



**T C M Limited**

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

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

**For the year ended 31.03.2011**





DIRECTORS	T.THIRUGNANAM PHILOMINA THOMAS (LIC Nominee) GEORGE VARGHESE 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 67th Annual General Meeting of the members of TCM Limited will be held at 3.00 p.m. on 28.09.2011 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 2011 together with the Profit & Loss account for the year ended 31.03.2011 along with the report of the directors & auditors.
2. To appoint directors in the place of C H Abdul Rahim, Mr T S Rajagopalan and Mr. Ramesh Babu who retire by rotation and are eligible for reappointment.
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."

Place : Ernakulam  
Date : 28.07.2011

Sd/-  
**Joseph Varghese**  
Managing Director

### Notes

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxy in order to be valid should be duly completed, signed and stamped and the same must be received at the registered office of the company not less than 48 hours before the commencement of the meeting.**
2. The register of members and the share transfer book of the company will remain closed from 19.09.2011 to 28.09.2011. (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.



## DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 67th Annual Report together with the audited accounts for the year ended 31st March, 2011:

### I FINANCIAL PERFORMANCE OF THE COMPANY

PARTICULARS	Year Ended	Year Ended
	31.03.2011	31.03.2010
	Rs in lakhs	
Sales	161.43	771.86
Raw Material & Packing Materials	57.51	381.01
Power	25.54	193.18
Employee Cost	123.51	158.81
Excise Duty	15.35	59.69
Financial Cost	0.16	3.20
Depreciation	32.79	33.20
Net Loss	(242.23)	(299.07)

### 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, 2011.

### III EXISTING STATUS:

The Tuticorin unit restarted in 2007 is operating smoothly. Production during the year under report was 671.505 MT as compared to 4412.87 MT in the previous year. Sales revenue was Rs.146.07 lakhs this year as compared to Rs. 712.77 lakhs in the previous year. Because of shortage of raw materials, the production at Mettur is temporarily suspended, since May 2010.

As regards Kalamassery unit, the company had signed an MOU with Godrej Properties Limited for a property Development Project. This was approved by the Hon'ble BIFR. However, on an application filed before AAIFR by a shareholder to stay the order of the BIFR. The appellate Authority for AAIFR, New Delhi ordered to maintain the statusquo. Now the matter is pending before the Hon'ble High Court New Delhi for Final Orders.

### IV DIRECTORS

Mr. C H Abdul Rahim, Mr. T S Rajagopalan and Mr. Ramesh 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 2010 - 2011	Due to reduction of Maximum demand by 50%, power cost is substantially reduced introduction, capacitor to all motors, energy consumption is reduced. Statement in form A is annexed.
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
<b>2. TECHNOLOGY ABSORPTION</b>	
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 21 7(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 consideration by operating agency.

### **IX LISTING**

The shares of the company are listed at the Mumbai Stock Exchange. The listing fees has been paid upto and including 2010-2011.

### **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**

- (i) Confirmation from debtors and creditors are being obtained by the company .However the management had to give 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

- (ii) The company is in the process of obtaining certified copies of all documents in respect of the investment as these were lost / misplaced during the long period of closure of the company.
- (iii) The company is trying to get its application s for exemption from land ceiling disposed of at the earliest.
- (iv) Letters of confirmations of deposits were sent to all parties who have not replied probably because the accounts are non operative for long time
- (v) Letters of confirmations of balances were sent to all banks who have not replied probably because the accounts are non operative for long period.
- (vi) The company was closed for a very long period and continue to be a sick unit though started functioning. Necessary steps for introducing formal internal audit are being taken.
- (vii) The company was closed for a very long period and continue to be a sick unit though started functioning. The company is in the process of ascertaining the status of the assets and its impairment.
- (viii) The company was closed for a vary long period and continue to be a sick unit though started functioning. Necessary steps in respect of employee benefits are being taken, considering the revival scheme pending with operating agency.
- (ix) The company was closed for a very long period and continue to be a sick unit though started functioning. The company has made an application to The Ministry of Corporate Affairs for waiver from maintaining cost accounting records and the same is pending
- (x) The company registered with BIFR was closed for very long period and continue to be a sick unit though has started operations. The outstanding statutory dues will be paid at the earliest as per revival scheme now pending with operating agency.

