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NOTE

Members may please note that they can vote by electronic voting (remote e-voting) on the resolutions set out in the Notice by logging on to www.evotingindia.com. The e-voting period begins on **19th September, 2017 at 9 A.M. and ends on 21st September 2017 at 5 P.M.** Please refer Note No.22 of the Notice for procedure for remote e-voting.

Members may also note that Shri V. R. Venkataachalam, one of the promoters of TCP Ltd, is providing Exit Offer to the Public Shareholders. Please refer Directors' Report (Page 32) for further details.

TCP Limited



DIRECTORS

| | | |
|--------------------|----------|--|
| SARVA SHRI | DIN | |
| V.R.VENKATAACHALAM | 00037524 | Chairman & Managing Director |
| A.S.THILLAINAYAGAM | 00951729 | Director |
| V. RAJASEKARAN | 00037006 | Executive Director (whole time director) |
| V. SENGUTUVAN | 00053629 | Director |
| Ms. V. SAMYUKTHA | 02691981 | Additional Director - Woman Director |
| S. VARATHARAJAN | 01819133 | Independent Director |
| M. PARTHASARATHI | 03209175 | Independent Director |
| R. RAVI KRISHNAN | 01722565 | Independent Director |
| N. JAIGANESH | 06969618 | Independent Director |

REGISTERED OFFICE

TCP SAPTHAGIRI BHAVAN
NO.4 (OLD NO.10) KARPAGAMBAL NAGAR
MYLAPORE, CHENNAI 600004

WORKS

Chemical, Windmills & Biomass Divisions

Koviloor 630307
Sivaganga District
Tamil Nadu

Power Division

Thandalacherry Road
New Gummidipoondi - 601201
Thiruvallore District

Food Division

Tondiarpet
Chennai 600081

AUDITORS

T. SELVARAJ & CO.
Chartered Accountants
32, Dewan Rama Road,
Purasawalkam,
Chennai 600084

COST AUDITOR

Shri M. Kannan, Cost Accountant

INTERNAL AUDITORS

Sankaran & Krishnan
Chartered Accountants

MANAGEMENT

Corporate Office

Shri V.R.Venkataachalam
Managing Director
Shri V. Rajasekaran
Executive Director
Shri Ravi Selvarajan
Company Secretary & DGM - Finance

Works

Chemical Division & Biomass Division

Shri R. Ganesh
General Manager - Works

Power Division

Shri P. Ramaprasad
Works Manager

BANKERS

Indian Overseas Bank
State Bank of India
IDBI Bank and HDFC Bank

SHARE TRANSFER AGENTS

Cameo Corporate Services Limited
"Subramanian Building",
No.1, Club House Road, Chennai 600002.
Phone: 044 28460390 (5 LINES)
Fax: 044 28460129
E-mail: investor@cameoindia.com

NOTICE

NOTICE is hereby given that the Forty fifth Annual General Meeting of the members of TCP Ltd (the Company) will be held as per the following Schedule:

Day : Friday
Date : 22nd September 2017
Time : 4.00 P.M
Place : `TCP SAPTHAGIRI BHAVAN'
No.4, (Old No.10) Karpagambal Nagar
Mylapore
Chennai 600 004

to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended 31st March 2017 and the Audited Consolidated Financial Statements for the said financial year and the Reports of Board of Directors and Auditors thereon.
2. To declare a Dividend of Re.1/- per equity share of Rs.10/- each for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Shri V. Sengutuvan (DIN 00053629), who retires by rotation under section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment and in this regard to consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary resolution**:

“**RESOLVED THAT** Shri V. Sengutuvan (DIN 00053629), Director, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

4. To appoint Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s N S R & Co., Chartered Accountants, Chennai ((Firm Registration No. 010522S) be and are hereby appointed as the Auditors of the Company (in place of M/s. T. Selvaraj & Co., Chartered Accountants, Chennai, (Firm Registration No. 003703S), retiring Auditor, whose tenure expires at the conclusion of the ensuing Annual General Meeting) at the remuneration of Rs.9,00,000/- (Rupees nine lakhs only) exclusive of The Goods and Services tax and out of pocket expenses for the financial year 2017-18.

RESOLVED FURTHER THAT M/s N S R & Co, Chartered Accountants, appointed as the Auditors of the Company, shall hold office from the conclusion of this 45th Annual General Meeting till the conclusion of 50th Annual General Meeting of the Company (subject to ratification of their appointment by Members at every Annual General Meeting till the 49th Annual General Meeting) for a term of five consecutive financial years commencing from 1st April, 2017.



RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

Special Business:

5. To appoint Ms. V. Samyuktha as a director (Woman Director) of the Company liable to retire by rotation and in this regard, to consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Ms. V. Samyuktha [DIN 02691981], who was appointed as an Additional Director of the Company, with effect from 25th May 2017, by the Board of Directors, pursuant to Article 83 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013 (“the Act”) and who holds office up to the date of the 45th Annual General Meeting and who is eligible for appointment as Director of the Company pursuant to Section 152 of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. V. Samyuktha for the office of Director, be and is hereby appointed as a Director of the Company (in the category of Non Independent Director and Woman Director) liable to retirement by rotation.”

6. To approve the remuneration of the Cost Auditor for the Financial year ending 31st March, 2018 and in this regard, to consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration payable for the Financial year ending 31st March, 2018 to Shri M. Kannan, CMA (Fellow Membership No.9167), Cost Accountant in practice, appointed by the Board of Directors of the Company on 25th May, 2017 to conduct the audit of cost records of the Company for the Financial year ending 31st March, 2018, amounting to Rs.1,25,000/- (Rupees One lakh Twenty Five Thousand Only) plus the Goods and Services tax, as applicable, and reimbursement of expenses incurred by him in connection with the aforesaid audit, be and is hereby approved and confirmed.”

By order of the Board of Directors
For TCP Limited
Ravi Selvarajan
Company Secretary & DGM - Finance

Regd. Office:
TCP SAPTHAGIRI BHAVAN
No.4, (Old No.10) Karpagambal Nagar,
Mylapore, Chennai 600 004

Dated: 11th August 2017

NOTES

- 1) **A member who is entitled to attend and vote at the meeting is entitled to appoint proxy to attend and on a poll to vote instead of himself and such proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.**
- 2) The Proxy forms, in order to be effective, must be duly completed, stamped and signed and should be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the commencement of the meeting.
- 3) The proxy holder shall provide his identity proof at the time of attending the meeting. The proxies shall be available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
- 4) In case of joint holders attending the meeting, only such joint holder whose name stands first in the order of names will be entitled to vote.
- 5) Notice is also given that pursuant to section 91 of the Companies Act, 2013, and Rule 10 of the Companies (Management and Administration) Rules, 2014, as amended, the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 16th September 2017 to Friday, 22nd September 2017 (both days inclusive) for the purpose of ascertaining the eligibility of members for payment of dividend and for the purpose of the 45th Annual General Meeting of the Company.
- 6) The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, and Secretarial Standard 2-General Meeting in respect of the items under Special Business is annexed hereto and forms part of this Notice.
- 7) Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for easy identification for attendance at the meeting.
- 8) Corporate members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorising their representative to attend and vote at the Annual General Meeting.
- 9) Members desirous of getting any information on the accounts or operations of the Company are requested to forward his/her queries to the Company, at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
- 10) In all correspondence with the Company, members are requested to quote their Folio Number in the case of shares held in physical form and their DP ID and Client ID Number in the case of shares held in the dematerialised form.
- 11) As per the provisions of section 72 of the Companies Act, 2013, read with Rule 19 of the Companies (Share capital and Debentures) Rules, 2014, facility for making nomination is available to the members in respect of the shares held by them in the Company. Members



holding shares in their single name are advised to make a nomination in respect of their shareholding in the Company. The Nomination form (in Form SH-13) can be obtained from the Registrar and Share Transfer Agent of the Company. Members holding shares in dematerialized form may approach their respective Depository Participant to avail and/or effect any change in the nomination facility.

- 12) Members are requested to note that as per Section 125 of the Companies Act, 2013, the dividend which remains unpaid or unclaimed for a period of 7 years from the date of transfer to the company's Unpaid Dividend Account are required to be transferred to the 'Investor Education and Protection Fund (IEPF)' established by the Central Government, as and when they fall due. As per Government of India Gazette under REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by the Ministry of Corporate Affairs, the company is required to transfer to Investor Education and Protection Fund Authority (IEPF Authority), the shares in respect of which the dividend is not claimed/remains unpaid for seven consecutive years. Kindly note that the members can claim such dividend and corresponding shares from IEPF Authority in accordance with the Rules prescribed by the Central Government under the Companies Act, 2013.
- 13) The payment of Dividend, upon declaration by the shareholders at the 45th Annual General Meeting, will be paid within 30 days from the date of declaration, to those members whose names appear in the Company's Register of Members on 15th September 2017, after giving effect to all valid share transfers in physical form lodged with the Company before the closing hours on Friday, 15th September, 2017. In respect of shares held in dematerialised form, the dividend will be payable on the basis of beneficial ownership details furnished by The National Securities Depository Ltd (NSDL) and The Central Depository Services (India) Ltd. (CDSL).
- 14) Members holding shares in physical form are advised to furnish, on or before 8th September 2017, particulars of their bank account, if not done already or if it is changed, to the Company, to incorporate the same in the dividend warrants/payment instruments. In respect of cases, where the payments to the shareholders holding shares in dematerialized form are made by NECS, NEFT, dividend warrants/payment instruments, particulars of bank account registered with their depository participants will be considered by the Company for printing the same on the dividend warrants/payment instruments.
- 15) As per circular issued by National Payments Corporation of India dated 5th December, 2016, penalty for transactions presented with old account numbers is being levied with effect from. 1st January, 2017 for account numbers with length less than or equal to 8 digits for Indian Bank and account numbers with length less than or equal to 9 digits for all other banks. Hence all the members are requested to update account numbers in the bank mandate accordingly.
- 16) As per RBI Notification, with effect from 1st October 2009, the remittance of money through ECS is replaced by National Electronic Clearing Services (NECS) and banks have been instructed to move to the NECS platform. In this regard, please note, if the members

have not provided to their DP the new bank account number, if any, allotted to them, after implementation of Core Banking System (CBS), credit of dividend through NECS to their old bank account number, may be rejected or returned by the banking system.

- 17) Shareholders holding shares in physical form under multiple folios are requested to consolidate their holdings in a single folio. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members may approach any Depository Participant directly for dematerialising their physical shares.
- 18) As required by Rule 18(3) of the Companies (Management & Administration) Rules, 2014, members are requested to provide their e-mail id to facilitate easier and faster dispatch of Notices of the general meetings and other communications by electronic mode from time to time.
- 19) The Annual Report of the Company sent to the members will be made available on the Company's website www.tcpindia.com. The physical copies of the documents pertaining to the items of business transacted at the Annual General Meeting will be available for inspection at the Registered Office of the Company during normal business hours on working days.
- 20) Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, provide that every company having not less than 1,000 shareholders, shall provide to its members facility to exercise their right to vote at general meetings by electronic means. A member may exercise his right to vote at any general meeting by electronic means and company may pass shareholders' resolutions by electronic voting system (remote e-voting) in accordance with the aforesaid provisions. The company has less than 1,000 shareholders but still the Company is providing to the shareholders the remote e-voting facility.
- 21) The Board of Directors has appointed Shri P. Sriram, Practising Company Secretary (Membership No. FCS 4862), Chennai, as the Scrutinizer for conducting the electronic voting (e-voting) process in accordance with the provisions of the Act and Rules made there under in a fair and transparent manner and he has consented to act as such.
- 22) **Voting through electronic means:**

The business set out in this Notice shall be conducted through electronic means by remote e-voting. 'Remote e-voting' means the facility of casting votes by a member using an electronic voting system from a place other than the venue of the Annual General Meeting.

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members facility, as an alternate, to exercise their right to vote on the resolutions set out in the Notice for the 45th Annual General Meeting by remote e-voting. Please note that the remote e-voting facility is optional. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting



who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The members who have cast their vote by remote e-voting prior to the 45th Annual General Meeting may also attend and participate at the 45th Annual General Meeting but shall not be entitled to cast their vote again.

For this purpose of remote e-voting, the Company has entered into an agreement with the Central Depository Services (India) Ltd (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically.

The process and manner for remote e-voting, the time schedule and the time period during which votes may be cast by remote e-voting, details about the log-in ID and the process and manner for generating or receiving the password and for casting of vote in a secure manner:

- I. The procedure and instructions for the voting through electronic means are as follows:
 - (i) The e-voting period begins on **19th September 2017 at 9 A.M.** and ends on **21st September 2017 at 5 P.M.** During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be entitled to change it subsequently or cast the vote again.
 - (ii) The Company provides only remote e-voting facility and those members who have not cast their vote by remote e-voting by 21st September 2017 on or before 5 P.M. shall not be entitled to vote by electronic voting thereafter but may vote through ballot paper at the meeting.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com
 - (iv) Click on Shareholders.
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the serial number as printed in the label of the Annual Report in the PAN Field. • In case the serial number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN Field. |
| DOB | <p>Enter the Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.</p> |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of TCP Ltd.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.



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- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- III. Persons who have acquired shares of the Company and become members of the Company after the despatch of the Notice for the 44th Annual General Meeting may obtain their login ID and password from the RTA viz., Cameo Corporate Services Ltd or write to them at investor@cameoindia.com
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communications.

- V. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on 15th September 2017, being cut-off date.
 - VI. For the purpose of ensuring that members who have cast their votes through remote e-voting do not vote again at the 45th Annual General Meeting, the scrutiniser shall have access, after the closure of period for remote e-voting and before the start of the 45th Annual General Meeting, the details relating to members, such as their names, folios, number of shares held and such other information that the scrutiniser may require, who have cast votes through remote e-voting but not the manner in which they have cast their votes.
 - VII. The scrutiniser shall, immediately after the conclusion of voting at the 45th Annual General Meeting, first count the votes cast at the meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman who shall countersign the same. The Chairman shall declare the result of the voting forth with.
 - VIII. The results declared along with the report of the scrutiniser shall be placed on the Company's website www.tcpindia.com and on the website of CDSL immediately after the result is declared by the Chairman.
- 23) Electronic copy of the Notice of the 45th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 45th Annual General Meeting of the Company inter-alia indicating the process and manner of remote e-voting along with the Attendance Slip and Proxy Form is being sent in the permitted mode.



Explanatory Statement in respect of the Special Business

(Pursuant to Section 102 of the Companies Act, 2013)

Item No.5: To appoint Ms. V. Samyuktha as a director (Woman Director) of the Company liable to retire by rotation.

Ms. V. Samyuktha [DIN 02691981], who was appointed as an Additional Director of the Company with effect from 25th May 2017 by the Board of Directors, pursuant to Article 83 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013 ("the Act") holds office up to the date of the ensuing 45th Annual General Meeting and being eligible for appointment as Director of the Company pursuant to Section 152 of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 offers herself for appointment as director of the Company. The Company has received a notice in writing from a member, under Section 160 of the Act, proposing the candidature of Ms. V. Samyuktha for the office of Director of the Company. The appointment, if made, will be in the category of Non Independent Director and Woman Director, liable to retirement by rotation.

The Board of Directors recommend the passing of the resolution set out in item no.5 of the Notice. Shri V. R. Venkataachalam, director (father of the proposed appointee) and Shri V. Sengutuvan, director (brother of the proposed appointee) shall be deemed to be concerned or interested in the proposed resolution. None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the proposed resolution.

Item No.6: To approve the remuneration of the Cost Auditor for the Financial year ending 31st March, 2018.

The Board of Directors of the Company, at their meeting held on 25th May, 2017, on the recommendation of the Audit Committee, approved the appointment and remuneration of Shri M. Kannan, CMA (Fellow Membership. No.9167), Cost Accountant in practice, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2018 at a remuneration of Rs.1,25,000/- (Rupees one lakh twenty five thousand only) plus the Goods and Services tax, as applicable, and reimbursement of expenses incurred by him for the audit, subject to approval by shareholders.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be approved by the Members of the Company. Accordingly, the Members are requested to approve the remuneration payable to the Cost Auditors for the financial year ending 31st March 2018 as set out in the Resolution, for the aforesaid services to be rendered by him.

T C P LIMITED

The Board of Directors recommend the passing of the resolution set out in item no.6 of the Notice. None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the proposed resolution.

By order of the Board of Directors
For **TCP Limited**
Ravi Selvarajan
Company Secretary & DGM - Finance

Regd. Office:
TCP SAPTHAGIRI BHAVAN
No.4, (Old No.10) Karpagambal Nagar,
Mylapore, Chennai 600 004

Dated: 11th August 2017



IMPORTANT COMMUNICATION TO MEMBERS - GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA) vide its Circular No.17/2011 dated 21st April 2011 and Circular No.18/2011 dated 29th April 2011 has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies, thereby allowing companies to serve documents to its members through electronic mode.

Your Company believes in Environment conservation for sustainable development and therefore your Company supports MCA in this initiative.

Members who hold shares in physical form are requested to intimate their e-mail address to the Company/Share Transfer Agent and members holding shares in demat form can intimate their e-mail address to their Depository Participant, to enable the company, in future, to send documents such as notices of general meetings, annual reports and other shareholder’s communication to all the members through e-mail.

