the process of filing and appeal before the Honourable High Court of Kerala.

- (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.34.58Lakhs.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 Honourble High Court of Kerala.
4. Out of the total extent of land measuring 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.
5. The company reference application to BIFR as a sick industrial Company stands registered as case No.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.
6. The Maintenance expenditures of the closed units are charged to revenue.
7. Balances of debtors, creditors, loans and advances and banks/ financial institutions are subject to confirmation / reconciliation by the parties.
8. 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.
9. The operations of the company relate only to one segment viz., manufacture and sale of chemicals
10. In the absent 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 has not been quantified. Hence the impairment of assets could not be ascertained



11. Earning per Shares of the company are:-Basic EPS (-8.80) Diluted EPS (-8.80)
12. The balance under deposits made by the company with different authorities and various other parties were not confirmed as on 31st March 2010. The following are the details.

SI No	Particulars	Deposit Holder	Amount
1	Deposit-Tenders	Various Parties	6,98,232.40
2	Deposit-Others	Various Parties	5,19,093.00
3	TWAD Deposits	Tamilnadu Water Authority	2,36,250.00
4	Check post Deposits	Kerala Sale Tax Department	49,639.00
5	Central Excise- Duty refundable	Central Excise Department	90,059.00

13. The following balances with banks as on 31<sup>st</sup> March 2010 were not confirmed.

SI.No.	Name of 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	506,965.11
9	Bank of Baroda-FDI WarrantA/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	Kovil patti	7,377.88
19	Margin on Guarantee with Bank	Kalamassery	8,56,189.00
20	Cash with post Post Office SBA/c	Kalamasey	3,600.00
21	State Bank of Travancore	Kalamssery	2411.67
	<b>TOTAL</b>		<b>15,41,022.86</b>





14. Contingent liabilities not provided for:

	(Rs.in Lakhs)	
	31.03.2010	31.03.2009
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	75.00	208.00
d Disputed ESI Dues	3.80	Nil
e Disputed demand from Karnataka State Sales Tax Dept.	2.53	Nil

15. Additional Particulars: Schedule to Balance Sheet as at 31.03.2010

	PRODUCTION		SALES			
	Quantity /MT		Quantity /MT		Value(Rs.in Lakhs)	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Pesticides	0	0	0	0	0	0
Other Chemicals	4429.553	1018.7666	4452.009	670.025	712.17	193.23
TOTAL	4429.553	1018.7666	4452.009	670.025	712.17	193.23

(b) Stock of finished Goods

(Rs in Lakhs)

	31.03.2010		31.03.2009		31.03.2008	
	Quantity	Value	Quantity	Value	Quantity	Value
	MT	(Rs)	MT	(Rs)	MT	(Rs)
Pesticides	0	0	0	0	0	0
Other Chemicals	203.13	39.06	225.586	49.68	3.55	1.63
Total	203.13	39.06	225.586	49.68	3.55	1.63

(c) Rawmaterials Cosumed

	Quantity in MT		Value/Rs.(Lakhs)	
	2009-10	2008-09	2009-10	2008-09
Copper Scarp	-	-	-	-
Others	6406.77	1973.99	354.30	137.00
Total	6406.77	1973.99	354.30	137.00



( In Rs)

	2009-10	2008-09
(d) CIF Value of Imports-Raw Material	5154624.00	3776304.00
(e) Particulars of Raw material, Components and Stores Consumed –Imported	1296959.00	691131.00
(f) Indigenous		
1. Expenditure in foreign Currency		
Foreign Travel	Nil	Nil
Others	Nil	Nil
2. Earning in Foreign Exchange		
Export-Direct	Nil	Nil
Export through Agent	Nil	Nil
(g) No. of Non –Resident Shareholders	8	7
No. Shares held by them	6833	6758
Previous year figures have been regrouped wherever necessary.		

Joseph Varghese  
Managing Director

Ernakulam  
30th June 2010

T.Thirugnanam  
Chairman

As per Report of even date attached for and on behalf of  
VBSK & Company  
Chartered Accountants  
(FRN 010779S)  
Suresh G  
Partner  
(M. No. 210211)