#### **XI 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.

#### **XII FOREIGN EXCHANGE**

Outgo - NIL  
Earning NIL



### **XIII ACKNOWLEDGMENTS**

Your directors wish to place on record their gratitude to companies, Customers for their continued patronage and Bank of Baroda and Indina Bank 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

Joseph Varghese  
Managing Director

Philomina Thomas  
Director

T S Rajagopalan  
Director

Place: Ernakulam

Date :28.07.2011



## **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 31.03.2011 stood at 189 nos.

For and on Behalf of the Board  
For TCM Limited

Place: Ernakulam

**Joseph Varghese** **Philomina Thomas**

**T S Rajagopalan**

Date :28.07.2011

Managing Director

Director

Director



## 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 8 directors of which one is an Executive Director. The composition, Independent Directorships and membership of other Board committees which are in compliance with the corporate governance requirements 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	-
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 2010-11.

During the year ending 31.03.11, 7 Board Meetings were held on the following dates:

10.04.2010	21.08.2010
08.05.2010	30.10.2010
30.06.2010	31.10.2011
31.07.2010	

The attendance at the Board Meetings and the last Annual General Meeting during the year ended 31.03.11 is tabulated hereunder:

Name of Director	No. of Board Meetings Attended	Whether attend the AGM
Joseph Varghese	7	Attended
T Thirugnanam	3	Attended
Philomina Thomas	7	Attended
George Varghese	7	Attended
Antony Varghese	-	Attended
C H Abdul Rahim	-	-
T S Rajagopalan	6	Attended
Ramesh Babu	7	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 2010-11 the dates of which are 30.06.2010, 31.07.2010, 30.10.2010 and 31.01.2011.



The attendance of the Audit committee is as follows.

Name	Designation	No. of meetings attended
TS 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 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. T S 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. T S Rajagopalan (Chairman) Mr. Joseph Varghese ,and Mr. Ramesh Babu.

During the year 2010-2011, 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 Directors is in accordance with the provisions of the Companies Act, 1956.



b. Remuneration paid during 2010-2011

- (i) No remuneration was paid /payable to the Managing Director during the year
- (ii) No sitting fee was paid during the period to Non - Executive Directors as the Directors have waived the same.
- (iii) 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
2009 - 2010	Bharat Hotel, Ernakulam	30.09.2010	3.00 p.m.
2008- 2009	Bharat Hotel, Ernakulam	30.09.2009	3.00 p.m.
2007- 2008	Bharat Hotel, Ernakulam	27.09.2008	3.00 p.m.

b) Special resolutions passed in the AGMs

2009-10	NIL
2008-09	NIL
2007-08	Resolution for delisting of securities from regional exchange.

c) No resolution was put through postal ballot during the year. None of the business to be transacted at the AGM is required to be passed by postal ballot.

**6. DISCLOSURES**

During the year 2010-11 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.

Share holding by non executive directors as on 31.03.2011. - 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 Exchanges where the company's shares are listed. The Half-Yearly reports are not sent to household of shareholders.

## 8. GENERAL SHAREHOLDER INFORMATION

### a. Annual general meeting

Date and Time	<b>28.09.2011 AT 3.00 PM.</b>
Venue	Bharat Hotel, Ernakulam

### b. Financial Calendar of the company:

The financial year covers the period from 1st April, 2010 to 31st March, 2011.

### c. Date of Book Closure:

The period of book closure is fixed from 18.09.2011 to 28.09.2011 (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 (CDSI). As on 31st March 2011, 2941379 shares representing 86.53% 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 INEO34FO1O1O.