Members may also note that in case any member makes a request to the Company for the physical copy of the documents sent by e-mail, it shall be sent by post.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Forty fifth Annual Report and the Audited Accounts of your company for the financial year ended 31st March 2017.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March 2017 is as follows:

| | Year ended 31st March 2017 | Year ended 31st March 2016 |
|--|---------------------------------------|---------------------------------------|
| | (Rs. in Lakhs) | |
| Sales – Net of Excise Duty | 30,779.52 | 27,499.40 |
| Other operating revenue | 378.64 | 597.50 |
| Other income | 125.59 | 58.63 |
| Total revenue | 31,283.75 | 28,155.53 |
| Profit before Interest & Depreciation | 4,056.50 | 3,878.40 |
| Less: Interest | 556.34 | 771.90 |
| Depreciation | 600.49 | 1,156.83 |
| Profit before tax | 2,899.67 | 2,510.66 |
| Less: Current tax (Net of MAT credit) | 789.00 | 685.00 |
| Deferred tax (Net) | 56.73 | 101.24 |
| Tax relating to earlier years | - | (-) 3.71 |
| Profit after tax | 2,053.94 | 1,728.13 |
| Add: Surplus brought forward from previous year | 18,553.50 | 17,385.93 |
| Available for appropriations | 20,607.44 | 19,114.06 |
| Dividend at Re.1/- per share (2015-16: Re.1/-) | 50.32 | 50.32 |
| Corporate Dividend Tax | 10.24 | 10.24 |
| Transfer to General Reserve | 500.00 | 500.00 |
| Surplus carried forward to Balance Sheet | 20,046.88 | 18,553.50 |

Company's Key Financial Ratios

| | 2017 | 2016 |
|---------------------|-------------|-------------|
| | Rs. | Rs. |
| Earnings per share | 41 | 34 |
| Dividend per share | 1 | 1 |
| Return on Net worth | 5% | 4% |

DIVIDEND

Your Directors have pleasure in recommending a dividend of Re.1/- per Equity Share. The quantum of dividend outgo on this account is Rs. 50.32 lakhs representing 2.45% of profit after tax.



SEGMENTWISE / PRODUCTWISE PERFORMANCE

PRODUCTION

I. CHEMICALS

Sodium Hydrosulphite

During the year your company had produced 10,411 MT of Sodium Hydrosulphite as against 9,141 MT in the previous year, an increase by about 14%.

Liquid Sulphur Dioxide

During the year your Company had produced 10,181 MT of Liquid Sulphur Dioxide as against 8,330 MT in the previous year, an increase by about 22%.

Sulphoxylate

There was no production of Sulphoxylates during the year as in the previous year.

II. RECOVERY SALTS

The trisalt production was 4,837 MT as against 4,017 MT in the previous year, an increase by about 20%.

III. ELECTRIC POWER

Electric Power Generation

Your company had generated 4,126 lakh units of electricity as against 3,714 lakh units last year from the Thermal Power Plant, an increase by about 11%. The average Plant Load Factor during the year under review was 73.89%. The Biomass based power plant had not generated electricity during the year as against 20 lakh units in the previous year. The Wind Mills had generated 301 lakh units of electricity as against 205 lakh units in the previous year, an increase by about 47%.

SALES

I. CHEMICALS

Sodium Hydrosulphite

During the year your company had made sale of 10,961 MT of Sodium Hydrosulphite as against 8,579 MT in the previous year, an increase by about 27%. The domestic sales is 8,920 MT, the Export sales is 1,888 MT and Deemed exports of 153 MT.

The domestic sales, which was 7,417 MTs in the previous year, rose to 8,920 MTs in the current year, an increase by about 20% from the previous year's sales. This was mainly due to the increase in demand from the textiles industry which is now progressing well. The continuance of the anti-dumping duty has also helped in the revival of the demand. The diversified application of the products in the paper and pharma industries has also contributed to the increase in the volume of the sales. The increase in demand for the product in the south Tamil Nadu region is a new beginning for the growth in sales. Your company is preparing to expand its market base in the current year.

Liquid Sulphur Dioxide

The sale of Liquid Sulphur Dioxide during the year was 1,329 MT as against 512 MT in the previous year, an increase by about 160%.

Sulphoxylates

There were no sale of Sulphoxylates during the year as in the previous year. This is due to no production during this year.

Recovery Salts

The sale of Recovery salts was 4,122 MT during the year as against 1,735 MT in the previous year, an increase by about 137%. The Company had identified few buyers who use the product for their indigenous production. We are exploring the possibility of selling in new markets in the North India, where its consumption is of substantial quantity.

II. POWER

During the year your Company had sold 3,586 lakh units of electricity as against 3,353 lakh units in the previous year from the Thermal Power Plant, an increase by about 7%. The Wind mills had exported 298 lakh units of electricity as against 152 lakh units in the previous year, an increase by about 96%.

The Company sells power under Group Captive Consumers arrangement. The power generated up to 58 MW were sold to Group Captive Consumers and the balance power generated was towards captive consumption. The Group Captive Consumers arrangement Rules stipulate that the Group Captive Consumers should hold at least 26% share holding in the Company. As at 31st March 2017 there are about 56 Group Captive Consumers holding about 26.11% equity shareholding in the Company.

EXPORTS

During the year, your Company had exported 1,888 MTs of Sodium Hydrosulphite as against 1,035 MTs during the previous year, an increase by 82.42%. There were also exports of Sodium Sulphite and Sodium Formate during the year aggregating to 50 MTs. Hence, the total exports made by the Company during the year was 1,938 MTs, an increase by 87.25% over the previous year.

The highlight of this year's performance is that, for the first time, we had exported 25MTs of Sodium Sulphite to Pakistan and exports of Sodium Formate also resumed during the year, by shipment of 25MTs to Pakistan. In Egypt, we had developed a new buyer to whom we had exported 156 MTs during the year.

This year Sodium Hydrosulphite was exported to 9 countries spread across all the regions like the United States of America, Europe, South Asia, Africa, Central Asia, Middle East and Far East. In keeping with the past trend, the United States of America and the Turkey were again the countries where major shipments were exported. We had exported about 59% of the total exports during the year to these two countries. We had also exported to Sri Lanka, Egypt, Uganda, Pakistan, Italy, Kenya and Turkmenistan about 40% of the total exports during the year.



The international market has transformed itself into a price-sensitive market where price of the product determines the securing of the orders. Price has to be adjusted, frequently, in keeping with the global price. Despite severe competition, we could get good price for the products, especially from our regular buyers.

But there is still a stiff competition from China, the world's largest producer and exporter of Sodium Hydrosulphite. Their products pose a threat to our products primarily due to their unbelievably low price at which they are offered to the buyers.

There are buyers who prefer the Company's products primarily due to its quality and timely shipments which are favourable factors to the Company.

In the current year also the Company would be focusing on retaining the existing markets, identifying new buyers in the existing markets and penetrating into new markets in order to enhance the volume of exports.

CREDIT RATING

The Credit rating assigned to the Company as at 31st March 2017 are as follows:

| Credit Rating Agency | Credit Facilities | Rating |
|-----------------------------|------------------------------|---------------------|
| CRISIL | Bank borrowings – Long term | CRISIL BBB+/ Stable |
| CRISIL | Bank borrowings – Short term | CRISIL A2 |
| CRISIL | Fixed Deposits | FA-/ Stable |

FIXED DEPOSITS

During the year, your Company has stopped renewing / accepting deposits from 1st October 2016. The Company has been repaying the deposits on their maturity dates.

As at 31st March 2017, there were 1,374 fixed deposits amounting to Rs.1,395.59 lakhs and 508 cumulative deposits amounting to Rs.432.49 lakhs (maturity value Rs.574.05 lakhs) aggregating to 1,882 deposits for an amount of Rs.1,828.08 lakhs (for maturity value of Rs.1,969.64 lakhs) that have not yet matured for repayment. These outstanding deposits include 6 cumulative deposits accepted from 4 members of the Company for an amount of Rs.52.64 lakhs (maturity value Rs.69.75 lakhs). There were 94 fixed deposits and 38 cumulative deposits aggregating to 132 deposits for an amount of Rs. 65.30 lakhs that have matured but remained unclaimed (maturity value Rs.72.60 lakhs). The total amount of deposits matured and renewed during the year under review (up to 30th September 2016) was Rs. 290.33 lakhs and the total amount of deposits matured and repaid during the year under review was Rs. 883.18 lakhs aggregating to Rs.1,173.51 lakhs and the total amount of deposits that will be maturing as at 31st March 2018 will be Rs.360.24 lakhs. The total amount of new deposits accepted during the year (up to 30th September 2016) was Rs.356.73 lakhs. There were no deposits, which were claimed but not paid by the Company. Appropriate steps are being taken continuously to obtain the depositors' instructions so as to ensure repayment of the matured deposits in time.

As per Section 76 of the Companies Act, 2013, the credit rating agency CRISIL Limited has assigned a rating of 'CRISIL FA-/Stable' (pronounced "F A minus rating with stable outlook") for the Fixed Deposits accepted by the Company, indicating 'Adequate Safety'. This rating indicates that the degree of safety regarding timely payment of interest and principal is satisfactory.

The Ministry of Corporate Affairs, vide Notification No. G.S.R. 639(E) dated 29th June, 2016, has notified the Companies (Acceptance of Deposits) Amendment Rules, 2016 which provides that the companies may accept the deposits without deposit insurance contract till 31st March 2017 or till the availability of a deposit insurance product, whichever is earlier. The Company will obtain insurance contract for its deposits as per the requirements of section 73 (2) (d) of the Companies Act, 2013 read with Rule 5 of the Companies (Acceptance of Deposits) Rules, 2014, as and when it becomes available.

The Company has deposited with the Indian Overseas Bank, in a separate bank account, called as Deposit Repayment Reserve Account, an amount of not less than 15% of the amount of its deposits maturing during the financial years 2017-18 and 2018-19 in accordance with the requirements of section 73(2) (c) of the Companies Act, 2013 read with Rule 13 of the Companies (Acceptance of Deposits) Rules, 2014.

The Company's outstanding deposits are within the limits laid down in Rule 3(4) of the Companies (Acceptance of Deposits) Rules, 2014 viz., 10% of the aggregate of the paid up share capital and free reserves of the Company as at 31st March 2016 in the case of deposits accepted from the members and 25% of the aggregate of the paid up share capital and free reserves of the Company as at 31st March 2016 in the case of deposits accepted from the public.

The deposits accepted by the company from its members and the public are unsecured deposits.

BOARD OF DIRECTORS

Composition of the Board:

The Board of Directors of the Company consists of professionals from varied disciplines. The day to day management of the affairs of the Company is entrusted with Executive Director (Whole time director), headed by the Managing Director, who functions under the overall supervision, direction and control of the Board of Directors of the Company.

As of 31st March, 2017 the Company's Board comprised of eight directors. The Board comprises of an optimum combination of Executive and Non-Executive Directors, with six directors being Non-Executive directors. The Non-Executive Directors, thus, constitute more than 50% of the Board. There are four Independent Directors, who exercise independent judgement in the Board's deliberations, discussions and decisions.

Shri V.R. Venkataachalam, Managing Director and Shri V. Rajasekaran, Executive Director are the two executive directors on the Board. Shri V.R. Venkataachalam is the Chairman of the Board and accordingly the Chairman of the Company.



Director retiring by rotation and seeking reappointment:

Shri V. Sengutuvan (DIN 00053629), Director, is retiring by rotation at this Annual General Meeting and he is eligible for re-appointment.

Appointment of Director made after the end of the Financial Year but before the date this Report:

Ms. V. Samyuktha [DIN 02691981], who was appointed as an Additional Director of the Company with effect from 25th May 2017 by the Board of Directors, pursuant to Article 83 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013 ("the Act") holds office up to the date of the ensuing 45th Annual General Meeting and being eligible for appointment as Director of the Company pursuant to Section 152 of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 offers herself for appointment as director by the members. The Company has received a notice in writing from a member, under Section 160 of the Act, proposing the candidature of Ms. V. Samyuktha for the office of Director of the Company. The appointment, if made, will be in the category of Non Independent Director and Woman Director, liable to retirement by rotation.

The Board of Directors recommend the passing of the resolution set out in item no.5 of the Notice. Shri V. R. Venkataachalam, director (father of the proposed appointee) and Shri V. Sengutuvan, director (brother of the proposed appointee) shall be deemed to be concerned or interested in the proposed resolution. None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the proposed resolution.

Term of office of Managing Director:

At the 41st Annual General Meeting of the Company held on 27th September 2013, Shri V. R. Venkataachalam was reappointed as the Managing Director of the Company for a further term of five years from 1st September 2013 to 31st August 2018.

Term of office of Executive Director:

At the 44th Annual General Meeting of the Company held on 23rd September 2016, Shri V. Rajasekaran was reappointed as the Executive Director of the Company for a further term of five years from 1st March 2017 to 28th February 2022.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013.

The Audit Committee comprises of the following members:

Shri S. Varatharajan, Chairman of the Committee
Shri R. Ravi Krishnan; and
Shri M. Parthasarathi

All the members of the Audit Committee are Independent Directors. The members of the committee are financially literate with ability to read and understand the financial statement. The Chairman of the committee has related financial management expertise by way of experience in financial management in his field of business. The Company Secretary acts as the Secretary for the Audit Committee.

The Audit Committee shall have such powers, duties and responsibilities and shall function in such manner as provided in Section 177 of the Companies Act, 2013.

VIGIL MECHANISM

Pursuant to section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a Vigil Mechanism for directors and employees to report their genuine concerns or grievances. The Vigil Mechanism is monitored by the Audit Committee. The Vigil Mechanism provides for adequate safeguards against victimization of directors / employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. It also ensures standards of professionalism, honesty, integrity and ethical behavior.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board is constituted in accordance with Section 178 (1) of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of the following members:

Shri S. Varatharajan, Chairman of the Committee
Shri M. Parthasarathi and
Shri N. Jaiganesh;

All the members of the Committee are Independent directors. The Company Secretary acts as the secretary for the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee shall carry out such functions as laid down in section 178 of the Companies Act, 2013.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board is constituted in accordance with Section 178(5) of the Companies Act, 2013.

The following Non-Executive directors are the members of the Stakeholders' Relationship Committee:

Shri A.S. Thillainayagam Chairman of the Committee
Shri V. Sengutuvan and
Shri S. Varatharajan



The Chairman of the Committee is a Non-executive director. The company secretary acts as the secretary for the committee.

The Stakeholders' Relationship Committee was constituted to consider and resolve the grievances of shareholders and other security holders of the Company. The Committee shall expedite the process of share transfers. The Board has delegated the powers of registration of share transfers to the committee. All major share transfers approved at the Stakeholders' Relationship Committee meetings are placed before the Board.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to section 135(1) of the Companies Act, 2013, the Board of directors, at its meeting held on 30th May 2014, had constituted Corporate Social Responsibility (CSR) Committee. As required by section 135 (2) of the Companies Act, 2013, the CSR Committee comprises of the following three directors viz.

Shri V. R. Venkataachalam, Chairman

Shri V. Rajasekaran, member; and

Shri S. Varatharajan, member

Shri S. Varatharajan is an independent director on the Board.

The CSR Committee shall carry out such functions as laid down in section 135 of the Companies Act, 2013.

DISCLOSURES AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(5) OF THE COMPANIES (ACCOUNTS) RULES, 2014

Extract of Annual Return:

The extract of Annual Return in the Form No. MGT 9 is annexed to the Directors' Report as Annexure I.

Number of meetings of the Board:

There were five Board meetings during the year.

Directors' Responsibility Statement:

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 134(5) of the Companies Act, 2013.

- i) That in the preparation of the Annual Accounts, for the year ended 31st March 2017, the applicable Accounting Standards had been followed along with proper explanation for material departures, if any;
- ii) That such accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year ended 31st March 2017 and of the profit of the Company for the year ended on that date;

- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the annual accounts for the year ended 31st March 2017 have been prepared on a going concern basis.
- v) Internal financial controls had been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and;
- vi) Proper systems to ensure compliance with the provisions of all applicable laws had been devised and that such systems were adequate and operating effectively.

Declaration by Independent Directors:

The Board has received the declaration from all the Independent Directors as per the requirement of section 149(7) of the Companies Act, 2013 and the Board is satisfied that all the Independent Directors meet the criterion of independence as mentioned in section 149(6) of the Companies Act, 2013.

Company's policy on Directors appointment and remuneration:

In accordance with the requirements of section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has put in place a policy for appointment of directors taking into consideration the qualification and wide experience of the directors in the fields of chemical, power generation, manufacturing, finance, administration and legal apart from compliance of legal requirements of the Company.

The Nomination and Remuneration Committee has also laid down remuneration criteria for the directors, key managerial personnel and other employees in the Nomination and Remuneration Policy. It has also laid down, in the Nomination and Remuneration Policy, the evaluation criteria for performance evaluation of the directors including independent directors. The Nomination and Remuneration Policy is annexed to the Directors' Report as Annexure II and is also uploaded on the Company's website www.tcpindia.com.

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made in the Auditors' Report and in the Secretarial Audit Report:

The Auditors' Report to the Shareholders for the year under review states that the Managerial Remuneration paid by the Company for the year ended 31st March 2017 exceeds the limit of 10% of the Net Profits of the Company for the year in which such remuneration is paid by an amount of Rs. 1,37,92,660/-.

The Secretarial Audit Report to the Shareholders for the year under review states that the company has been advised to take necessary and adequate steps to ensure compliance of the Act in respect of excess managerial remuneration already paid.



Explanation to the observation:

The Managing Director and the Executive Director are being paid Managerial Remuneration commensurate with their experience, qualification and contribution to the Company over the years. This is strictly as per Industry Standards for persons of such experience and capability. Due to the economic slowdown, and the shrinking profit margins, the remuneration paid has exceeded the prescribed limit as per the provisions of the Companies Act, 2013, though approved by the board/shareholders. The Company expects the profit margins to get back to normal levels and that would ensure that the Managerial remuneration paid is well within the limits as per Companies Act, 2013. However, for the interim period, there is a technical non-compliance as per the Act, for which the Company is taking necessary steps, including restructuring the Company's status, in a manner more suited to the current market conditions and business operations/style of the Company.