**TCM LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31-3-2010**

	Year ended 31-03-2010	Year ended 31-03-2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) after tax and extraordinary items	(29,907,286.00)	(348,899.00)
Adjustments for		
Depreciation	3,319,784.00	3,211,017.00
<b>Operating Profit before Working Capital changes</b>	<b>(26,587,502.00)</b>	<b>2,862,118.00</b>
Adjustments for		
Increase in Trade & Other Receivables	(2,819,840.00)	(1,517,769.00)
Increase in Inventories	(1,121,249.00)	(11,009,421.00)
Increase in Trade Payables	7,649,746.00	1,260,820.00
Cash generated from operations	(22,878,845.00)	(8,404,252.00)
Cash flow before extraordinary items	(22,878,845.00)	(8,404,252.00)
Extraordinary/ prior period Items	(6,329,672.00)	(29,867,123.00)
Net Cash flow from Operating Activities - (A)	(29,208,517.00)	(38,271,375.00)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed Assets	(2,317,992.00)	(925,591.00)
Net Cash used in Investing Activities - (B)	(2,317,992.00)	(925,591.00)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowing	-	(137,985,827.00)
Secured Loan Received	25,000,000.00	171,752,846.00
Unsecured Loan received	6,435,000.00	5,265,420.00
Net cash used in Financing Activities - ©	<u>31,435,000.00</u>	<u>39,032,439.00</u>
<b>NET INCREASE/DECREASE IN CASH AND EQUIVALENTS (A+B+C)</b>	<b>(91,509.00)</b>	<b>(164,527.00)</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 31/03/2009</b>	<b><u>2,873,517.00</u></b>	<b><u>3,038,044.00</u></b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 31/03/2010</b>	<b><u>2,782,008.00</u></b>	<b><u>2,873,517.00</u></b>

**Joseph Varghese**  
Managing Director

**T. Thirugnanam**  
Chairman

We have checked the attached cash flow statement for TCM limited for the year ended 31st March 2010, 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  
(FRN 010779S)

Emakualm  
30-06-2010

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



## 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	9	4	3	P	I	C	1	1	9	2
---	---	---	---	---	---	---	---	---	---	---

 State Code 

										0	9
--	--	--	--	--	--	--	--	--	--	---	---

Balance Sheet Date 

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

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

Public Issue 

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

 Right Issue 

--	--	--	--	--	--	--	--	--	--	--	--	--

Bonus Issue 

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

 Private Placement 

--	--	--	--	--	--	--	--	--	--	--	--	--

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

Total Liabilities 

				3	0	7	9	4	3
--	--	--	--	---	---	---	---	---	---

 Total Assets 

				3	0	7	9	4	3
--	--	--	--	---	---	---	---	---	---

#### Source of Funds

Paid-Up Capital 

				3	3	9	9	0
--	--	--	--	---	---	---	---	---

 Reserves & Surplus 

								9	8	6	8
--	--	--	--	--	--	--	--	---	---	---	---

Secured Loans 

				1	9	6	7	5	3
--	--	--	--	---	---	---	---	---	---

 Unsecured Loans 

								2	3	5	1	7
--	--	--	--	--	--	--	--	---	---	---	---	---

Deferred Tax Liability 

								2	2	1	4
--	--	--	--	--	--	--	--	---	---	---	---

#### Application of Funds

Net Fixed Assets 

				3	6	6	4	2
--	--	--	--	---	---	---	---	---

 Investments 

								2	3	6	1
--	--	--	--	--	--	--	--	---	---	---	---

Net Current Assets 

				1	7	0	2	4
--	--	--	--	---	---	---	---	---

 Misc. Expenditure 

								2	1	0	3	1	5
--	--	--	--	--	--	--	--	---	---	---	---	---	---

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

Turnover 

				8	1	9	7	9
--	--	--	--	---	---	---	---	---

 Total Expenditure 

								1	1	2	7	0	4
--	--	--	--	--	--	--	--	---	---	---	---	---	---

+Profit/-Loss before tax- 

				3	0	7	2	5
--	--	--	--	---	---	---	---	---

 +Profit/-Loss after tax- 

								2	9	9	0	7
--	--	--	--	--	--	--	--	---	---	---	---	---

Earning per share in Rs. 

				-	8	.	8	0
--	--	--	--	---	---	---	---	---

 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
--	--	--	--	--	--	--	--	--	--	---	---

2 

										N	A
--	--	--	--	--	--	--	--	--	--	---	---

#### Product Description

P	E	S	T	I	C	I	D	E	S
---	---	---	---	---	---	---	---	---	---

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

Joseph Varghese  
Managing Director

T.Thirugnanam  
Chairman

Ernakulam  
30.06.2010



**T C M Limited**

**FORM OF PROXY**

I/We.....

of.....

..... being member(s) of T C M Limited

hereby appoint.....

..... of.....

..... or failing him / her.....

..... of.....

as my / our proxy to vote for me / us on my / our behalf at the 66<sup>th</sup> Annual General Meeting of the company to be held on Friday the 30<sup>th</sup> September 2010 at 15.00 hrs and at any adjournment thereof.

As witness my / our hand this ..... day of.....2010

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 28.09.2010.



## **TCM Limited**

32/1111, "Snigdha" Changanat Cross Road, Palarivattom, Cochin - 682 025.

### **Attendance Slip**

Please complete this attendance slip before you come to the meeting and hand it cover 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 if the proxy attends instead of Members)
4. No. of shares held.....

I hereby record my presence at the 66th Annual General Meeting at the Bharath Hotel, Ernakulam on 30th September 2010.

Member's / Proxy's Signature

UCP

# BOOK - POST

**Printed Matter**

If undelivered, please return to:



**TCM Limited**

Post Box No.19,  
KALAMASSERY-683 104.