#### G. MARKET PRICE DATA

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

Month	Year	High	Low
April	2010		
May	2010		
June	2010		
July	2010		
August	2010		
September	2010		
October	2010		
November	2010		
December	2010		
January 2011	2011		
February	2011		
March	2011		

#### h. Registrar and Transfer agents & Share Transfer System

The Registrar and Transfer Agents - M/s Cameo Corporate Services Ltd,  
Subramanian Building,  
No.1 ,Club House Road, Chennai- 600002  
Tel : 044 - 28460390

#### 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

Address for correspondence :

TCM Limited  
No. 32 / 111 Chathangat Cross Road,  
Palarivattom, Kochi - 682025  
Tel & Fax no. 0484 - 2342771  
Email : tcmlimited@yahoo.in



**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 there under and also the provisions contained in the Memorandum & Articles of Association of the company for the financial year ended on 31st March, 2011. 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 there under 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 there under.
3. The company being public limited company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 7 times on 10.04.2010, 08.05.2010, 30.06.2010, 31.07.2010, 21.08.2010, 30.10.2010 and 31.01.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. The audit committee met 4 times on 30.06.2010, 31.07.2010, 30.10.2010 and 31.01.2011.
5. The company has closed its Register of Members, during the financial year for the period from 20.09.2010 to 30.09.2010 (both days inclusive).
6. The annual general meeting for the financial year ended on 31.03.2010 was held on 30.09.2010 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. The company has complied with Provisions of section 295 of the Act.
8. The company has not entered into any contracts falling with in 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 lodged for transfer/transmission or for any other purpose, complying with the provisions of the Act. However there was no allotment of securities during the year.
  - 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. Generally 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.
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.

**For K. P. THOMAS & Co.**  
COMPANY SECRETARIES

Place : Ernakulam

Signature

Date : 16.08.2011

Name of Company Secretary - K.P. Thomas

C.P. No.8886



Annexure A to my report dated 16.08.2011.

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 u/s 108
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 31.03.2011

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 23AC&ACA	220	Year ending 31.03.2010	14.10.2010	Yes	No
2	Form 20B	159	-do-	23.11.2010	Yes	No
3	Form 66	383A	-do-	14.10.2010	Yes	No
4	Form 32	303(2)	Cessation of director	23.10.2010	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 2011 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  
21th May 2011

**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 Limited as at 31st March 2011 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 2011
  - 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, 2011.
- 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 2011 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.

**Joseph Varghese**  
Managing Director

**Philomina Thomas**  
Director

**T.S.Rajagopalan**  
Director

As per Report of even date attached for and on behalf of

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

Ernakulam  
21st May 2011

**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.78,60,500/-) and a director ( Rs.10,00,000/-)
- 4) In our opinion there exist 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 2010-2011, 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 irregular in depositing undisputed statutory dues. The following expenses have been outstanding for more than 6 months as at the end of financial year 2010-2011.

SN	Name of the Statute	Nature of Dues	Amount	Period to which amount relates.
1	Tamilnadu General Sales Tax Act	AST Payable	11,821	2004-05
2.	Central Excise Act	Excise Duty	2,82,705	2004-05
4.	Income Tax	TDS	32,199	2004-05
5.	LIC Department	LIC Premium of Employee	1,48,181	2004-05
6.	Postal Department	RD Collected from Employees	4,650	2004-05
7	Ministry of Corporate affairs (Investor Education Protection Fund)	Unpaid Debenture and interest on unpaid debenture	60,620	1992-93
8.	Income Tax Department	ESI colleted from employees and employer's portion	2,52,864	2010-11
9.	Provident fund department	PF collected form employees and employer's portion	13,38,989	2010-11

- 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 2011 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, 2011.
- 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 not taken any term loan during the period under audit.
- 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.