The Secretarial Audit Report, given by a Company Secretary in practice, states that the company could not spend the eligible amount on Corporate Social Responsibility Measures.

The explanation to this observation is given in the para "Reasons for not spending the amount that is to be spent during the financial year 2016-17" under the main heading of 'Corporate Social Responsibility initiatives taken during the year'.

Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013:

There are no loans made, guarantees given or security provided during the year, under section 186 of the Companies Act, 2013.

The aggregate value of investments made by the Company under section 186 of the Companies Act, 2013 is within the limits prescribed in the section.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013:

The Related Party Transactions (RPT's) entered into by the Company are given in the Notes on Accounts attached to the Financial Statements. These transactions were entered into in the ordinary course of business and on an arm's length basis and were in compliance with the provisions of the Companies Act, 2013. There are no contracts or arrangements with Related Parties referred to in section 188 (1) of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The statement of RPT's is placed before the Audit Committee and the Board on a quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. None of the directors have any pecuniary relationships or transactions with the Company except for the payment of sitting fees. There are no particulars of RPT's to be disclosed in Form AOC-2.

The state of the Company's affairs:

The state of the Company's affairs is explained in the paragraph 'Segment wise/ product wise performance' in the Directors' Report.

The amount, if any, carried to reserves:

The Company has transferred an amount of Rs. 5 crores to General Reserve.

The amount, if any, which it recommends, should be paid by way of dividend:

The Board is recommending payment of dividend of Re.1/- per equity share on the paid up equity shares of the Company.

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of report:

There are no material changes and commitments affecting the financial position of the Company, that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of report viz., for the period from 31st March 2017 to 11th August 2017.

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The information pursuant to section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is as follows:

(A) Conservation of Energy:

- a. The Company ensures that the manufacturing operations are conducted in a manner whereby optimum utilization and maximum possible savings of energy is achieved. As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be ascertained accurately.
- b. The Company's chemical plant engaged in manufacturing operations utilises the alternative sources of energy from the Biomass based power and power generated from windmills.
- c. No specific investment has been made on energy conservation equipment.

(B) Technology absorption:

The Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.



(C) Foreign exchange earnings and outgo:

During the year the foreign exchange earnings and outgo are as follows:

Foreign exchange earnings:

Foreign exchange earnings from exports Rs.11.12 crores

Foreign exchange outgo:

Foreign exchange outgo on payments for imports Rs.30.80 crores and Rs.8.96 lakhs towards expenditure in Foreign Currency on travel.

A statement indicating development and implementation of a Risk Management Policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company:

The Company has framed a Risk Management Policy to identify, communicate and manage material risks across the organisation. The policy also ensures that responsibilities have been appropriately delegated for risk management. Key Risks and mitigation measures are as follows:

Risk Management is an ongoing process. The Board of directors has approved a Risk Management Policy. The Board has defined the roles and responsibilities of persons identified for implementation of the Risk Management Policy and has delegated the monitoring and reviewing of the Risk Management Plan to the Executive Director.

The Company maintains Risk Register listing all the risks likely to affect the achievement of the business goals set by the Company. Significant risks are identified using a scoring methodology. The process of Risk Management includes Risk Identification and Categorization, Risk Description and Risk Mitigation. The Risk Owners are accountable to the Executive Director for identification, assessment, aggregation, reporting and monitoring of the risks related to their respective areas / functions.

The key implementation areas for Risk Mitigation are as follows:

| | |
|---|--|
| For Finance function: | Treasury operations and fund transfers |
| For Computer systems and Data maintenance | Data Security |
| For purchase and sales functions | Credit Administration |

The Company is exposed mainly to Credit Risk, Market risk (competition), interest rate risk and Cash Management Risk in its business operations. The experience in the selling functions acquired by the Company over the years, has helped to identify the credit worthiness of its customers for giving credit and has helped to mitigate the Credit Risk. The Company has maintained its quality in supply and services to its customers and has earned a brand image for quality supplies and by this process manages to retain existing customers and bring in new customers. In this way, it tries to mitigate the Market risk. The Company's debt servicing is a record without any default in the timely payment of interest for its working capital borrowings. The Company's profitability and financials are improving every year. This strength of the Company helps to mitigate the interest rate risk. The Company's fund operations are centralized at the Head Office. The requirement

of funds from the units are met from the Head Office. The spending at the units are monitored by the accounts personnel at the Head office on a periodical basis. The Cash operations at the Head Office is subjected to multi-level checks and controls, the internal auditor periodically verifies physical cash balance and in this way the Company mitigates the Cash Management Risk.

The details about the policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year:

The objective of the CSR Policy of the Company is to continue to contribute towards social welfare projects for the benefit of the general public and in particular to the people living around the areas where the company's manufacturing / generation activities are located. The CSR Policy focuses on providing facilities for imparting education, vocational training, and promoting health care to economically weaker and under privileged sections of the society and to do such other activities as may be permissible under section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company has not spent on the CSR activities during the year 2016-17.

Reasons for not spending the amount that is to be spent during the financial year 2016-17:

During the financial year ended 31st March 2017, the Company has to spend an amount of Rs. 83,02,725/- being the 2% of the average net profits of the Company made during the three immediately preceding financial years as provided in section 135 (5) of the Companies Act, 2013. The CSR Committee has identified and approved various CSR Projects for Rs.55 lakhs to be spent in a phased manner. During the year, the Company could not spend on CSR activities, in pursuance of its CSR Policy. The amount unspent is Rs. 83,02,725/-.

During the financial year 2016-17, the Company was engaged in identification of CSR activities and identifying Implementing agencies, laying basic framework for the CSR Projects. The Company will ensure achievement of the target spend on CSR activities in a phased manner in the Financial years to follow.

Annual Report on CSR activities for the financial year 2016-17:

Pursuant to Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities, to be included in the Directors' Report for the financial year 2016-17, in the format prescribed as Annexure to the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed to the Directors' Report as Annexure III and is also uploaded on the Company's website www.tcpindia.com

Performance and financial position of the Subsidiary Company viz., TCP Hotels Private Ltd:

The Company has one Subsidiary Company viz., TCP Hotels Private Limited. This Subsidiary Company is a non-material, Indian, unlisted, subsidiary Company. The Company holds 96% equity shareholding in its subsidiary company.



TCP Hotels Private Ltd:

TCP Hotels Private Ltd derives rental income from letting out its property and this is the only source of income for the company for the year ended 31st March 2017. For the year ended 31st March 2017, the company has earned income of Rs.42 lakhs and had reported Net profit (before tax) of Rs.39,10,368 (Rs. 38,36,221 in the previous year) and Net profit (after tax) of Rs.30,19,368 (Rs. 29,45,221 in the previous year). TCP Ltd is paying rent to TCP Hotels Private Ltd, pursuant to a rental agreement entered into with TCP Hotels Private Ltd, for taking on rent, a portion of the premises owned by TCP Hotels Private Ltd and the amount of such rent paid during the year is Rs.36 lakhs. This is a related party transaction in the ordinary course of business and made on arm's length basis. The omnibus approval of the Audit Committee has been obtained for entering into this routine transaction.

The annual report and annual accounts of the subsidiary company viz., TCP Hotels Private Ltd for the financial year ended 31st March 2017 and the related detailed information shall be made available to shareholders of the Company seeking such information. The annual accounts of the subsidiary company shall also be kept for inspection by shareholders at the Registered Office of the company and the Subsidiary Company. The annual accounts of the subsidiary company shall be available on the website of the Company viz., www.tcpindia.com.

The financial summary or highlights:

The financial summary is given in the Paragraph 'Financial Results' in the Directors' Report.

The change in the nature of business, if any:

There is no change in the nature of business.

The details of directors or key managerial personnel who were appointed or have resigned during the year:

There were no appointments or resignations of directors or key managerial personnel during the year.

The names of companies which have become or ceased to be Subsidiaries, joint ventures or associate companies during the year:

There are no companies which have become or ceased to be Subsidiaries, joint ventures or associate companies during the year.

The details relating to deposits, covered under Chapter V of the Companies Act, 2013:

During the year, the Company has stopped renewing / accepting deposits from 1st October 2016. The Company has been repaying the deposits on their maturity dates.

(a) Accepted during the year: (upto 30th September, 2016)

The total amount of deposits matured and renewed during the year under review was Rs. 290.33 lakhs. The total amount of new deposits accepted during the year was Rs. 356.73 lakhs. The aggregate amount of deposits accepted during the year is Rs.647.06 lakhs.

(b) Remained unpaid or unclaimed as at the end of the year:

There are 94 fixed deposits and 38 cumulative deposits aggregating to 132 deposits for an amount of Rs. 65.30 lakhs that have matured but remained unclaimed (maturity value Rs.72.60 lakhs).

(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:

There has been no default in repayment of deposits or payment of interest thereon during the year.

The details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013:

There are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

The details in respect of adequacy of internal financial controls with reference to the Financial Statements:

The Company's well defined organizational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies. The internal financial control is supplemented by regular reviews by management and standard policies and guidelines to ensure reliability of financial data and all other records to prepare the financial statements and other data. The Audit Committee reviews the internal financial controls and also monitors the implemented suggestions.

Disclosure under section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

There were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a Consolidated Financial Statement of the Company and its Subsidiary Company viz., TCP Hotels Private Ltd, has been prepared in the same form and manner in which the Company's Financial Statement has been prepared and such Consolidated Financial Statement is attached to this Annual Report. The Consolidated Financial Statement has been



prepared in compliance with the applicable Accounting Standards. A Statement containing the salient features of the Financial Statement of the Subsidiary Company in Form AOC-1 is also attached to this Annual Report.

STATEMENT OF EMPLOYEES' PARTICULARS

Pursuant to Rules 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement showing the particulars of the employees employed throughout the financial year ended 31st March 2017 and was in receipt of remuneration for the year which, in the aggregate, was not less than Rs.60 lakhs is annexed to the Directors' Report as **Annexure IV**.

The managerial remuneration paid by a company to more than one managerial personnel shall not exceed 10% of the net profits of the company for the financial year in which such remuneration is paid.

The aggregate amount of remuneration paid to the Managing Director and the Executive Director, during the financial year 2016-17, exceeds the prescribed limit of 10% of the net profits of the Company for the financial year ended 31st March 2017, by an amount of Rs.1,37,92,660/-. This is due to inadequate profit during the financial year 2016-17 to match the remuneration paid. The Company is taking necessary and adequate steps to ensure compliance of the provisions of the Companies Act, 2013, in respect of excess managerial remuneration already paid.

AUDITORS

M/s T. Selvaraj & Co., Chartered Accountants, Chennai, (Firm Registration No. 003703S), the auditors of the company, retire at the conclusion of the ensuing Annual General Meeting. The existing auditors M/s T. Selvaraj & Co., Chartered Accountants, Chennai, are not eligible for re-appointment as the auditors for the year 2017-2018, pursuant to the provisions of rotation of auditors, as specified in section 139 (2) of the Companies Act, 2013, as they have completed two terms of five consecutive years each, as provided therein. The provisions of section 139 (2) of the Companies Act, 2013 is given in the succeeding paras.

It is proposed to appoint M/s N S R & Co., Chartered Accountants, Chennai (Firm Registration No. 010522S) as the auditors of the Company (in the place of M/s. T. Selvaraj & Co., Chartered Accountants, Chennai, (Firm Registration No. 003703S), the retiring auditor, whose tenure expires at the conclusion of the ensuing Annual General Meeting). The appointment of new auditor is made pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors.

The Company has received written consent from M/s N S R & Co., Chartered Accountants, Chennai (Firm Registration No. 010522S) for being appointed as the auditor of the Company, subject to the shareholders' approval of the appointment at the ensuing 45th Annual General Meeting, as provided in section 139(1) of the Companies Act, 2013.

The Company has also received a Certificate from M/s N S R & Co., Chartered Accountants, Chennai (Firm Registration No. 010522S), pursuant to section 139 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, in respect of the matters specified in those Rules.

Certificate has also been received from them to the effect that their appointment as auditors of the Company, if made, would be within the limits prescribed under Sections 139 & 141 of the Companies Act, 2013.

The Directors recommend their appointment. Members are requested to consider their appointment. If appointed they shall hold office from the conclusion of this 45th Annual General Meeting till the conclusion of 50th Annual General Meeting of the Company (subject to ratification of their appointment by Members at every Annual General Meeting till the 49th Annual General Meeting), for conducting audit of the accounts of the Company for a term of five consecutive financial years commencing from 1st April, 2017.

Change of Auditors due to Rotation of Auditors prescribed under Section 139(2) of the Companies Act, 2013.

Section 139(2) of the Companies Act, 2013 (the Act) inter alia provides that companies belonging to such class of companies, as may be prescribed, shall not appoint or reappoint an audit firm as auditor for more than two terms of five consecutive years.

The first proviso to the sub-section provides that an audit firm which has completed two terms of five consecutive years shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.

The third proviso to the sub-section provides that every company, which is required to comply with the provisions of this sub-section, shall comply with the requirements of this sub-section within a period which shall not be later than the date of the first annual general meeting of the company held, within the period specified under section 96 (1) of the Act, after three years from the date of commencement of this Act.

Rule 5 of the Companies (Audit and Auditors) Rules, 2014, prescribes the class of companies that are required to comply with the provisions of Section 139(2) of the Act. The Rule, inter alia provides, all companies having public borrowings from financial institutions, banks, or public deposits of Rs.50 crores or more, as companies to comply with the provisions of the Section 139(2) of the Act.

Your Company belongs to this class of Companies and hence is required to comply with the provisions of Section 139(2) of the Act.

Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014, provides that for the purpose of the rotation of auditors – the period for which the audit firm has held office as auditor, prior to the commencement of the Act, shall be taken into account for calculating the period of 10 consecutive years.



M/s T. Selvaraj & Co., Chartered Accountants, Chennai, the existing statutory auditors, have held office as the auditors of the Company, for a term of more than 10 consecutive years, and hence can hold such office only up to the conclusion of the Forty-fifth Annual General Meeting of the company.

It is required to appoint a new auditor (other than M/s T. Selvaraj & Co., Chartered Accountants) to hold office from the conclusion of the Forty-fifth Annual General Meeting of the company. It is for this purpose that the change in the auditors is made.

COST AUDITOR

Pursuant to section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, Shri M. Kannan, Cost Accountant in practice, has been appointed as the Cost Auditor of the company for the year 2017-18, for the audit of the cost records maintained by the Company.

INTERNAL AUDITOR

Pursuant to section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, M/s Sankaran & Krishnan, Chartered Accountants, Chennai, are appointed as internal auditors of the Company to conduct internal audit of the functions and activities of the Company.

SECRETARIAL AUDIT

The Board has appointed Shri K. Elangovan, M/s Elangovan Associates, Company Secretaries in Practice, Chennai, (Certificate of Practice No.3552) Membership No. FCS 1808 to carry out Secretarial Audit under the provisions of section 204 of the Companies Act, 2013 for the financial year 2016-17. The Secretarial Audit Report is annexed to the Directors' report as **Annexure V**.

EXIT OFFER BY PROMOTER TO THE PUBLIC SHAREHOLDERS

Members may be aware that the equity shares of the Company were placed on the Dissemination Board of The National Stock Exchange of India Ltd (NSE). The Securities and Exchange Board of India (SEBI), vide their Circular SEBI/ HO/ MRD/ DSA/ CIR/ P/ 2016/110 dated 10th October 2016, has laid down the procedure to be complied with by those companies, whose shares are placed on the Dissemination Board of a nationwide stock exchange, in order to get themselves removed from the Dissemination Board by that Stock Exchange. Since the Company's shares were placed on the Dissemination Board of the NSE, the Company is required to comply with the procedure as laid down in the aforesaid SEBI Circular and the procedure for exit opportunity as prescribed by the NSE.

The aforesaid SEBI Circular provides that in cases where those companies that are placed on the Dissemination Board are not seeking listing in any nationwide stock exchange, the Promoters of the Company has to provide an exit offer to the public shareholders of the Company in accordance with the procedure laid down in that Circular. The Board of Directors of the Company took a decision not to seek listing in any nationwide stock exchange and therefore to request the promoters of the Company to provide exit offer to the public shareholders.

Accordingly, Shri V.R. Venkataachalam, one of the Promoters of the Company, is providing exit offer to the public shareholders of the Company.

The procedure states that those companies which are providing exit offer to the public shareholders should submit their Letter of Intent and the Plan of Action to their designated stock exchange (NSE for the Company) on or before 30th June 2017. Accordingly, the Company had submitted the Letter of Intent and the Plan of Action to the NSE on 27th June 2017.

The Promoter providing the exit offer (Shri V.R. Venkataachalam) (hence forth referred to as 'Acquirer') has to appoint an Independent Valuer, from the panel of Independent Valuers approved by the NSE, to carry out valuation of the shares of the Company for the purpose of determining the exit price to be offered to the public shareholders. Accordingly, 'Indbank Merchant Banking Services Ltd' was appointed as the Independent Valuer. Indbank Merchant Banking Services Ltd has carried out a valuation of the fair value of the shares of the Company and has determined, in their Valuation Report, Rs.655/- per equity share as the exit price to be offered to the public shareholders. The Acquirer will acquire shares from those shareholders who tender their shares, for purchase by the Acquirer, pursuant to the exit offer, at the exit price of Rs.655/- per share.

In accordance with the prescribed procedure, the Acquirer has opened a Fund Escrow Bank Account with the Indian Bank, Nandanam Branch, Chennai 600035, with the name and Title 'TCP Limited – Exit Offer Escrow Account – Operated by Indbank Merchant Banking Services Ltd' and has deposited therein the aggregate amount of consideration payable to the public shareholders of the Company based on the Exit Offer price of Rs.655/- per share. The payment for the shares acquired will be made from this Escrow Bank Account.