**Joseph Varghese**  
Managing Director

**Philomina Thomas**  
Director

**T.S.Rajagopalan**  
Director

As per Report of even date attached for and on behalf of

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

Ernakulam  
21st May 2011

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



**TCM Limited**

**BALANCE SHEET AS AT 31ST MARCH 2011**

	Schedule Ref	31.03.2011		31.03.2010	
		Rs.	Rs.	Rs.	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		1404493		2213905
3. Loan Funds					
a) Secured Loans	D	196752846		196752846	
b) Unsecured Loans	E	<u>32378008</u>	229130854	<u>23517508</u>	220270354
<b>TOTAL</b>			<u>274393205</u>		<u>266342117</u>
<b>II. APPLICATION OF FUNDS:</b>					
1. Fixed Assets	F				
a) Gross Block		105799985		105771435	
b) Less: Depreciation		<u>72408416</u>		<u>69129879</u>	
c) Net Block		33391569		36641556	
d) Assets not in actual use		<u>1</u>	33391570	<u>1</u>	36641557
2. Investments	G		2361010		2361010
3. Current Assets, Loans & Advances	H				
a) Inventories		10094311		19007130	
b) Sundry Debtors		15106017		17209744	
c) Cash & Bank Balances		1136570		2782008	
d) Loans & Advances		<u>19279258</u>		<u>19626353</u>	
	(A)	45616156		58625235	
Less:					
Current Liabilities & Provisions					
a) Liabilities	I	41514031		41600884	
	(B)	41514031		41600884	
Net Current Assets (A-B)			4102125		17024351
Profit and Loss Account	J		<u>234538500</u>		<u>210315199</u>
<b>TOTAL</b>			<u>274393205</u>		<u>266342117</u>
Notes on Accounts	K				

Joseph Varghese  
Managing Director

Philomina Thomas  
Director

T S Rajagopalan  
Director

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

Ernakulam  
21st May 2011



**TCM Limited**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31st MARCH 2011**

	Schedule Ref	31.03.2011		31.03.2010	
		Rs.	Rs.	Rs.	Rs.
Sales			16143128		77185644
Less: Excise Duty			1535489		5969101
			14607639		71216543
Other Income	1		485969		3906151
Stock Differential (Decrease)	2		(5431007)		(416925)
<b>Total</b>			<b>9662601</b>		<b>74705769</b>
Raw materials consumed		5604479		36912598	
Packing Materials		146104		1188707	
Stores&Spares consumed		300567		2493874	
Manufacturing Expenses	3	9887813		34567611	
Employee Cost	4	12351489		15880514	
Selling Expenses	5	289975		835282	
Administration Expenses	6	2339726		2923789	
Finance Charges	7	15920		320058	
Depreciation		3278537	34214610	3319784	98442217
Net Loss/Profit before tax and prior period items			(24,552,009)	98442217	(23,736,448)
Extra Ordinary Items/Prior Period Items					
Extra Ordinary Incomes	8		1284578		7273648
Extra Ordinary Expenses	9		1765282		14261885
Net Loss/Profit before tax			(25032713)		(30724685)
Tax Expenses					
Fringe Benefit Tax		0		510	
Deffered Tax		(809,412)		(817,909)	
Profit After Tax			(24,223,301)		(29,907,286)
Profit Carried to Balance Sheet			(24223301)		(29907286)

Joseph Varghese  
Managing Director

Philomina Thomas  
Director

T S Rajagopalan  
Director

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

Ernakulam  
21st May 2011



**TCM Limited**

**Schedules forming part of Balance Sheet as at 31st March 2011**

	31.03.2011 Rs.	31.03.2010 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>	<u>3,39,90,350</u>	<u>3,39,90,350</u>
<b>Schedule B: RESERVES &amp; SURPLUS</b>		
RESERVES		
Capital Reserve as per Balance Sheet		
Subsidy from Indrl.department	897508	
Subsidy from Sipcot	120000	
Investment Subsidy (Generator)	750000	
ICICI Spread Loan	6000000	
	<u>7767508</u>	7767508
Securities Premium	2100000	2100000
<b>As Per Balance Sheet</b>	<u>9867508</u>	<u>9867508</u>



**TCM Limited**

**Schedules forming part of Balance Sheet as at 31st March 2011**

	31.03.2011 Rs.	31.03.2010 Rs.
<b>Schedule C: DEFFERED TAX</b>		
As per Last balance Sheet	2213905	
Less Reversal of Deffered Libilty	<u>809412</u>	1404493
		2213905
<b>Schedule D: SECURED LOANS</b>		
LOANS FROM BANKS/OTHERS		
Secured by first charge on the land admeasuring 21.66 acered at Company's Kalamassery Property	196752846	196752846
<b>As Per Balance Sheet</b>	<u>196752846</u>	<u>196752846</u>
<b>Schedule E: UNSECURED LOANS</b>		
Advance from Directors	32378008	23517508
<b>As Per Balance Sheet</b>	<u>32378008</u>	<u>23517508</u>





**FIXED ASSETS**

**Schedule : F :**

Depreciation	Cost as on 31.03.2010 Rs.	Additions during the year Rs.	Deductions during the year Rs.	Gross Block as on 31/03/2011 Rs.	Depreciation as on 31.03.2010 Rs.	Depreciation during the year Rs.	Deductions during the year Rs.	Depreciation up to 31.03.2011 Rs.	Net Block as on 31/03/2011 Rs.	Net Block as on 31/03/2010 Rs.
Land & Development	11502656	0	0	11502656	0	0	0	0	11502656	11502656
Buildings	15153068	0	0	15153068	12115147	263607	0	12378754	2774314	3037922
Plant & Machinery	76267689	28550	0	76296239	54402221	2980093	0	57382314	18913925	21865467
Furniture & Fixtures & Office Equipments 2591289	0	0	2591289	2363743	34053	0	0	193494	227546	
Vehicles	256733	0	0	256733	248768	784	0	249552	7181	7965
				105799985						
TOTAL	105771435	28550	0	105799985	69129879	3278537	0	72408416	33391569	36641556
Previous Year	103453443	2317992	0	105771435	65810095	3319784	0	69129879	36641556	37643348
Assets not in actual use									1	1
As Per Balance Sheet									33391570	36641557



**TCM Limited**

**Schedules forming part of Balance Sheet as at 31st March 2011**

	31.03.2011 Rs.	31.03.2010 Rs.
<b>Schedule G: INVESTMENTS</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., fullypaid up.	6000	6000
<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>		
22200 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>	2361010	2361010



**TCM Limited**

**Schedules forming part of Balance Sheet as at 31st March 2011**

	31.03.2011 Rs.	31.03.2010 Rs.
<b>Schedule H: CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>(a) INVENTORIES</b>		
(as certified by the Director)		
Stores & Spare Parts (at cost)		
In Godown	2982659	6254907
Loose Tools	165502	165502
Raw Materials (at cost)		
In Godown	6760638	6970202
Stock in trade		
Finished Goods at cost or net realisable value whichever is less	185512	3906151
Work-in-Process at cost	0	1710368
<b>As Per Balance Sheet</b>	<u>10094311</u>	<u>19007130</u>
<b>(b) SUNDRY DEBTORS (Unsecured)</b>		
a. Debts considered good :	0	0
Debts Outstanding for a period exceeding six months	15106017	17209744
<b>As Per Balance Sheet</b>	<u>15106017</u>	<u>17209744</u>
<b>(c) CASH &amp; BANK BALANCES</b>		
Cash Balance on hand	8298	20565
Balance with Scheduled Banks		
1. On Current Accounts	263433	1901654
2. On Deposit Accounts	861239	856189
Balance with Post Office Savings Account	3600	3600
<b>As Per Balance Sheet</b>	<u>1136570</u>	<u>2782008</u>
<b>(d) LOANS &amp; ADVANCES</b>		
(Unsecured & considered good)		
Advance recoverable in cash or in kind	10284298	10883186
Income Tax Department	2108560	2050873
Deposits	6617692	6674309
Balance with Central Excise Dept	268708	17985
<b>As Per Balance Sheet</b>	<u>19279258</u>	<u>19626353</u>



**TCM Limited**

**Schedules forming part of Balance Sheet as at 31st March 2011**

	31.03.2011	31.03.2010
	Rs.	Rs.
<b>Schedule I: CURRENT LIABILITIES</b>		
Sundry Creditors	40313717	40360570
Unfunded Gratuity Payable	150314	190314
Restarting Wages - Workmen	1050000	1050000
<b>As Per Balance Sheet</b>	<u>41514031</u>	<u>41600884</u>
<b>Schedule J: PROFIT AND LOSS ACCOUNT</b>		
Profit & Loss Account Appropriation	210315199	
Add: Loss during the year	<u>24223301</u>	210315199
	<u>234538500</u>	<u>210315199</u>