Public Announcement of the Exit Offer has been given for publication in the following newspapers:

'The Financial Express' (in English) – All Editions – to be published on 12th August 2017

'Malai Sudar' (in Tamil) – Chennai Edition – to be published on 12th August 2017

'Jansatta' (in Hindi) – Delhi Edition – to be published on 13th August 2017; and

'Gujarathi Express' (in Gujarathi) – Ahmadabad Edition – to be published on 12th August 2017.

The Company will be sending 'The Letter of Offer' to the Public Shareholders whose name appears in the Register of Members as on 27th June 2017. However, a request is made to those shareholders, who have since transferred their shares from that date, to handover the Letter of Offer to the transferee.

The Exit Offer opens on 25th September 2017 and closes by 5.30 P.M on 6th October 2017. The Form of Acceptance, sent with the Letter of Offer, has to be submitted by that time. The other details of the Exit Offer are given in the Letter of Offer.

As per the SEBI Circular, the Acquirer will have to acquire the shares of those shareholders, who tender their shares, after the closure of the Exit Offer Window, but within a period of one year from that date viz. up to 6th October 2018 at the same exit price of Rs.655/- per share.



On the payment to those shareholders who have tendered their shares up to 6th October 2018, the promoter shall certify to the satisfaction of the NSE that appropriate procedure has been followed for providing exit to shareholders of the Company. Subsequently, the NSE, upon satisfaction, shall remove the company from the Dissemination Board.

ANNEXURES TO THE DIRECTORS' REPORT

1. The Extract of Annual Return in Form MGT-9 – Annexure I
2. The Nomination and Remuneration Policy – Annexure II
3. Annual Report on CSR Activities – Annexure III
4. Statement under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 – Annexure IV; and
5. Secretarial Audit Report – Annexure V

ACKNOWLEDGEMENT

The Directors place on record their appreciation for the continued co-operation and performance extended by all employees of the Company. The Directors also place on record their appreciation for the unstinted support given by the shareholders, suppliers, customers, depositors, the Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO) and accredited agents, who have been instrumental in the company's continued satisfactory performance. The Directors also acknowledge, with deep sense of gratitude, the timely financial assistance provided by the Company's Bankers viz., Indian Overseas Bank, State Bank of India, IDBI Bank and HDFC Bank, for smooth and efficient functioning of the Company.

For and on behalf of the Board

V R Venkataachalam

Chairman

DIN: 00037524

Place : Chennai: 600 004

Date : 11th August 2017

Form No. MGT-9

ANNEXURE I

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31.03.2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.]

I. REGISTRATION & OTHER DETAILS:

| | | |
|---|--|--|
| 1 | CIN | U24200TN1971PLC005999 |
| 2 | Registration Date | 08-06-1971 |
| 3 | Name of the Company | TCP Limited |
| 4 | Category/Sub-category of the Company | Company Limited by Shares / Indian Non-Government Company |
| 5 | Address of the Registered office & contact details | “TCP Sapthagiri Bhavan” No 4, Karpagambal Nagar, Mylapore, Chennai, 600004. Telephone: 044 24991518; |
| 6 | Whether Listed Company | Unlisted Company |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Cameo Corporate Services Limited “Subramanian Building” No. 1, Club House Road Chennai 600 002 - India. Phone : 91-44 - 2846 0390 (5 lines) Fax : 91-44 - 2846 0129 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

| SI No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|-------|--|----------------------------------|------------------------------------|
| 1 | Manufacture and Sale of Chemical products | 2411 | 30 % |
| 2 | Generation and export of power | 4010 | 70 % |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SI No | Name and the Address of the company | CIN | Holding / Subsidiary / Associate | % of shares | Applicable Section |
|-------|--|-----------------------|----------------------------------|-------------|--------------------|
| 1 | TCP Hotels Private Limited No 4, Karpagambal Nagar, Mylapore, Chennai, 600004 | U55101TN2001PTC046673 | Subsidiary | 96% | 2(87) |



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Share Holding

| S. No | Category of Shareholder | No. of shares held at the beginning of the year | | | No. of shares held at the end of the year | | | % Change during the year | | |
|-----------|--|---|----------|-----------|---|-----------|----------|--------------------------|---------|-------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | | Total | % of Total Shares |
| A. | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| 1 | Indian | | | | | | | | | |
| a. | Individuals/Hindu Undivided Family | 20,24,073 | 4,22,734 | 24,46,807 | 48.6259 | 20,22,473 | 4,22,734 | 24,45,207 | 48.5940 | -0.0319 |
| b. | Central Government/ State Government(S) | - | - | - | - | - | - | - | - | - |
| c. | Bodies Corporate | 13,08,300 | - | 13,08,300 | 26.0000 | 24,89,210 | - | 24,89,210 | 49.4685 | 23.4685 |
| d. | Financial Institutions/ Banks | - | - | - | - | - | - | - | - | - |
| e. | Any Other | - | - | - | - | - | - | - | - | - |
| | Sub - Total A(1) | 33,32,373 | 4,22,734 | 37,55,107 | 74.6259 | 45,11,683 | 4,22,734 | 49,34,417 | 98.0625 | 23.4366 |
| 2 | Foreign | | | | | | | | | |
| a. | Individuals (Non -Resident Individuals/ Foreign Individuals) | - | - | - | - | - | - | - | - | - |
| b. | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| c. | Institutions | - | - | - | - | - | - | - | - | - |
| d. | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| e. | Any Other | - | - | - | - | - | - | - | - | - |
| | Sub - Total (A)(2) | - | - | - | - | - | - | - | - | - |
| | Total Share Holding of Promoter and Promoter Group (A) = (A)(1) + (A)(2) | 33,32,373 | 4,22,734 | 37,55,107 | 74.6259 | 45,11,683 | 4,22,734 | 49,34,417 | 98.0625 | 23.4366 |



| S. No | Category of Shareholder | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % Change during the year |
|-----------|--|---|----------|-----------|-------------------|---|----------|--------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B. | Public Shareholding | | | | | | | | | |
| 1 | Institutions | | | | | | | | | |
| a. | Mutual Funds/UTI | - | - | - | - | - | - | - | - | - |
| b. | Financial Institutions/ Banks | - | - | - | - | - | - | - | - | - |
| c. | Central Government/ State Government(S) | - | - | - | - | - | - | - | - | - |
| d. | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| e. | Insurance Companies | - | - | - | - | - | - | - | - | - |
| f. | Foreign Institutional Investors | - | - | - | - | - | - | - | - | - |
| g. | Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| h. | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| i. | Any Other | - | - | - | - | - | - | - | - | - |
| | SUB - TOTAL (B)(1) | | | | | | | | | |
| 2 | Non-Institutions | | | | | | | | | |
| a. | Bodies Corporate | 11,84,020 | 3,520 | 11,87,540 | 23.6001 | 4,010 | 3,520 | 7,530 | 0.1496 | -23.4505 |
| b. | Individuals - | | | | | | | | | |
| | I Individual Shareholders Holding Nominal Share Capital up to Rs.1 lakh | 16,756 | 12,250 | 29,006 | 0.5764 | 17,806 | 11,900 | 29,706 | 0.5904 | 0.0139 |
| | II Individual Shareholders Holding Nominal Share Capital In Excess of Rs.1 Lakh | - | 59,956 | 59,956 | 1.1915 | - | 59,956 | 59,956 | 1.1915 | 0.0000 |



| S. No | Category of Shareholder | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % Change during the year |
|-------|---|---|----------|-----------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| c. | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| d. | Any Other | | | | | | | | | |
| | Hindu Undivided Families | 300 | - | 300 | 0.0059 | 300 | - | 300 | 0.0060 | - |
| | Total | 300 | - | 300 | 0.0059 | 300 | - | 300 | 0.0060 | - |
| | Sub - Total (B)(2) | 12,01,076 | 75,726 | 12,76,802 | 25.3741 | 22,116 | 75,376 | 97,492 | 1.9375 | -23.4366 |
| | Total Public Shareholding | 12,01,076 | 75,726 | 12,76,802 | 25.3741 | 22,116 | 75,376 | 97,492 | 1.9375 | -23.4366 |
| | (B) = (B)(1) + (B)(2) | | | | | | | | | |
| | Total (A) + (B) | 45,33,449 | 4,98,460 | 50,31,909 | 100.0000 | 45,33,799 | 4,98,110 | 50,31,909 | 100.0000 | - |
| C. | Shares Held by custodians and Against which Depository Receipts have been Issued | | | | | | | | | |
| | Promoter and Promoter Group | - | - | - | - | - | - | - | - | - |
| | Public | - | - | - | - | - | - | - | - | - |
| | Total Custodian (C) | - | - | - | - | - | - | - | - | - |
| | Grand Total (A) + (B) + (C) | 45,33,449 | 4,98,460 | 50,31,909 | 100.0000 | 45,33,799 | 4,98,110 | 50,31,909 | 100.0000 | - |



(ii) Shareholding of promoters

| S. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|-------|--------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | |
| 1 | The Thiruvalluvar Textiles Pvt. Ltd. | 13,08,300 | 26.0000 | - | 13,08,300 | 26.0000 | - | - |
| 2 | V.R. Venkataachalam | 12,31,959 | 24.4830 | - | 12,30,359 | 24.4511 | - | -0.0319 |
| 3 | Sengutuvan V | 3,61,764 | 7.1894 | - | 3,61,764 | 7.1894 | - | - |
| 4 | Radha Venkataachalam | 1,75,350 | 3.4848 | - | 1,75,350 | 3.4848 | - | - |
| 5 | V Samyuktha Venkataachalam | 1,20,000 | 2.3848 | - | 1,20,000 | 2.3848 | - | - |
| 5 | Thillainayagam A S | 1,35,000 | 2.6829 | - | 1,35,000 | 2.6829 | - | - |
| 7 | Kamalam R | 97,550 | 1.9386 | - | 97,550 | 1.9386 | - | - |
| 8 | Andal R | 78,782 | 1.5657 | - | 78,782 | 1.5657 | - | - |
| 9 | Radha R | 69,950 | 1.3901 | - | 69,950 | 1.3901 | - | - |
| 10 | Ramasamy Udayar N P V | 54,602 | 1.0851 | - | 54,602 | 1.0851 | - | - |
| 11 | Padma Udayar R | 51,300 | 1.0195 | - | 51,300 | 1.0195 | - | - |
| 12 | Arundathi S | 50,150 | 0.9967 | - | 50,150 | 0.9967 | - | - |
| 13 | TVRRS Enterprises | 10,000 | 0.1987 | - | 10,000 | 0.1987 | - | - |
| 14 | Amudha T | 6,400 | 0.1272 | - | 6,400 | 0.1272 | - | - |
| 15 | Andal R (jointly) Arundathi R | 3,300 | 0.0656 | - | 3,300 | 0.0656 | - | - |
| 16 | Poovai Ammal | 400 | 0.0079 | - | 400 | 0.0079 | - | - |
| 17 | Arundathi S | 300 | 0.0059 | - | 300 | 0.0059 | - | - |
| 18 | ICL Financial Services Limited | - | - | - | 4,59,480 | 9.1313 | - | 9.1313 |
| 19 | ICL Securities Limited | - | - | - | 2,70,272 | 5.3712 | - | 5.3712 |
| 20 | K2 V2 Engineering Private Limited | - | - | - | 2,31,158 | 4.5939 | - | 4.5939 |
| 21 | ESS PT Real Estate Private Limited | - | - | - | 2,20,000 | 4.3721 | - | 4.3721 |
| | Total | 37,55,107 | 74.6259 | - | 49,34,417 | 98.0625 | - | 23.4366 |



(iii) Change in Promoters' Shareholding

| S. No | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | At the beginning of the year 1-4-2016 | 37,55,107 | 74.6259 | 37,55,107 | 74.6259 |
| | Date wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase / decrease | | | | |
| 1. | 15-Apr-2016 - Transfer - Decrease | -400 | 0.0080 | 37,54,707 | 74.6179 |
| 2. | 13-May-2016 - Transfer - Decrease | -300 | 0.0060 | 37,54,407 | 74.6119 |
| 3. | 27-May-2016 - Transfer - Decrease | -100 | 0.0020 | 37,54,307 | 74.6099 |
| 4. | 10-Jun-2016 - Transfer - Decrease | -100 | 0.0020 | 37,54,207 | 74.6079 |
| 5. | 15-Jul-2016 - Transfer - Decrease | -200 | 0.0040 | 37,54,007 | 74.6039 |
| 6. | 05-Aug-2016 - Transfer - Increase | +100 | 0.0020 | 37,54,107 | 74.6059 |
| 7. | 12-Aug-2016 - Transfer - Decrease | -100 | 0.0020 | 37,54,007 | 74.6039 |
| 8. | 26-Aug-2016 - Transfer - Decrease | -200 | 0.0040 | 37,53,807 | 74.5999 |
| 9. | 16-Dec-2016 - Transfer - Decrease | -100 | 0.0019 | 37,53,707 | 74.5980 |
| 10. | 06-Jan-2017 - Transfer - Decrease | -200 | 0.0039 | 37,53,507 | 74.5941 |
| 11. | 22-Mar-2017-Four shareholders from the public category included in the Promoters' category | +11,80,910 | 23.4684 | 49,34,417 | 98.0625 |
| | At the end of the year – 31-3-2017 | 49,34,417 | 98.0625 | 49,34,417 | 98.0625 |

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | Narendhiran R G | | | | |
| | At the beginning of the year 01-Apr-2016 | 41,500 | 0.8247 | 41,500 | 0.8247 |
| | At the end of the Year 31-Mar-2017 | 41,500 | 0.8247 | 41,500 | 0.8247 |
| 2 | Ramalinga Raya Reddy | | | | |
| | At the beginning of the year 01-Apr-2016 | 18,456 | 0.3667 | 18,456 | 0.3667 |
| | At the end of the Year 31-Mar-2017 | 18,456 | 0.3667 | 18,456 | 0.3667 |
| 3 | Tanchem Imports & Exports Pvt Ltd | | | | |
| | At the beginning of the year 01-Apr-2016 | 3,000 | 0.0596 | 3,000 | 0.0596 |
| | At the end of the Year 31-Mar-2017 | 3,000 | 0.0596 | 3,000 | 0.0596 |
| 4 | Ravinder Babbar | | | | |
| | At the beginning of the year 01-Apr-2016 | 2,600 | 0.0516 | 2,600 | 0.0516 |
| | At the end of the Year 31-Mar-2017 | 2,600 | 0.0516 | 2,600 | 0.0516 |

T C P LIMITED

| | | | | | |
|----|--|-------|--------|-------|--------|
| 5 | Rajasekaran .V JT1 : Devaki .R | | | | |
| | At the beginning of the year 01-Apr-2016 | 2,250 | 0.0447 | 2,250 | 0.0447 |
| | At the end of the Year 31-Mar-2017 | 2,250 | 0.0447 | 2,250 | 0.0447 |
| 6 | Vijaya Sridharan | | | | |
| | At the beginning of the year 01-Apr-2016 | 1,800 | 0.0357 | 1,800 | 0.0357 |
| | At the end of the Year 31-Mar-2017 | 1,800 | 0.0357 | 1,800 | 0.0357 |
| 7 | Devaki .R | | | | |
| | At the beginning of the year 01-Apr-2016 | 1,101 | 0.0218 | 1,101 | 0.0218 |
| | At the end of the Year 31-Mar-2017 | 1,101 | 0.0218 | 1,101 | 0.0218 |
| 8 | Mahendra Kanakaraj Khumbat | | | | |
| | At the beginning of the year 01-Apr-2016 | 1,100 | 0.0218 | 1,100 | 0.0218 |
| | At the end of the Year 31-Mar-2017 | 1,100 | 0.0218 | 1,100 | 0.0218 |
| 9 | Subhash V S | | | | |
| | At the beginning of the year 01-Apr-2016 | 1,000 | 0.0198 | 1,000 | 0.0198 |
| | At the end of the Year 31-Mar-2017 | 1,000 | 0.0198 | 1,000 | 0.0198 |
| 10 | Partha Narayan | | | | |
| | At the beginning of the year 01-Apr-2016 | 800 | 0.0158 | 800 | 0.0158 |
| | At the end of the Year 31-Mar-2017 | 800 | 0.0158 | 800 | 0.0158 |

(v) Shareholding of Directors and Key Managerial Personnel:

| S. No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | V R Venkataachalam | | | | |
| | At the beginning of the year 01-Apr-2016 | 12,31,959 | 24.4829 | 12,31,959 | 24.4829 |
| | Sale 15-Apr-2016 | -400 | 0.0079 | 12,31,559 | 24.4750 |
| | Sale 13-May-2016 | -300 | 0.0059 | 12,31,259 | 24.4690 |
| | Sale 27-May-2016 | -100 | 0.0019 | 12,31,159 | 24.4670 |
| | Sale 10-Jun-2016 | -100 | 0.0019 | 12,31,059 | 24.4650 |
| | Sale 15-Jul-2016 | -200 | 0.0039 | 12,30,859 | 24.4611 |
| | Purchase 05-Aug-2016 | 100 | 0.0019 | 12,30,959 | 24.4631 |
| | Sale 12-Aug-2016 | -100 | 0.0019 | 12,30,859 | 24.4611 |
| | Sale 26-Aug-2016 | -200 | 0.0039 | 12,30,659 | 24.4571 |
| | Sale 16-Dec-2016 | -100 | 0.0019 | 12,30,559 | 24.4551 |
| | Sale 06-Jan-2017 | -200 | 0.0039 | 12,30,359 | 24.4511 |
| | At the end of the Year 31-Mar-2017 | 12,30,359 | | 12,30,359 | 24.4511 |
| 2. | Shri V. Sengutuvan | | | | |
| | At the beginning of the year 01-Apr-2016 | 3,61,764 | 7.1893 | 3,61,764 | 7.1893 |
| | At the end of the Year 31-Mar-2017 | 3,61,764 | 7.1893 | 3,61,764 | 7.1893 |
| 3. | Shri A.S. Thillainayagam | | | | |
| | At the beginning of the year 01-Apr-2016 | 1,35,000 | 2.6828 | 1,35,000 | 2.6828 |
| | At the end of the Year 31-Mar-2017 | 1,35,000 | 2.6828 | 1,35,000 | 2.6828 |



| | | | | | |
|----|--|-------|--------|-------|--------|
| 4. | Shri V. Rajasekaran JT1 : Smt R. Devaki | | | | |
| | At the beginning of the year 01-Apr-2016 | 2,250 | 0.0447 | 2,250 | 0.0447 |
| | At the end of the Year 31-Mar-2017 | 2,250 | 0.0447 | 2,250 | 0.0447 |

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

| Particulars | Secured loans excluding deposits Rs. | Unsecured Loans Rs. | Deposits Rs. | Total Indebtedness Rs. |
|--|--------------------------------------|---------------------|---------------------|------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 47,32,21,809 | 12,18,38,005 | 23,54,53,000 | 83,05,12,814 |
| ii) Interest due but not paid | - | 3,50,17,903 | - | 3,50,17,903 |
| iii) Interest accrued but not due | - | - | 89,38,809 | 89,38,809 |
| Total (i+ii+iii) | 47,32,21,809 | 15,68,55,908 | 24,43,91,809 | 87,44,69,526 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 1,74,46,833 | 1,92,52,266 | 1,76,37,000 | 5,43,36,099 |
| Reduction | 4,20,86,327 | - | 7,17,13,732 | 11,38,00,059 |
| Net Change | -2,46,39,494 | 1,92,52,266 | -5,40,76,732 | -5,94,63,960 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 44,85,82,315 | 13,90,10,468 | 18,28,08,000 | 77,04,00,783 |
| ii) Interest due but not paid | - | 3,70,97,706 | - | 3,70,97,706 |
| iii) Interest accrued but not due | - | - | 75,07,077 | 75,07,077 |
| Total (i+ii+iii) | 44,85,82,315 | 17,61,08,174 | 19,03,15,077 | 81,50,05,566 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| S. No | Particulars of Remuneration | Name of the MD/WTD/Manager | | Total Amount |
|-------|--|--|---|--------------|
| | | Shri V R Venkatachalam Managing Director | Shri. V Rajasekaran Whole-time Director | |
| 1 | Gross salary | Rs. | Rs. | Rs. |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 1,71,42,810 | 1,58,67,810 | 3,30,10,620 |
| | | Rs. | Rs. | Rs. |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 21,46,318 | 29,66,020 | 51,12,338 |

T C P LIMITED

| S. No | Particulars of Remuneration | Name of the MD/WTD/Manager | | Total Amount |
|-------|---|---|--|--------------|
| | | Shri V R Venkatachalam Managing Director | Shri. V Rajasekaran Whole-time Director | |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2 | Stock option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission:- | | | |
| | as % of profit | - | - | - |
| | Fixed Commission | 40,00,000 | - | 40,00,000 |
| 5 | Others, please specify | - | - | - |
| | PF Contribution | 13,71,600 | 12,69,600 | 26,41,200 |
| | Total (A) | 2,46,60,728 | 2,01,03,430 | 4,47,64,158 |
| | Ceiling as per the Act | | | 3,40,15,269 |

B. Remuneration to other directors:

| S. No | Name of Directors | Particulars of remuneration | | | |
|-------|---|---|-----------------------|-------------------|---------------------------------------|
| | | Fee for attending board / committee meetings (in Rs) | Commission (in Rs) | Others (in Rs) | Total amount (in Rs) |
| 1 | Independent Directors | | | | |
| | Shri S. Varatharajan | 65,000 | - | - | 65,000 |
| | Shri M. Parthasarathi | 50,000 | - | - | 50,000 |
| | Shri R. Ravi Krishnan | 45,000 | - | - | 45,000 |
| | Shri N. Jai Ganesh | 30,000 | - | - | 30,000 |
| | Total of (1) | | | | 1,90,000 |
| 2 | Other Non-Executive Directors | - | | | |
| | Shri A.S. Thillainayagam | 35,000 | - | - | 35,000 |
| | Shri V. Sengutuvan | 35,000 | - | - | 35,000 |
| | Total of (2) | | - | - | 70,000 |
| | Total of (1) & (2) | | | | 2,60,000 |
| | Overall Ceiling as per the Act (Not Applicable since it is sitting fees paid) | | | | Not Applicable only sitting fees paid |



C. Remuneration to Key Managerial Personnel, Other than MD / Manager / WTD

| S. No | Particulars of Remuneration | Key Managerial Personnel Company Secretary | Total Amount |
|-------|--|---|------------------|
| 1 | Gross salary | Rs. | Rs. |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 8,84,660 | 8,84,660 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 2,16,550 | 2,16,550 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - |
| 2 | Stock option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| | as % of profit | - | - |
| | others (specify) | - | - |
| 5 | Others, please specify | - | - |
| | PF Contribution | 59,364 | 59,364 |
| | Total | 11,60,574 | 11,60,574 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/ Compounding fees imposed | Authority (RD/NCLT/ Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

For and on behalf of the Board

V R Venkataachalam
Chairman

DIN: 00037524

Place: Chennai 600 004

Date : 11th August 2017

TCP LIMITED**ANNEXURE II**

CIN: U24200TN1971PLC005999

REGISTERED OFFICE: No.4, Karpagambal Nagar, Mylapore, Chennai 600004

TCP LIMITED – NOMINATION AND REMUNERATION POLICY RELATING TO THE REMUNERATION FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**Approved by the Board of Directors at its meeting held on 30th January 2015****Principle and Rationale:**

Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 requires the Board of Directors of every company having turnover of Rs.100 crores or more or having outstanding loans or borrowings or deposits aggregating to Rs.50 crores or more, as on the date of last audited financial statements, among other classes of companies, to

- ❖ Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- ❖ Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- ❖ Carry out evaluation of every director's performance.
- ❖ Formulate the criteria for evaluation of Independent Directors on the Board.

Accordingly, in adherence to the above said requirements and in line with the Company's philosophy towards nurturing its human resources, the Nomination and Remuneration Committee of the Board of Directors of TCP Limited herein below recommends to the Board of Directors for its adoption the Nomination and Remuneration Policy for the directors, key managerial personnel and other employees of the Company as set out below:

Company Philosophy:

TCP Ltd is an organisation committed to paying fair remuneration to its employees matching the responsibilities and performance. The organisation does not discriminate on grounds of age, gender, colour, race, ethnicity, language, caste, creed, economic or social status or disability. The Company's committed workforce, spread across its corporate office and factory locations, which has, over the years, transformed TCP Ltd into a consistent growing organisation, forms the backbone of the Company.

Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company and motivate them to do better in future.



Employee recognition schemes in the form of Production incentive and Service award have also been introduced as successful tools in acknowledging their contribution.

The endeavour of the company is to acknowledge the contributions of its directors, key managerial personnel and other employees with best compensation and benefits that appropriately rewards performance in line with the regulatory and industry best practices.

Guiding Principles:

In the formulation of this Policy, the Nomination and Remuneration Committee has also endeavoured to ensure the guiding principles as prescribed u/s 178(4) of the Companies Act, 2013 summarized hereunder:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate human resource including directors of the quality required to run the company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- d) Facilitating effective shareholder participation in key Corporate Governance decisions such as the nomination and election of board members;
- e) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders;
- f) Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

Nomination of the Directors:

The Nomination and Remuneration Committee of the Board of Directors is dedicated to ensuring the continuance of a dynamic and forward-thinking Board and recommend to the Board qualified candidates for directorship.

Before recommending a nominee's candidature to the Board for being appointed as a Director, the following criteria set out may be applied as guidelines in considering potential nominees to the Board of Directors.

General Criteria

- a) The background and qualifications of the Directors considered as a group should provide a significant combination of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities.
- b) Directors should be so selected such that the Board of Directors should remain as a diverse body, with diversity reflecting gender, ethnic background and professional experience. Because a mix of viewpoints and ideas enhances the Board's ability to function effectively,

the Committee shall consider the diversity of the existing Board when considering potential nominees, so that the Board maintains a body of directors from diverse professional and personal backgrounds.

- c) Potential nominees shall not be discriminated against on the basis of race, religion, national origin, sex, disability, or any other basis prohibited by law.
- d) Any nominee should be free of any conflict of interest which would violate any applicable law or regulation or interfere with the performance of the responsibilities of a director.
- e) Commitment of the nominee to understanding the Company and its industry, embracing the Company's values to help shape its vision, mission and strategic direction including oversight of risk management and internal control.
- f) Commitment of the nominee to spending the time necessary to function effectively as a Director, including attending and participating in Board meetings and its Committee meetings.

Specific Criteria

- a) a) Demonstrated business acumen, experience and ability to use sound judgment and to contribute to the effective oversight of the business and financial affairs of a large or medium sized, multifaceted, Indian Company.
- b) The nominee reflects the right corporate tone and culture and excels at board - management relationships.
- c) Experience in strategic planning and managing multidisciplinary responsibilities, the ability to navigate among diverse professional groups and points of view, a track record of communicating effectively in a global environment, and high standards of integrity and professional conduct.
- d) Nominees understand and endeavour to balance the interests of shareholders and / or other stakeholders and put the interests of the company above self-interest. He/she has demonstrated a commitment to transparency and disclosure.
- e) He/ she is committed to superior corporate performance, consistently striving to go beyond the legal and/or regulatory governance requirements to enhance, not just protect, shareholder value.
- f) Nominee contributes to effective governance through superior, constructive relationships with the Executive Directorate and management.

Remuneration of the Directors:

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, macroeconomic review on remuneration packages of heads of other similar sized companies.



The remuneration payable to the directors of the company, shall at all times be determined, in accordance with the provisions of Companies Act, 2013.

Appointment and Remuneration of Managing Director and Whole time- Director:

The terms and conditions of appointment and remuneration payable to the Managing Director and the Whole-time Director shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013. Approval of the Central Government is not necessary if the appointment is made in accordance with the conditions specified in Schedule V to the Act.

In terms of the provisions of Companies Act, 2013, the Company may appoint a person as its Managing Director or Whole-time Director for a term not exceeding 5 (years) at a time. The executive directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to a Managing/ Whole-time Director, the Nomination and Remuneration Committee shall, inter alia, have regard to the following matters:

- ❖ Financial and operating performance of the Company
- ❖ Relationship between remuneration and performance
- ❖ Industry/ sector trends for the remuneration paid to similar executives.

Annual Increments to the Managing/ Whole Time Director(s) shall be within the slabs approved by the Shareholders. Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

Insurance Premium as Part of Remuneration:

Where any insurance is taken by a company on behalf of its managing director, whole-time director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration of Independent Directors:

Independent Directors may receive remuneration by way of

- ❖ Sitting fees for participation in the Board and other meetings
- ❖ Reimbursement of expenses for participation in the Board and other meetings
- ❖ Commission as approved by the Shareholders of the Company

Independent Directors shall not be entitled to any stock options

Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to independent directors. Provided that the amount of such fees shall not exceed the maximum permissible under the Companies Act, 2013.

Remuneration to Directors in other capacity:

The remuneration payable to the directors including managing or whole-time director or manager shall be inclusive of the remuneration payable for the services rendered by him in any other capacity except the following:

- (a) The services rendered are of a professional nature; and
- (b) In the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

Evaluation of the Directors:

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178 (2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

In developing the methodology to be used for evaluation on the basis of best standards and methods meeting international parameters, the Board / Committee may take the advice of an independent professional consultant.

Nomination and Remuneration of the Key Managerial Personnel (other than Managing / whole time directors), key executives and senior management:

The executive management of a company is responsible for the day to day management of a company. The Companies Act, 2013 has used the term "key managerial personnel" (KMP) to define the executive management.

The KMPs are the point of first contact between the company and its stakeholders. While the Board of Directors are responsible for providing the oversight, it is the key managerial personnel and the senior management who are responsible for not just laying down the strategies but for its implementation as well.

The Companies Act, 2013 has, for the first time, recognized the concept of Key Managerial Personnel. As per section 2(51) "key managerial personnel", in relation to a company, means—



-
- (i) The Chief Executive Officer or the managing director or the manager;
 - (ii) The whole-time director;
 - (iii) The Chief Financial Officer;
 - (iv) The company secretary; and
 - (v) Such other officer as may be prescribed.

Among the KMPs, the remuneration of the CEO or the Managing Director and the Whole time Director(s), shall be governed by the Section on Remuneration of the Directors of this Policy dealing with “Remuneration of Managing Director and Whole time- Director”.

Apart from the directors, the remuneration of

- ❖ All the Other KMPs such as the company secretary or any other officer that may be prescribed under the statute from time to time; and
- ❖ “Senior Management” of the Company i.e. personnel who are members of its core management team excluding the Board of Directors. Senior executives one level below the Board i.e. President cadre

shall be determined by the Human Resources Department of the Company in consultation with the Managing Director and/ or the Whole time Director.

The remuneration determined for all the above said senior personnel shall be in line with the Company’s philosophy to provide fair compensation to key - executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

The break-up of the pay scale and quantum of perquisites including, employer’s contribution to PF, pension scheme, medical expenses, club fees etc. shall be decided by the Company’s HR department.

Decisions on Annual Increments of the Senior Personnel shall be decided by the Human Resources Department in consultation with the Managing Director and/ or the Whole time Director of the Company.

Remuneration of other employees:

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

The Company considers it essential to provide incentives to the workforce to ensure adequate and reasonable compensation to the staff. The Human Resources Department shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations for the employee.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package. The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the Head of Departments of various departments. Decisions on Annual Increments shall be made on the basis of this annual appraisal.

General:

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines on the subject as may be notified from time to time.

Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors.

For and on behalf of the Board of Directors

V R Venkataachalam
Chairman
DIN: 00037524



TCP LIMITED

ANNEXURE III

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs.

The aim of TCP Ltd is to be one of the most respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large.

The Corporate Social Responsibility (CSR) initiatives of the Company focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives we will continue to:

- i. Work actively in areas of eradication of hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- ii. Provide opportunity and financial assistance for the promotion of education, provide medical aid to the needy and down trodden.
- iii. Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, Government and academic institutes in pursuit of our goals.
- iv. Interact regularly with stakeholders, review and report our CSR initiatives.
Web Link: www.tcpindia.com

2. The Composition of CSR Committee

Shri V. R. Venkataachalam, Chairman
Shri V. Rajasekaran, member; and
Shri S. Varatharajan, member

3. Average net profit of the Company for last three financial years: Rs. 41,51,36,250/-

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):
Rs.79,64,130/-**

5. Details of CSR spent during the financial year:

- | | |
|---|-----------------|
| (a) Total amount to be spent during the financial year: | Rs. 83,02,725/- |
| (b) Amount unspent, if any: | Rs. 83,02,725/- |

(c) Manner in which the amount spent during the financial year is detailed below:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|--------|------------------------------------|--|--|---|--|---|---|
| S. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
| | | | | | | Rs.11,50,000/- | Direct spending |

6. The reasons for not spending the target spend for the financial year 2016-17 has been specified in the Directors' Report in the reporting made pursuant to section 134(3)(o) of the Companies Act, 2013.
7. The CSR Committee hereby confirms that the Company has set in place a structured framework and approved several activities in order to ensure that the CSR spend is as per the requirements of section 135 of the Companies Act, 2013.

The CSR Committee is responsible for formulating the CSR Policy and its review from time to time and also for monitoring that the CSR activities of the Company are implemented in line with the CSR regulations.

For and on behalf of the Board of Directors

V R Venkataachalam
Chairman, CSR Committee
DIN: 00037524

Place: Chennai
Date: 11th August 2017

V Rajasekaran
Executive Director (CEO)
DIN: 00037006



**Statement under Rule 5(2) of the Companies Annexure IV
(Appointment and Remuneration of Managerial Personnel) Rules 2014**

| Name | Designation | Remuneration Rs. | Nature of Employment | Qualification | Experience | Date of commence- ment of employment | Age in Years | Particulars of last employment |
|-----------------------------|-----------------------|---------------------|----------------------------|-----------------------------------|--|---|-----------------|--------------------------------------|
| Shri V.R. Venkataachalam | Managing Director | 2,59,54,461 | Contractual | B.A. | 37 years' experience in business of various industries such as Textiles, Chemicals, Granites, Vanaspati and Medical. | 7-11-1986 | 57 | NIL |
| Shri V. Rajasekaran | Executive Director | 2,42,30,956 | Contractual | B.E. (Chem), M.Tech, M.B.A. | 41 years' experience in Chemical, Power, Textile and Financing | 25-9-1976 | 64 | NIL |

Note:

- The Remuneration amount includes an amount of Rs.23,04,017/- towards actuarial valuation of earned leave entitlement and Rs.73,471/- towards actuarial valuation of Gratuity entitlement not actually drawn by the managerial personnel.
- Percentage of equity shares held by the employee in the Company along with his spouse and dependent Children:
Shri V.R. Venkataachalam 34.02% Shri V. Rajasekaran 0.06%
- Relationship with Directors:
Shri V.R. Venkataachalam is the father of Shri V. Sengutuvan, Director and Ms. V. Samyuktha, Additional Director.
- Remuneration drawn exceeds the limit: The managerial remuneration paid by a company to more than one managerial personnel shall not exceed 10% of the net profits of the company for the financial year in which such remuneration is paid. The aggregate amount of remuneration paid to the Managing Director and the Executive Director, during the financial year 2016-17, exceeds the prescribed limit of 10% of the net profits of the Company for the financial year ended 31st March 2017, by an amount of Rs.1,37,92,660/-. This is due to inadequate profit during the financial year 2016-17 to match the remuneration paid.