**TCM Limited**

**Schedules forming part of profit and Loss Account for the year ended 31st March 2011**

	31.03.2011 Rs.	31.03.2010 Rs.
<b>SCHEDULE 1 : OTHER INCOME</b>		
Dividend Income	0	105157
Interest from Bank Deposit/Others	34738	2221
Miscellaneous Sales	450731	3752375
Profit on Sale of Securities	0	12046
Miscellaneous Income	<u>500</u>	<u>34352</u>
	<u>485969</u>	<u>3906151</u>
<b>SCHEDULE 2 : STOCK DIFFERENTIAL</b>		
	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>Rs.</b>	<b>Rs.</b>
Opening Stock :		
Finished Goods	3906151	4967785
Work-in-Process	<u>1710368</u>	<u>1065659</u>
	5616519	6033444
Closing Stock :		
Finished Goods	105512	3906151
Work-in-Process	<u>80000</u>	<u>1710368</u>
	185512	5616519
Net Decrease	<u>(5431007)</u>	<u>(416925)</u>
<b>SCHEDULE 3 : MANUFACTURING EXPENSES</b>		
	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>Rs.</b>	<b>Rs.</b>
Power	2554437	6817927
Fuel	4158646	21515174
Repairs & Renewals-Plant-others	1210985	1625521
Conversion Charges	0	1718331
Factory Expenses-others	1921430	2676434
Handling Expenses	10406	87765
Freight & Clearing Expenses	12634	118789
Inspection Fee	19275	7670
	<u>9887813</u>	<u>34567611</u>
<b>SCHEDULE 4 : EMPLOYEE COST</b>		
	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>Rs.</b>	<b>Rs.</b>
Salaries, Wages	9903037	11610531
Employees State Insurance	473422	622382
Retainer Fee & Stipend	355032	667565
Contribution to Provident Fund & other Funds	1159839	1257680
Administrative Charges on PF & DLI	70386	114905
Workmen & Staff Welfare Expenses	236774	914473
Workmen Compensation	0	12668
Retirement Compensation Staff	12500	131650
Gratuity	120499	118190
Exgratia	20000	430470
	<u>12351489</u>	<u>15880514</u>



**TCM Limited**

**Schedules forming part of profit and Loss Account for the year ended 31st March 2011**

	31.03.2011 Rs.	31.03.2010 Rs.
<b>SCHEDULE 5 : SALES EXPENSES</b>		
Selling Agent's Commission	0	4490
Special Discount & Commission	84926	600687
Sales Expenses	0	6207
Advertisement Charges	51848	46488
Sales Tax Paid	145487	10939
Carriage Outwards	2313	52247
ST Registration Fee	1550	1500
Service Tax & Others	3851	112724
	<u>289975</u>	<u>835282</u>
<b>SCHEDULE 6 : ADMINISTRATIVE EXPENSES</b>		
Rent	130140	124354
Travelling & Conveyance	477995	331577
Motor Vehicle Maintenance	21544	134153
Law Charges	153000	110500
Donation	82050	12601
Rates & Taxes Others	152876	335341
Listing Fee - Stock Exchanges	11030	12114
Travelling Expenses - Managing Director	293641	159401
Statutory Audit Fee	44120	33090
Tax Audit Fee	11030	11030
For other Services	5516	2758
Printing & Stationery	55221	107842
General Expenses/Others	799228	1208067
Income Tax Short term capital gain	0	1862
Postage & Telephone	102335	161649
Brokerage on other Loans	0	177450
	<u>2339726</u>	<u>2923789</u>
<b>SCHEDULE 7: FINANCE CHARGES</b>		
Bank & other Charges	15920	320058
	<u>15920</u>	<u>320058</u>
<b>SCHEDULE 8: EXTRA ORDINARY ITEMS</b>		
Unclaimed Creditors Written Back	1284578	7273648
	<u>1284578</u>	<u>7273648</u>
<b>SCHEDULE 9: EXTRA ORDINARY EXPENSE</b>		
Unreceivable Amount W/o	575465	0
Bad Debts W/O	1189817	1761885
Power Charges	0	12500000
	<u>1765282</u>	<u>14261885</u>