For and on behalf of the Board
V R Venkataachalam
Chairman

Place : Chennai: 600 004

DIN: 00037524

Date : 11th August 2017

**Form No. MR-3
Secretarial Audit Report****ANNEXURE V**

For the Financial Year ended 31st March, 2017

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To

The Members

TCP Limited (CIN U24200TN1971PLC005999)

Chennai 600004.

1. I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s TCP Limited, Chennai 600004 (hereinafter referred to as the company). Secretarial Audit was conducted with reference to the required books and records made available to me, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.
2. Based on my verification of the Company's Books, records, papers, minutes books, various forms and returns filed and other records and returns maintained by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I, on the basis and strength of such records, and information so provided, hereby report that in my opinion and understanding, the Company has during the audit period covering the financial year ended 31st March, 2017, complied with the statutory provisions listed hereunder and also in my limited review, that the company has proper and adequate Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the forms and returns as filed, books including minutes books, papers and other records maintained by the Company and made available to me, for the audit period up to the financial year ended 31st March, 2017 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder as applicable;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and Rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Other Laws on the operation of the company viz.,
 - a) Gas Cylinders Rules, 2004;
 - b) The Static and Mobile Pressure Vessels (Unfired) Rules 1981;
 - c) The Petroleum Act 1934;
 - d) The Electricity Act 2003;



-
- e) The Boilers Act, 1923;
 - f) The Arms Act, 1959;
 - g) Tamil Nadu Denatured Spirit Methyl Alcohol and Varnish (French Polish), Rules, 1959 and all other Laws applicable and Rules made thereunder, pertaining to chemical industry.

I have examined the systems and processes of the company in place to ensure the compliance with other laws like Labour Laws, Competition Law, Environmental Laws, Employees' Provident Funds Act, Employees State Insurance Act etc., considering and relying upon representations made by the company and its Officers for systems and mechanisms formed by the company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the company and its observance by them.

I have examined the compliance with the applicable clauses of:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.

The company has complied with the applicable provisions of the Act, Rules, Regulations, Standards, and Guidelines etc., mentioned above during the period under review except to the extent as mentioned below:

The company could not spend the eligible amount on Corporate Social Responsibility Measures. However, the company has constituted the CSR Committee and its constitution was as per the regulation. The company has been advised to take necessary and adequate steps to ensure compliance of the Act in respect of excess managerial remuneration already paid.

It has been duly noted that with suitable reclassification of promoters, the company's promoters have complied with SEBI directions in offering exit option to the public shareholders consequent to the closure of Madras Stock Exchange, the Delhi Stock Exchange and the Ahmadabad Stock Exchange, where the equity shares of the Company were listed.

I further report that the related documents that I have come across show that the Board of Directors of the company is constituted as per applicable provisions with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and adequate notices have been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. I also report that board's decisions have been arrived at and recorded in the Minutes Book in line with the stipulations prescribed by the Companies Act, 2013, Rules made thereunder and the Secretarial Standards in operation. The company has been advised to adhere to the Secretarial Standards in conducting Board Meetings and recording their minutes.

I further report that there appears to be adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review, the Company has sought the approval of members for alteration of memorandum and articles of association of the company, by passing Special Resolutions.

I further report that my audit is subject only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the company and I am not responsible for any lapse in compliance on the part of the company.

K. ELANGO VAN

FCS 1808

CP. NO. 3552

Date : 19-07-2017

Place: Chennai

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.



Annexure A

To

The Members,
TCP Limited (CIN U24200TN1971PLC005999),
Chennai 600004.

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial records is the responsibility of Management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required , I have consulted the Management and Officers of the company about the compliance of laws, rules and regulations and happenings of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit is neither an assurance as to the future viability of the company nor an attestation of the efficacy or effectiveness with which the management conducted the affairs of the company

K. ELANGOVAN
FCS 1808
CP. NO. 3552

Date : 19-07-2017
Place: Chennai

INDEPENDENT AUDITOR'S REPORT

To
The Members
TCP Ltd
Chennai

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of TCP LTD (herein after referred to as "the Company") which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as 'financial statements').

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and The Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. These procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted



in India, of the state of affairs of the Company as at 31st March, 2017, and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
 - e. On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 26(2)(d) and (e) of Notes forming part of the accounts.
 - ii. The Company does not have any long-term contracts, including derivative contracts, for which provision under the applicable law or accounting standards, is to be made for any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 24 to the financial statements.

For **T. Selvaraj & Co**
Chartered Accountants
Firm Registration No: 003703S

S. Vidya
Partner
Membership No: 217934

Place: Chennai
Date : 25th May, 2017

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2017, we report that:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has physically verified the fixed assets during the year and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of leasehold land, lease agreement is held in the name of the Company.
2. The management has conducted physical verification of inventories at reasonable intervals. On the basis of our examination of records of inventories, in our opinion, the Company has maintained proper records of inventories and no material discrepancies were noticed between physical stocks and book records.
3. In our opinion, and according to the information and explanations given to us, the Company has granted unsecured loan to one party (i.e. to its subsidiary company namely, TCP Hotels Private Limited) covered in the register maintained under Section 189 of the Companies Act, 2013 and the year-end balance of such loan was Rs.49,64,705/-.

The aforesaid loan given to Subsidiary Company was interest free and did not carry any other terms and conditions as regards repayment and since this was given to the Subsidiary Company, in our opinion, were not prejudicial to the interest of the company.

During the year, in respect of the aforesaid loan to Subsidiary Company, there has been partial recovery of an amount of Rs 21,60,645/- towards principal. In the absence of any terms, we are unable to comment on the regularity of repayment of principal amount.

Out of the aforesaid loan, an amount of Rs. 49,64,705/- has been outstanding for a period of more than 90 days. According to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of the principal amount.

The Company has taken unsecured loans from 10 parties covered in the register maintained under section 189 of the Companies Act, 2013, and the year-end balance of such loan taken from such parties was Rs. 1,466.08 lakhs.

According to the information and explanations given to us, in our opinion, the Company is regular in payment of principal and interest to the parties, wherever applicable, from whom loans have been taken by the company.

4. In respect of loans, investments, guarantees and securities, the compliance with Section 185 and 186 of the Companies Act, 2013 has been complied with.
5. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 73 to 76 and any other relevant provisions of the



Companies Act 2013, and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. As per information and explanations given to us, no order in respect of the above has been passed on the Company by the Company Law Board or National Company Law Tribunal or RBI or any court or any Other Tribunal in respect of the aforesaid deposits.

6. We have broadly reviewed the cost records maintained by the company specified by the central government under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a. According to the information and explanation given to us and on the basis of our examination of the records of the company, amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Excise Duty, Cess and other material statutory dues applicable have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

- b. As at 31st March 2017, according to the records of the Company and the information and explanations given to us, the following are the particulars of disputed statutory dues that have not been deposited:-

| Particulars of Dispute | Forum where pending | Remarks |
|--------------------------------|-----------------------------------|---|
| 1. Excise Duty (₹) | | |
| 6,01,696 | Tribunal | Rs.2,37,655 has been paid under protest |
| 1,99,984 | Commissioner (Appeals) | Rs.9,000 has been paid under protest |
| 2. Electricity tax (₹): | | |
| 20,80,980/- | Honourable Supreme Court of India | Interim stay for the payment of the taxes had been granted by the Honourable High Court of Madras. The appeal is pending disposal by the Honourable Supreme Court of India. |

3. Income Tax (₹):

| | | |
|-----------------------------|---------------------------|---|
| 6,25,26,170 (AY 2008-09) | Commissioner (Appeals) | Rectification petition u/s 154 of Income tax Act, 1961 is pending before the Assessing Officer and the appeal is pending before the Commissioner (Appeals). Rs.2,00,00,000 has been paid under protest. |
| 7,40,32,760 (AY 2010-11) | Commissioner (Appeals) | First appeal is disposed on 18/04/2017 and the company has won the appeal. Disputed demand paid to the tune of Rs 2 crores has been adjusted against the demand for the AY 2014-15 |
| 1,31,91,900 (AY 2011-12) | Commissioner (Appeals) | Appeal is pending before the Commissioner (Appeals). Rs. 66,00,000 has been paid under protest |
| 2,12,13,030 (AY 2012-13) | Commissioner (Appeals) | Appeal is pending before the Commissioner (Appeals) |
| 3,40,01,530 (AY 2013-14) | Commissioner (Appeals) | Appeal is pending before the Commissioner (Appeals) |
| 4,11,86,530 (AY 2014-15) | Commissioner (Appeals) | Appeal is pending before the Commissioner (Appeals). Rs 2 crores paid under dispute for the AY 2010-11 has been adjusted against the demand for this year and Rs. 62,00,000 has been paid under protest. |

8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company does not have any borrowings by way of debentures.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company did not obtain any term loan during the year.
10. According to the information & explanations given to us, no material fraud by the Company or on the Company by its officers or its employees has been noticed or reported during the year in the course of our audit.



11. According to the information and explanations given to us managerial remuneration to the extent of Rs.1,37,92,660/- has been paid in excess of the limits prescribed under section 197 read with Schedule V of the Act. However, the Company is taking adequate steps to comply with the requirements.
12. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph, 3(xv) of the order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For T. Selvaraj & Co
Chartered Accountants
Firm Registration No: 003703S

S. Vidya
Partner
Membership No: 217934

Place: Chennai
Date : 25th May, 2017

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TCP LTD ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **T Selvaraj & Co.**,
Chartered Accountants
Firm Registration No. 003703S

S Vidya
Partner
Membership No. 217934

Place: Chennai
Date : 25th May 2017

T C P LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

| Particulars | Note No. | As at 31 March, 2017 | As at 31 March, 2016 |
|------------------------------------|----------|-------------------------|-------------------------|
| | | ₹ | ₹ |
| A EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| (a) Share capital | 3 | 5,03,19,090 | 5,03,19,090 |
| (b) Reserves and surplus | 4 | 4,01,35,49,747 | 3,81,42,11,549 |
| | | 4,06,38,68,837 | 3,86,45,30,639 |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 5 | 24,97,64,468 | 21,49,55,005 |
| (b) Deferred tax liabilities (net) | 6 | 3,19,85,374 | 2,63,12,590 |
| (c) Other long-term liabilities | 7 | 3,35,49,751 | 65,34,49,751 |
| (d) Long-term provisions | 8 | 85,21,104 | 76,19,523 |
| | | 32,38,20,697 | 90,23,36,869 |
| Current liabilities | | | |
| (a) Short-term borrowings | 9 | 47,80,82,315 | 50,27,21,809 |
| (b) Trade payables | 10 | 29,70,62,669 | 37,74,43,434 |
| (c) Other current liabilities | 11 | 30,73,92,885 | 46,85,56,820 |
| (d) Short-term provisions | 12 | 2,18,79,003 | 2,25,07,749 |
| | | 1,10,44,16,872 | 1,37,12,29,812 |
| Total | | 5,49,21,06,406 | 6,13,80,97,320 |
| B ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 13 | 1,04,38,49,898 | 1,08,42,32,643 |
| (ii) In-Tangible assets | | 46,01,755 | 60,92,878 |
| (ii) Capital work-in-progress | | 11,32,96,137 | 11,32,95,197 |
| | | 1,16,17,47,790 | 1,20,36,20,718 |
| (b) Non-current investments | 14 | 2,29,81,79,897 | 2,39,61,19,897 |
| (c) Long-term loans and advances | 15 | 5,23,37,135 | 4,25,56,976 |
| | | 2,35,05,17,032 | 2,43,86,76,873 |
| Current assets | | | |
| (a) Current investments | | | |
| a) Inventories | 16 | 66,46,48,379 | 1,03,11,70,663 |
| b) Trade receivables | 17 | 77,56,00,707 | 94,09,28,814 |
| c) Cash and cash equivalents | 18 | 5,27,51,905 | 5,23,06,554 |
| d) Short-term loans and advances | 19 | 48,68,40,593 | 47,13,93,698 |
| | | 1,97,98,41,584 | 2,49,57,99,729 |
| Total | | 5,49,21,06,406 | 6,13,80,97,320 |

See accompanying notes forming part of the financial statements -26
Vide our report of even date

For **T. SELVARAJ & CO.,**
Chartered Accountants
Firm Regn No.003703S

V R VENKATAACHALAM
Managing Director

S VIDYA
Partner
Membership No. 217934

V RAJASEKARAN
Executive Director

Place: Chennai
Date : 25th May, 2017

RAVI SELVARAJAN
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

| Particulars | Note No. | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|--|----------|--------------------------------------|--------------------------------------|
| | | ₹ | ₹ |
| CONTINUING OPERATIONS | | | |
| Revenue from operations (gross) | 20 | 3,20,35,68,654 | 2,88,99,30,723 |
| Less: Excise duty | | 8,77,52,753 | 8,02,40,628 |
| Revenue from operations (net) | | 3,11,58,15,901 | 2,80,96,90,095 |
| Other income | 21 | 1,25,59,313 | 58,62,899 |
| Total revenue | | 3,12,83,75,214 | 2,81,55,52,994 |
| Expenses | | | |
| (a) Cost of materials consumed | 22a | 1,64,49,43,206 | 1,60,10,56,476 |
| (b) Purchases of stock-in-trade | 22b | 14,17,03,995 | - |
| (c) Changes in inventories of finished goods & work-in-progress | 22c | 6,55,81,063 | (1,53,56,555) |
| (d) Employee benefits expense | 23 | 22,82,87,531 | 23,58,34,618 |
| (e) Finance costs | 24 | 5,56,33,719 | 7,71,90,066 |
| (f) Depreciation | 13 | 6,00,48,663 | 5,95,84,294 |
| (g) Other expenses | 25 | 64,22,09,768 | 60,61,78,017 |
| Total expenses | | 2,83,84,07,945 | 2,56,44,86,916 |
| Profit before exceptional and extraordinary items and tax | | 28,99,67,269 | 25,10,66,078 |
| Exceptional items | | - | - |
| Profit before extraordinary items and tax | | 28,99,67,269 | 25,10,66,078 |
| Profit before extraordinary items and tax | | 28,99,67,269 | 25,10,66,078 |
| Extraordinary items | | - | - |
| Profit before tax | | 28,99,67,269 | 25,10,66,078 |
| Tax expense: | | | |
| (a) Current tax expense for current year | | 7,89,00,000 | 6,85,00,000 |
| (b) Taxes relating to earlier years | | - | (3,71,308) |
| (c) Deferred tax (net) | | 56,72,784 | 1,01,24,210 |
| | | 8,45,72,784 | 7,82,52,902 |
| Profit from continuing operations | | 20,53,94,485 | 17,28,13,176 |
| Profit from Total Operations | | 20,53,94,485 | 17,28,13,176 |
| Profit for the year | | 20,53,94,485 | 17,28,13,176 |
| Earnings per Equity share : | | | |
| Basic and Diluted | | | |
| (i) Continuing operations | | 41 | 34 |
| (ii) Total operations | | 41 | 34 |

See accompanying notes forming part of the financial statements -26
Vide our report of even date

For **T. SELVARAJ & CO.**,
Chartered Accountants
Firm Regn No.003703S

V R VENKATAACHALAM
Managing Director

S VIDYA
Partner
Membership No. 217934

V RAJASEKARAN
Executive Director

Place: Chennai
Date : 25th May, 2017

RAVI SELVARAJAN
Company Secretary

T C P LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| Particulars | 31 March 2017 | | 31 March 2016 | |
|---|----------------|----------------------|----------------|----------------------|
| | ₹ | ₹ | ₹ | ₹ |
| A. Cash Flow From Operating Activities | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | 28,99,67,269 | | 25,10,66,078 |
| Adjustments for: | | | | |
| Depreciation and amortisation | 6,00,48,663 | | 5,95,84,294 | |
| Interest income | (80,79,482) | | (50,84,675) | |
| Interest paid | 5,56,33,719 | | 7,71,90,066 | |
| Dividend Income | (38,26,955) | | - | |
| | | 10,37,75,945 | | 13,16,89,685 |
| Operating profit / (loss) before working capital changes | | 39,37,43,214 | | 38,27,55,763 |
| Changes in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| Inventories | 36,65,22,284 | | (7,52,65,152) | |
| Trade receivables | 16,53,28,107 | | 2,54,04,031 | |
| Short term loans and advances | (71,47,978) | | (2,78,33,013) | |
| Long term loans and advances | (97,80,159) | | 82,30,293 | |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Short term borrowings | (2,46,39,494) | | 5,74,57,102 | |
| Trade Payables | (8,03,80,765) | | 5,70,45,158 | |
| Other current liabilities | (16,11,63,934) | | (67,10,159) | |
| Short term provisions | (6,28,746) | | 82,89,631 | |
| Long term provisions | 9,01,581 | | 23,25,110 | |
| Other long term liabilities | (61,99,00,000) | | (15,37,59,496) | |
| | | (37,08,89,104) | | (10,48,16,495) |
| | | 2,28,54,110 | | 27,79,39,268 |
| Net income tax (paid) / refunds | | (8,82,23,296) | | (13,69,47,386) |
| Net cash flow from/(used in) operating activities (A) | | (6,53,69,186) | | 14,09,91,882 |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets, including capital advances (net) | (1,81,75,735) | | (6,35,77,971) | |
| Proceeds from sale of Investments | 9,79,40,000 | | - | |
| Dividend income | 38,26,955 | | - | |
| Bank balances not considered as cash & cash equivalents | 202 | | 17,86,400 | |
| Interest received | 80,79,482 | | 50,84,675 | |
| | | 9,16,70,904 | | (5,67,06,896) |
| Net cash flow from / (used in) investing activities (B) | | 9,16,70,904 | | (5,67,06,896) |



| Particulars | 31 March 2017 | | 31 March 2016 | |
|---|---------------|---------------|---------------|---------------|
| | ₹ | ₹ | ₹ | ₹ |
| C. Cash flow from financing activities | | | | |
| Proceeds from long-term borrowings | 3,48,09,463 | | 52,65,172 | |
| Dividend Paid | (50,31,909) | | (50,31,909) | |
| Finance cost | (5,56,33,719) | | (7,71,90,066) | |
| | | (2,58,56,165) | | (7,69,56,803) |
| Net cash flow from/(used in) financing activities (C) | | (2,58,56,165) | | (7,69,56,803) |
| Net increase/(decrease) in Cash and cash equivalents (A+B+C) | | 4,45,553 | | 73,28,183 |
| Cash and cash equivalents at the beginning of the year | | 1,21,96,156 | | 48,67,973 |
| Cash and cash equivalents at the end of the year* | | 1,26,41,709 | | 1,21,96,156 |
| * Comprises: | | | | |
| (a) Cash on hand | | 17,54,432 | | 25,18,429 |
| (b) Balances with banks | | | | |
| (i) In current accounts | | 1,08,87,277 | | 96,77,727 |
| | | 1,26,41,709 | | 1,21,96,156 |

See accompanying notes forming part of the financial statements

In terms of our report attached

For **T. SELVARAJ & CO.,**
Chartered Accountants
Firm Regn No.003703S

V R VENKATAACHALAM
Managing Director

S VIDYA
Partner
Membership No. 217934

V RAJASEKARAN
Executive Director

Place: Chennai
Date : 25th May, 2017

RAVI SELVARAJAN
Company Secretary

AUDITOR'S CERTIFICATE

We have verified the above statement with the books and records maintained by TCP Limited and certify that in our opinion and according to the information and explanations given, the above statement is in accordance therewith.

for **T SELVARAJ & CO.,**
Chartered Accountants
Firm Regn No.003703S

Place : Chennai
Date : 25th May, 2017

S VIDYA
Partner
Membership No. 217934

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

1. CORPORATE INFORMATION:

TCP Ltd (the Company) is a Public Limited Company incorporated under the Companies Act, 1956. The Company is engaged in the business of manufacture and sale of Sodium Hydrosulphite, Liquid Sulphur Dioxide and generation and sale of power.