## SCHEDULE – K

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011

- 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 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 31.03.2011. Entire difference arise because of reversal of timing (Liability) difference of Rs.26, 19,456/-
3. (a) The income tax assessment have 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 in the Honorable High Court of Kerala has been dismissed. But the



orders giving effect to the said Court Order has not yet been passed by the department. The Company is going to take up the matter before the Honorable Supreme Court of India

b) Regarding the Assessment Year 2004-05 the appeal filed by the Company before the Income Tax Appellate Tribunal has been partly allowed, but the order giving effect to this order has not yet been passed by the department. The Company intends to take up the matter before the Honorable 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 on 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 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 (-7.13) Diluted EPS (-7.13)
12. The balance under deposits made by the company with different authorities and various other parties were not confirmed as on 31<sup>st</sup> March 2011. The following are the details.





SI No	Particulars	Deposit Holder	Amount
1	Deposit-Tenders	Various Parties	4,44,690.00
2	Deposit-Others	Various Parties	3,92,186.00
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
6	Central Excise Deposits	Central Excise Department	1,77,825.66

13. The following balances with banks as on 31st March 2011 were not confirmed.

SI.No.	Name of Bank	Branch Name	Amount
1	Bank of Baroda-Paster A/c	Salem	11,206.49
2	Bank of Baroda	Mumbai	5,000.00
3	Bank of Baroda-FDI Warrant A/c	Kalamassery	41,072.35
4	Bank of Baroda-Unpaid Debenture A/c	Kalamassery	48,490.00
5	Margin on Guarantee with Bank	Kalamassery	8,61,239.00
6	Cash with Post Office SB A/c	Kalamassery	3600.00
	<b>TOTAL</b>		<b>9,70,607.84</b>

14. Contingent liabilities not provided for:

	(Rs in lakhs)	
	31.03.2011	31.03.2010
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	75.00
d Disputed ESI Dues	3.80	3.80
e Disputed demand from Karnataka State Sales Tax Dept.	2.53	2.53
f. Disputed demand from Kerala State Sales Tax Dept	196.36	Nil

15. Additional Particulars: Schedule to Balance Sheet as at 31.03.2011

(a) Production details

	PRODUCTION		SALES		Value (Rs.in Lakhs)	
	Quantity /MT	Quantity /MT	Quantity /MT	Quantity /MT	2010-11	2009-10
Other Chemicals	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	861.910	4429.553	856.501	4452.009	147.43	712.17
<b>TOTAL</b>	<b>861.910</b>	<b>4429.553</b>	<b>856.501</b>	<b>4452.009</b>	<b>147.43</b>	<b>712.17</b>



(b) Stock of finished Goods (Rs in Lakhs)

	31.03.2011		31.03.2010		31.03.2009	
	Quantity MT	Value (Rs)	Quantity MT	Value (Rs)	Quantity MT	Value (Rs)
Other Chemicals	5.409	1.05	203.13	39.06	225.586	49.68
<b>Total</b>	<b>5.409</b>	<b>1.05</b>	<b>203.13</b>	<b>39.06</b>	<b>225.586</b>	<b>49.68</b>

(c) Rawmaterial Consumed

	Quantity in MT		Value/Rs.(Lakhs)	
	2010 -11	2009-10	2010-11	2009-10
Chemicals	666.106	6406.77	67.60	354.30
<b>Total</b>	<b>666.106</b>	<b>6406.77</b>	<b>67.60</b>	<b>354.30</b>

	( In Rs)	
	2010-11	2009-10
(d) CIF Value of Imports-Raw Material	Nil	5154624.00
(e) Particulars of Raw material , Components and Stores Consumed -Imported	Nil	1296959.00
(f) Indigenous		
1. Expenditure in foreign Currency	Nil	Nil
Foreign Travel	Nil	Nil
Others	Nil	Nil
2. Earning in Foreign Exchange	Nil	Nil
Export-Direct	Nil	Nil
Export through Agent	Nil	Nil
(g) No. of Non -Resident Share holders	8	8
No. Shares held by them	7258	6833