2. BASIS OF PREPARATION:

The financial statements have been prepared in conformity with the Generally Accepted Accounting Principles (GAAP) to comply, in all material respects, with the notified Accounting Standards ('AS') under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, and other applicable provisions of the Act. The financial statements have been prepared under the historical cost convention and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised / settled within 12 months from the date of financial statements are classified as current and other assets / liabilities are classified as non-current.

2.1 SIGNIFICANT ACCOUNTING POLICIES:

Use of estimates

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognised prospectively in the current and future years.

Property, Plant & Equipment / Intangible Fixed Assets, Depreciation / Amortisation and Impairment

Property, Plant & Equipment

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation and impairment losses, if any. All costs directly attributable to bring the fixed assets to its working condition for its intended use and borrowing costs on specified borrowings relating to the acquisition of fixed assets up to the date of commercial production are included in the cost of acquisition. CENVAT credit availed, wherever applicable, due to purchase of fixed assets, is deducted from the cost.



Depreciation on Property, Plant & Equipment

- a) Depreciation on Fixed assets has been provided on Straight Line method over the useful life of assets as specified in the Schedule II of the Companies Act, 2013.
- b) Depreciation on assets acquired / sold during the year is provided on a *pro rata* basis in the statement of profit and loss viz., in the case of additions from the date of installation and in the case of sale till the date of sale.
- c) Individual fixed assets costing Rs.5,000 or less are fully depreciated in the year of their installation.

Intangible Assets

Intangible assets consisting of technical know-how, which is acquired, has been stated at cost. Amortisation of Intangible assets has been provided over a period of 5 years as evaluated by the management.

Capital Work-in-progress

All expenditure, including advances paid, for acquisition of fixed assets which are not put to use before the year-end date are accumulated and disclosed under Capital work-in-progress. The value of Capital work-in-progress is reduced for CENVAT credit availed, wherever applicable. Assets under construction are not depreciated.

Impairment of Assets

- a) The company determines the Impairment of Assets based on Cash Generating Units. For this purpose, the Cash Generating Units have been taken on segments of operations viz., Chemical, Power, Biomass, Wind Mills and Others (Leased Unit). The carrying amount of the Cash Generating Units is assessed at each Balance Sheet date for any indication of impairment based on internal/external factors.
- b) If any indication of impairment exists, then the company estimates the recoverable amount. If such recoverable amount is less than the carrying amount, the carrying amount is reduced to its recoverable amount.
- c) The reduction in the carrying amount is treated as an impairment loss and is recognised in the Profit and Loss Account.
- d) If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.
- e) Since, currently there are no indications of impairment of assets, based on the assessment, the recoverable amount of the Cash Generating Units is not determined.

Investments

- a) Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.
- b) The company holds only non-current investments, which are carried at cost. However, provision for diminution in value is made to recognise a decline, other than a temporary decline, in the value of the investments and is determined separately for each individual investment.

- c) Current Investments, if held, are carried at the lower of cost or fair market value determined on an individual investment basis.

Valuation of Inventories

Inventories are valued at cost or net realisable value, whichever is lower.

- Raw materials : Raw materials are valued at the purchase cost, viz., the landed cost, including Excise Duty & VAT ITC (Net of CENVAT & VAT ITC credit, wherever applicable) by using the weighted average cost formula or the net realisable value, whichever is lower.
- Work-in-process : Work-in-process is valued at cost, which includes the cost of raw materials and an appropriate share of production overheads on weighted average cost basis up to the stage of completion or the net realisable value, whichever is lower.
- Finished Goods : Finished Goods are valued at the lower of the cost or net realisable value and are inclusive of excise duty. The cost includes landed cost of Raw materials consumed, conversion costs and other costs directly attributable to bring the finished goods to the present location and condition, as reduced by recovery of by-products.
- Consumable Stores : Consumable Stores are those materials waiting to be consumed in the production process and are valued at the purchase cost viz., the landed cost of the materials including Excise Duty & VAT ITC (Net of CENVAT & VAT ITC credit, wherever applicable) by using the weighted average cost formula or net realisable value, whichever is lower.
- Machinery Spares : Machinery spares, consisting those items that are not specific to a particular item of fixed asset, but can be used generally for various items of fixed assets and are consumed in the ordinary course of operations, are valued at cost or net realisable value, whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business less estimated expenses for transacting the sale.

Cash Flow Statement

Cash Flow Statement has been prepared under Indirect Method. Cash and Cash Equivalents comprise Cash-in-Hand, cash in Current Accounts and Other Accounts (including Fixed Deposits) held with Banks, cheques on hand and remittances in transit.

Contingencies and Events occurring after the Balance Sheet Date

- a) Assets and Liabilities are adjusted for events occurring after the Balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the Balance Sheet date.



- b) Dividends, which are proposed /declared by the company after the Balance Sheet date but before the approval of the Financial Statements, are adjusted.

Net Profit or Loss for the period, Prior period items and Changes in Accounting Policies

There are no extraordinary items of significant nature and Prior period income and expenditure to be accounted in accordance with Accounting Standard 5.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods:

- a) Revenue in respect of sale of goods is recognised only when the significant risks and rewards of ownership of the goods have passed to the buyer.
- b) Sales are accounted net of excise duty, sales tax, sales returns, and Quantity and Trade discounts.
- c) Excise Duty deducted from the Gross Turnover is the amount that is included in the Gross Turnover. The difference of Excise Duty in the Opening Stock and Closing Stock of Finished goods is recognised in the Profit and Loss Account.

Interest:

Revenue is recognised on a time proportion basis taking into account the outstanding amount and the rate applicable.

Dividend:

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

Other Income:

Interest accrued on Investments in National Savings Certificates is accounted on receipt basis as the amount is not material. Other items of revenue are recognised in accordance with the Accounting Standard (AS-9).

Research and Development expenditure

Revenue expenditure incurred on Research and Development is charged against profits of the year in which it is incurred. Capital expenditure incurred on Research and Development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the company.

Foreign currency transactions and exchange differences

Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency prevailing on the date of the respective transactions.

Recognition on Balance Sheet date:

Monetary items denominated in foreign currencies as at the Balance Sheet date are translated at the closing rate.

Recognition of Exchange Differences:

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded, either during the year or in the previous years, are recognised as Income or as expense in the year in which they arise. The exchange differences arising out of translation of the monetary items at the closing rate are recognised in the Profit and Loss Account.

Forward Exchange Contracts:

Forward Exchange Contracts are entered into to hedge the foreign currency risk. The premium on all such contracts arising at the inception of the contract is amortised as expense over the tenor of the contract period. Any profit or loss on settlement of transaction arising on cancellation or renewal of Forward Exchange Contracts is recognised as income or expense for the period.

Employee Benefits**Leave Encashment:**

Leave encashment and compensated absences are provided for on the basis of an external actuarial valuation done as per the projected unit credit method as at the end of the year.

Provident Fund:

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan, in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its contribution and recognises such contribution as an expense in the year it is incurred.

Gratuity:

The Company provides for the gratuity, a defined benefit retirement plan covering all eligible employees. The plan provides for lump sum payments to employees as provided in 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the end of year.

Borrowing Costs

Borrowing costs, directly attributable to acquisition of fixed assets, are capitalised as a part of the cost of the fixed asset up to the date the asset is put to use. All other borrowing costs are charged to revenue in the year in which they are incurred.



Segment Reporting

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services and different markets. The analysis of geographical segments is based on the areas in which the operating divisions of the company operate.

Accordingly, the company's products and services are classified under five primary business segments viz., Chemical, Power, Biomass, Windmills and Others (Leased Unit). Revenue, Profit and value of fixed assets are classified under the aforesaid segments.

The company's revenue and assets are also classified under two secondary business segments viz., Domestic and International, on the basis of its geographical market.

Unallocated items:

Unallocated items include income and expenses which are not allocated to any reportable business segment.

Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Related Party Disclosures

Information on transactions with related parties has been provided in the format specified by ASI-13. Disclosure is made, party wise, in respect of material related party transactions as specified by ASI-13.

Remuneration to Key Management Personnel, other than Independent Non-Executive Directors, is disclosed as 'Related Party Transactions' as per the Accounting Standard and its Interpretation.

Earnings per Share

- a) Basic Earnings per share has been computed by dividing the Net Profit for the year attributable to the Equity shareholders by the Weighted Average number of Equity shares outstanding during the year.
- b) Diluted Earnings per share has been computed based on the fully paid-up value of the Equity shares issued.

Provision for Current tax and Deferred tax recognition

- a) Income tax expense is accounted in accordance with AS-22 "Accounting for Taxes on Income". This comprises Current tax and Deferred tax. Provision for Current tax is made at the amount expected to be paid in accordance with the Income Tax laws.

- b) Deferred tax is the result of the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred Tax Assets, whenever applicable, is recognised and carried forward only to the extent that there is reasonable certainty, and in case of unabsorbed depreciation and carried forward losses only to the extent that there is virtual certainty, supported by convincing evidence, that sufficient future taxable income will be available against which such deferred tax asset can be realised.
- c) In accordance with ASI-3 “Accounting for taxes on Income-Sec 80 IA & 80 IB”, the deferred tax in respect of the timing differences which originate during the tax holiday period but reverse after the tax holiday period, shall be recognised in the year in which the timing difference originate, subject to consideration of prudence. Timing differences, which originate first, shall be considered for reversing first.
- d) In accordance with ASI-6 “Accounting for taxes on Income –Sec 115 JB under the IT Act”, in a year in which the company pays tax under sec 115 JB (MAT), the Deferred Tax Asset/ Deferred Tax Liability in respect of the timing differences arising during the year, tax effect of which is required to be recognised under AS-22, shall be measured using the ‘regular tax rates’ and not the tax rate under sec 115 JB.

Provisions and Contingent Liabilities

- a) The company creates a provision where there is a present obligation as a result of a past event, which could be reliably estimated, and it is probable that an outflow of resources embodying economic benefits will be required for its settlement.
- b) Disclosures for a contingent liability are made when there is a possible obligation or a present obligation that probably will not require an outflow of resources.

Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



Note 3 Share Capital

| Particulars | As at 31 March, 2017 | | As at 31 March, 2016 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Number of shares | ₹ | Number of shares | ₹ |
| (a) Authorised | | | | |
| Equity shares of ₹ 10/- each with voting rights | 1,17,50,000 | 11,75,00,000 | 1,17,50,000 | 11,75,00,000 |
| 11% Cumulative Redeemable preference shares of ₹ 100/- each | 25,000 | 25,00,000 | 25,000 | 25,00,000 |
| (b) Issued | | | | |
| Equity shares of ₹ 10/- each with voting rights | 50,31,909 | 5,03,19,090 | 50,31,909 | 5,03,19,090 |
| (c) Subscribed and fully paid up | | | | |
| Equity shares of ₹ 10/- each with voting rights | 50,31,909 | 5,03,19,090 | 50,31,909 | 5,03,19,090 |
| Total | 50,31,909 | 5,03,19,090 | 50,31,909 | 5,03,19,090 |

(i) There has been no movement in Equity Share Capital during the year.

There has been no movement in Equity Share Capital during the year. The company has only one class of Equity Shares having a par value of ₹ 10/-. Each Holder is entitled to one vote per equity share. Dividend proposed by the Board of Directors is subject to the approval of the Shareholders at the ANNUAL GENERAL MEETING. The amount of dividend proposed to be distributed to Equity Shareholders is ₹ 50,31,909/- and the related amount per Equity Share is ₹ 1/-.

(ii) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March, 2017 | | As at 31 March, 2016 | |
|--|-----------------------|-----------------------------------|----------------------|-----------------------------------|
| | Number of shares held | % Holding in that class of Shares | No. of shares held | % Holding in that class of shares |
| Equity shares with voting rights of ₹10/- each | | | | |
| The Thiruvalluvar Textiles Pvt Ltd., | 13,08,300 | 26.00 | 13,08,300 | 26.00 |
| Shri V R Venkataachalam | 12,30,359 | 24.46 | 12,31,959 | 24.48 |
| ICL Financial Services Ltd | 4,59,480 | 9.13 | 4,59,480 | 9.13 |
| Shri V Sengutuvan | 3,61,764 | 7.19 | 3,61,764 | 7.19 |
| ICL Securities Ltd | 2,70,272 | 5.37 | 2,70,272 | 5.37 |

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Note 4 Reserves and Surplus

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|---|------------------------------|------------------------------|
| (a) Capital reserve | | |
| Opening balance | 1,250 | 1,250 |
| Add: Additions during the year | - | - |
| Closing balance | 1,250 | 1,250 |
| (b) Capital redemption reserve | | |
| Opening balance | 25,00,000 | 25,00,000 |
| Add: Additions during the year | - | - |
| Closing balance | 25,00,000 | 25,00,000 |
| (c) General reserve | | |
| Opening balance | 1,95,63,60,491 | 1,90,63,60,491 |
| Add: Transferred from surplus in Statement of Profit & Loss | 5,00,00,000 | 5,00,00,000 |
| Closing balance | 2,00,63,60,491 | 1,95,63,60,491 |
| (d) Surplus in Statement of Profit and Loss | | |
| Opening balance | 1,85,53,49,808 | 1,73,85,92,919 |
| Add : Profit for the year | 20,53,94,485 | 17,28,13,176 |
| Less : Proposed dividend @ ₹1/- per share | 50,31,909 | 50,31,909 |
| Tax on dividend | 10,24,378 | 10,24,378 |
| Transfer to General reserve | 5,00,00,000 | 5,00,00,000 |
| Closing balance | 2,00,46,88,006 | 1,85,53,49,808 |
| Total | 4,01,35,49,747 | 3,81,42,11,549 |



Note 5 Long-term borrowings

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|---------------------------------------|------------------------------|------------------------------|
| (Unsecured-Considered good) | | |
| (a) Other Loans | | |
| Key Management Personnel | 4,82,14,100 | 3,16,98,751 |
| Relatives of Key Management Personnel | 5,15,96,368 | 5,09,39,254 |
| Others | 97,00,000 | 97,00,000 |
| | 10,95,10,468 | 9,23,38,005 |
| (b) Deposits | | |
| Key Management Personnel | 64,000 | 64,000 |
| Relatives of Key Management Personnel | - | 52,00,000 |
| Others | 14,01,90,000 | 11,73,53,000 |
| | 14,02,54,000 | 12,26,17,000 |
| Total | 24,97,64,468 | 21,49,55,005 |

Note 6

Deferred tax (liability) / asset

Tax effect of items constituting deferred tax liability

| | | |
|--|----------------------|----------------------|
| On difference between book balance and tax balance of fixed assets | (5,82,50,708) | (5,32,90,692) |
| Provision for Diminution in value of investments | (6,74,754) | (6,74,754) |
| Tax effect of items constituting deferred tax liability | (5,89,25,462) | (5,39,65,446) |

Tax effect of items constituting deferred tax assets

| | | |
|---|----------------------|----------------------|
| Provision for employee benefits | 29,41,591 | 57,81,828 |
| Provision for Bonus | 78,59,907 | 57,35,034 |
| Provision for Customs Duty | 1,61,35,994 | 1,61,35,994 |
| Provision for disallowance under Sec 40(a)(ia) | 2,596 | - |
| Tax effect of items constituting deferred tax assets | 2,69,40,088 | 2,76,52,856 |
| Net deferred tax (liability) / asset | (3,19,85,374) | (2,63,12,590) |

Note 7 Other long-term liabilities

| | | |
|---------------------------------|--------------------|---------------------|
| (a) Unsecured, considered good: | | |
| Security deposits received | 86,60,927 | 85,60,927 |
| Other long term Liabilities | 2,48,88,824 | 64,48,88,824 |
| Total | 3,35,49,751 | 65,34,49,751 |

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Note 8 Long-term provisions

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|--|------------------------------|------------------------------|
| a) Provision for employee benefits: | | |
| (i) Provision for Compensated Absences | 85,21,104 | 76,19,523 |
| Total | 85,21,104 | 76,19,523 |

Note 9 Short-term borrowings

| Loans repayable on demand | | |
|----------------------------------|---------------------|---------------------|
| (A) From banks - Secured | | |
| Cash Credit | | |
| Indian Overseas Bank | 18,55,37,483 | 22,64,85,529 |
| State Bank of India | 8,54,68,080 | 6,80,21,247 |
| IDBI Bank | 17,75,76,752 | 17,87,15,033 |
| | 44,85,82,315 | 47,32,21,809 |
| Unsecured - Considered Good | | |
| (B) Inter Corporate Deposit | 2,95,00,000 | 2,95,00,000 |
| Total | 47,80,82,315 | 50,27,21,809 |

Note: Cash Credit borrowings from Banks are Secured by a Pari Passu first charge on the Inventory of raw materials, stores & spares and finished goods and a Pari Passu second charge on the Fixed Assets of the Company (movable and im-movable assets) except wind mills, the Corporate Office Building and specific land & building situated at Bawa Road, Chennai and is collaterally secured by the Personal Guarantee of Shri V R Venkataachalam, Promoter director of the Company.