16. Previous year figures are regrouped or rearranged wherever necessary.

**Joseph Varghese**  
Managing Director

**Philomina Thomas**  
Director

**T.S.Rajagopalan**  
Director

As per report of even date attached

**VBSK & COMPANY**  
Chartered Accountant  
(FRN010779S)

Ernakulam  
21.05.2011

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



**TCM LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2011**

	Year ended 31-03-2011	Year ended 31-03-2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) after tax and extraordinary items	(24,223,301.00)	(29,907,286.00)
Adjustments for:-		
Depreciation	3,278,537.00	3,319,784.00
<b>Operating Profit before Working Capital changes</b>	<b>(20,944,764.00)</b>	<b>(26,587,502.00)</b>
Adjustments for:-		
Decrease/(Increase) in Trade & Other Receivables	1,261,005.00	(2,819,840.00)
Decrease/(Increase) in Inventories	8,912,819.00	(1,121,249.00)
Increase in Trade Payables	1,197,725.00	7,649,746.00
Cash generated from operations	(9,573,215.00)	(22,878,845.00)
Cash flow before extraordinary items	(9,573,215.00)	(22,878,845.00)
Extraordinary/ prior period Items	(904,173.00)	(6,329,672.00)
<b>Net Cash flow from Operating Activities - (A)</b>	<b>(10,477,388.00)</b>	<b>(29,208,517.00)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed Assets	<b>(28,550.00)</b>	(2,317,992.00)
<b>Net Cash used in Investing Activities - (B)</b>	<b>(28,550.00)</b>	<b>(2,317,992.00)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Secured Loan Received	-	25,000,000.00
Unsecured Loan received	8,860,500.00	6,435,000.00
<b>Net cash used in Financing Activities - ©</b>	<b>8,860,500.00</b>	<b>31,435,000.00</b>
<b>NET INCREASE/DECREASE IN CASH AND EQUIVALENTS (A+B+C)</b>	<b>(1,645,438.00)</b>	<b>(91,509.00)</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 31/03/2009</b>	<b>2,782,008.00</b>	<b>2,873,517.00</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 31/03/2010</b>	<b>1,136,570.00</b>	<b>2,782,008.00</b>

**Joseph Varghese**  
Managing Director

**Philomina Thomas**  
Director

**T S Rajagopalan**  
Director

We have checked the attached cash flow statement for TCM limited for the year ended 31st March 2011, from the books and records maintained by the ordinary course of business and have, found it in accordance therewith.

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

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.            State Code

Balance Sheet Date

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

Public Issue            Right Issue

Bonus Issue            Private Placement

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

Total Liabilities           Total Assets

Source of Funds

Paid-Up Capital            Reserves & Surplus

Secured Loans           Unsecured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets            Investments

Net Current Assets            Misc.Expenditure

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

Turnover            Total Expenditure

+Profit/-Loss before tax-            +Profit/-Loss after tax-

Earning per share in Rs.            Dividend rate %

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

Items Code No. (ITC Code)	Product Description
1 <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="A"/>	<input type="text" value="P"/> <input type="text" value="E"/> <input type="text" value="S"/> <input type="text" value="T"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="I"/> <input type="text" value="D"/> <input type="text" value="E"/> <input type="text" value="S"/>
2 <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="A"/>	<input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="O"/> <input type="text" value="R"/> <input type="text" value="G"/> <input type="text" value="A"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="H"/> <input type="text" value="E"/> <input type="text" value="M"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="A"/> <input type="text" value="L"/> <input type="text" value="S"/>

Joseph Varghese  
Managing Director

Philomina Thomas  
Director

T S Rajagopalan  
Director

Ernakulam  
21.05.2011



**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 67<sup>th</sup> Annual General Meeting  
of the company to be held on Wednesday the 28<sup>th</sup> September 2011 at 15.00 hrs and at  
any adjournment thereof.

As witness my / our hand this ..... day of.....2011

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 26.09.2011.





**TCM Limited**

32/1111, "Snigdha" Chathangat 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 67th Annual General Meeting at the Bharath Hotel, Ernakulam on 28th September 2011.

Member's /Proxy's Signature







UCP

**BOOK - POST**

**Printed Matter**

If undelivered, please return to:

**TCM Limited**  
Post Box No. 19,  
KALAMASSERY-683 104.