Note 10 Trade payables

| Trade payables: | | |
|------------------------|---------------------|---------------------|
| Acceptances | - | 22,73,40,645 |
| Other than Acceptances | 29,70,62,669 | 15,01,02,789 |
| Total | 29,70,62,669 | 37,74,43,434 |



Note 11 Other current liabilities

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|--|------------------------------|------------------------------|
| (a) Current maturities of long-term debt * (See note below) | 4,25,54,000 | 11,28,36,000 |
| (b) Interest accrued but not due on borrowings | 75,07,077 | 89,38,809 |
| (c) Interest accrued and due on borrowings | | |
| Key Management Personnel | 93,964 | 14,30,037 |
| Relatives of Key Management Personnel | 2,71,82,349 | 2,44,81,573 |
| Related parties | 98,21,393 | 91,06,293 |
| (d) Other payables | | |
| (i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) | 98,45,689 | 97,17,517 |
| (ii) Advances from customers | 1,86,80,108 | 1,41,53,290 |
| (iii) Others Current Liabilities | 19,17,08,305 | 28,78,93,301 |
| Total | 30,73,92,885 | 46,85,56,820 |

Note (i): Current maturities of long-term debt

| | | |
|--|--------------------|---------------------|
| (a) Deposits (Unsecured - considered good) | | |
| Key Management Personnel | - | 2,10,000 |
| Relatives of Key Management Personnel | 52,00,000 | - |
| Unclaimed | 65,30,000 | 59,76,000 |
| Others | 3,08,24,000 | 10,66,50,000 |
| Total | 4,25,54,000 | 11,28,36,000 |

Note 12 Short-term provisions

(a) Provision for employee benefits:

| | | |
|--|--------------------|--------------------|
| (i) Provision for bonus | 1,55,05,930 | 1,47,12,196 |
| (ii) Provision for Gratuity | (43,01,128) | (39,69,471) |
| (iii) Provision for Compensated Absences | 46,17,914 | 57,08,737 |
| | 1,58,22,716 | 1,64,51,462 |

(b) Provision - Others:

| | | |
|--|--------------------|--------------------|
| (i) Provision for proposed equity dividend | 50,31,909 | 50,31,909 |
| (ii) Provision for tax on proposed dividends | 10,24,378 | 10,24,378 |
| | 60,56,287 | 60,56,287 |
| Total | 2,18,79,003 | 2,25,07,749 |



Note 13 TANGIBLE ASSETS

In ₹

| TANGIBLE ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | |
|-------------------------------|-------------------|----------------------------------|-----------------------------------|-------------------|------------------|----------------------------|-------------------|--------------------|--------------------|
| | AS ON 1-Apr-16 | ADDITIONS DURING 2016-2017 | DEDUCTIONS DURING 2016-2017 | UPTO 31-Mar-17 | UPTO 1-Apr-16 | FOR THE YEAR 2016-17 | UPTO 31-Mar-17 | AS AT 31-Mar-17 | AS AT 31-Mar-16 |
| LAND | 18,39,94,268 | - | - | 18,39,94,268 | - | - | - | 18,39,94,268 | 18,39,94,268 |
| LEASEHOLD LAND | 18,45,672 | - | - | 18,45,672 | - | - | - | 18,45,672 | 18,45,672 |
| LEASEHOLD BUILDINGS | 3,06,89,718 | - | - | 3,06,89,718 | 1,99,43,902 | 5,11,741 | 2,04,55,643 | 1,02,34,075 | 1,07,45,816 |
| BUILDINGS | 33,87,13,267 | 21,600 | - | 33,87,34,867 | 18,98,50,214 | 65,12,749 | 19,63,82,963 | 14,23,71,904 | 14,88,63,053 |
| PLANT & MACHINERY | 2,72,07,44,008 | 1,54,04,308 | - | 2,73,61,48,316 | 2,01,77,85,067 | 4,42,48,473 | 2,06,20,33,540 | 67,41,14,776 | 70,29,58,941 |
| WATER SUPPLY WORKS | 53,88,194 | - | - | 53,88,194 | 31,56,303 | 95,929 | 32,54,232 | 21,33,962 | 22,29,891 |
| COMPUTERS | 1,21,20,001 | 10,98,677 | - | 1,32,18,678 | 1,18,52,901 | 10,16,150 | 1,28,69,051 | 3,49,627 | 2,67,100 |
| OFFICE EQUIPMENTS | 53,40,445 | 43,224 | - | 53,83,669 | 48,08,079 | 89,341 | 48,97,420 | 4,86,249 | 5,32,366 |
| MISCELLANEOUS EQUIPMENTS | 2,08,87,508 | 6,89,920 | - | 2,15,77,428 | 1,32,97,477 | 22,08,086 | 1,55,05,563 | 60,71,865 | 75,90,031 |
| FURNITURE & FITTINGS | 90,75,052 | 8,67,855 | - | 99,42,907 | 62,06,816 | 3,62,328 | 65,69,144 | 33,73,763 | 28,68,235 |
| VEHICLES | 5,96,56,615 | 49,210 | - | 5,97,05,825 | 3,93,95,641 | 35,12,743 | 4,29,08,384 | 1,67,97,441 | 2,02,60,974 |
| TECHNICAL KNOWHOW (ERP - TA) | 22,94,250 | - | - | 22,94,250 | 2,17,954 | - | 2,17,954 | 20,76,296 | 20,76,296 |
| INTANGIBLE ASSETS | 3,39,07,48,998 | 1,81,74,794 | - | 3,40,89,23,791 | 2,30,65,16,354 | 5,85,57,540 | 2,36,50,73,894 | 1,04,38,49,898 | 1,08,42,32,644 |
| TECHNICAL KNOWHOW (ERP- ITA) | 78,48,015 | - | - | 78,48,015 | 17,55,137 | 14,91,123 | 32,46,260 | 46,01,755 | 60,92,878 |
| CAPITAL WORK IN PROGRESS | 3,39,85,97,013 | 1,81,74,794 | - | 3,41,67,71,807 | 2,30,82,71,491 | 6,00,48,663 | 2,36,83,20,154 | 1,04,84,51,653 | 1,09,03,25,521 |
| TOTAL | 11,32,95,197 | 940 | - | 11,32,96,137 | 2,30,82,71,491 | 6,00,48,663 | 2,36,83,20,154 | 11,32,96,137 | 11,32,95,197 |
| Previous Year Figures | 3,51,18,92,209 | 1,81,75,735 | - | 3,53,00,67,944 | 2,30,82,71,491 | 6,00,48,663 | 2,36,83,20,154 | 1,16,17,47,790 | 1,20,36,20,718 |
| | (3,44,83,14,238) | (6,35,77,972) | - | (3,51,18,92,210) | (2,24,86,87,197) | (5,95,84,294) | (2,30,82,71,491) | (1,20,36,20,719) | (1,19,96,27,042) |



Note 14 Non-current and Non-Trade investments

| Particulars | As at 31 March, 2017 | | As at 31 March, 2016 | |
|---|----------------------|-----------------------|-----------------------|--|
| | Quoted ₹ | Unquoted ₹ | Total ₹ | Total ₹ |
| (a) Investment in equity Shares | | | | |
| Investment in equity instruments | | | | |
| (i) of subsidiaries | | | | |
| M/s TCP Hotels Pvt Ltd., | | 8,93,25,110 | 8,93,25,110 | 8,93,25,110 |
| (iii) of other Companies | | | | |
| M/s Thiruvalluvar Textiles Pvt Ltd., | | 70,00,000 | 70,00,000 | 70,00,000 |
| M/s Binny Mills Ltd., | 13,57,883 | | 13,57,883 | 13,57,883 |
| M/s Jugal Chemicals Ltd., | 1,00,000 | | 1,00,000 | 1,00,000 |
| M/s Madras Stock Exchange Ltd., | 35,97,500 | | 35,97,500 | 35,97,500 |
| M/s Clariant Chemicals (India) Ltd., | 42,012 | | 42,012 | 42,012 |
| M/s Indian Overseas Bank | 6,01,600 | | 6,01,600 | 6,01,600 |
| M/s IDBI Bank Ltd., | 23,25,600 | | 23,25,600 | 23,25,600 |
| M/s Kamar Chemicals & Industries Ltd., | 22,27,240 | | 22,27,240 | 22,27,240 |
| M/s Allahabad Bank | 1,77,000 | | 1,77,000 | 1,77,000 |
| TOTAL (A) | 67,31,335 | 10,00,22,610 | 10,67,53,945 | 10,67,53,945 |
| (Aggregate market value - Quoted Investments as on 31.03.2017 is Rs.68,20,182/- (31.03.2016 - Rs. 62,15,500/-) | | | | |
| (b) Investment in preference shares | | | | |
| (i) of Related Parties | | | | |
| M/s Binny Mills Ltd | | 1,38,02,70,330 | 1,38,02,70,330 | 1,38,32,10,330 |
| M/s Thiruvalluvar Textiles Pvt Ltd | | 81,20,37,262 | 81,20,37,262 | 90,70,37,262 |
| TOTAL (B) | - | 2,19,23,07,592 | 2,19,23,07,592 | 2,29,02,47,592 |
| (c) Investment in government or trust securities | | | | |
| (i) National Savings Certificates | | | | |
| | | 23,000 | 23,000 | 23,000 |
| TOTAL (C) | - | 23,000 | 23,000 | 23,000 |
| Total (A+B+C) | 67,31,335 | 2,29,23,53,202 | 2,29,90,84,537 | 67,31,335 2,39,02,93,202 2,39,70,24,537 |
| Less: Provision for diminution in value of investments in respect of M/s Kamar Chemicals and Industries Ltd. | 9,04,640 | | 9,04,640 | 9,04,640 |
| Total | 58,26,695 | 2,29,23,53,202 | 2,29,81,79,897 | 58,26,695 2,39,02,93,202 2,39,61,19,897 |

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Note 15 Long-term loans and advances

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|--|------------------------------|------------------------------|
| Un-Secured- considered good | | |
| (a) Capital advances | 1,23,95,852 | 42,76,059 |
| (b) Security deposits | 2,47,27,791 | 2,30,72,365 |
| (c) Loans and advances to related parties (Refer Note below) | 1,52,13,492 | 1,52,08,552 |
| Total | 5,23,37,135 | 4,25,56,976 |

Note: Loans and Advances amounting to ₹ 1,52,13,492/- (₹ 1,52,08,552/-) given to Binny Mills Ltd., a company in which six directors of the Company are also directors, being advance given for purchase of an immovable property of Binny Mills Ltd., having an extent of about 3 acres, as identified by the Company, in terms of the Agreement of Sale entered into by the Company with Binny Mills Ltd., on 22nd May, 2010.

Note 16 Inventories (As Certified by the Management)

(At lower of cost and net realisable value)

| | | |
|--|---------------------|-----------------------|
| (a) Raw materials | 20,02,16,813 | 57,76,77,827 |
| Goods-in-transit | 17,73,23,851 | 11,07,74,219 |
| (b) Work-in-progress @ (Refer Note below) | 73,74,779 | 46,03,656 |
| (c) Finished goods (other than those acquired for trading) | 4,99,17,752 | 11,82,69,938 |
| (d) Stores and spares | 22,98,15,184 | 21,98,45,023 |
| Total | 66,46,48,379 | 1,03,11,70,663 |

Note: Details of inventory of work-in-progress

| | | |
|------------------|------------------|------------------|
| Sodium Formate | 7,22,427 | 8,49,332 |
| Caustic Soda Lye | 10,56,049 | 6,20,539 |
| Suphur | 1,35,949 | 1,59,066 |
| Others | 54,60,354 | 29,74,719 |
| Total | 73,74,779 | 46,03,656 |

Note 17 Trade receivables

Unsecured- considered good

Trade receivables outstanding for a period exceeding six months from the date they were due for payment

| | | |
|-------------------------|---------------------|---------------------|
| | 35,47,00,308 | 40,39,96,848 |
| Other Trade receivables | 42,09,00,399 | 53,69,31,966 |
| Total | 77,56,00,707 | 94,09,28,814 |



Note 18 Cash and cash equivalents

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|---|------------------------------|------------------------------|
| (a) Cash on hand | 17,54,432 | 25,18,429 |
| (b) Balances with banks | | |
| (i) In current accounts | 1,08,87,277 | 96,77,727 |
| (ii) Balances held as margin money for guarantees | 4,01,10,196 | 4,01,10,398 |
| Total | 5,27,51,905 | 5,23,06,554 |

Note 19 Short-term loans and advances

Unsecured - considered good

| | | |
|---|---------------------|---------------------|
| (a) Loans and advances to related parties | | |
| Subsidiary Company | 49,64,705 | 71,25,350 |
| (b) Loans and advances to employees | 81,07,177 | 82,15,276 |
| (c) Prepaid expenses | 1,12,80,377 | 96,64,469 |
| (d) Balances with government authorities | | |
| (i) CENVAT credit receivable | 20,31,128 | 14,28,757 |
| (iii) Service Tax credit receivable | 18,87,026 | 17,98,134 |
| (e) Inter-corporate deposits | | |
| Others | 1,00,00,000 | 1,00,00,000 |
| (f) Others Loans and Advances | 35,64,52,438 | 34,93,42,888 |
| (g) Advance Income Tax (net of provisions) | 9,21,17,742 | 8,38,18,824 |
| Total | 48,68,40,593 | 47,13,93,698 |

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Note 20 Revenue from operations

| Particulars | For the year ended | For the year ended |
|--|-----------------------|-----------------------|
| | 31 March, 2017 | 31 March, 2016 |
| | ₹ | ₹ |
| Sale of products (Refer (i) below) | 3,16,57,04,257 | 2,83,01,80,333 |
| Other operating revenues (Refer (ii) below) | 3,78,64,397 | 5,97,50,390 |
| Total | 3,20,35,68,654 | 2,88,99,30,723 |
| (i) Sale of products comprises | | |
| Manufactured goods | | |
| Sodium Hydrosulphite | 81,00,76,727 | 74,29,64,188 |
| Liquid Sulphur Dioxide | 2,85,40,571 | 1,36,44,117 |
| Recovery Salts | 5,98,85,384 | 3,53,19,406 |
| Power | 2,12,02,02,523 | 2,03,74,41,619 |
| Coal Trading | 14,64,67,591 | - |
| Miscellaneous Sales | 5,31,461 | 8,11,003 |
| Total - Sale of manufactured and Traded goods | 3,16,57,04,257 | 2,83,01,80,333 |
| Total - Sale of products | 3,16,57,04,257 | 2,83,01,80,333 |
| (ii) Other operating revenues comprise: | | |
| Sales- Scrap | 54,64,079 | 63,61,835 |
| Sale of Renewable Energy Certificate | 1,13,22,856 | 1,22,92,858 |
| Export Incentive | 14,59,979 | 14,42,464 |
| Steam Transfer | - | 1,85,50,716 |
| Insurance Claims | - | 8,87,133 |
| Rent Received | 1,58,48,100 | 1,45,71,000 |
| Miscellaneous Income | 37,69,383 | 56,44,384 |
| Total - Other operating revenues | 3,78,64,397 | 5,97,50,390 |

Note 21 Other income

| | | |
|--|--------------------|------------------|
| (a) Interest income (Refer Note (i) below) | 80,79,482 | 50,84,675 |
| (b) Dividend income: | | |
| Dividend Income : Non Current Investments | 38,26,955 | - |
| (c) Rent received | 6,52,876 | 6,46,554 |
| (d) Other non operating income (Refer Note (ii) below) | - | 1,31,670 |
| Total | 1,25,59,313 | 58,62,899 |
| Note (i) Interest income comprises: | | |
| Deposits | 56,30,938 | 23,15,648 |
| Interest on loans and advances given | 24,48,544 | 27,69,027 |
| Total - Interest income | 80,79,482 | 50,84,675 |
| Note (ii) Other non-operating income comprises: | | |
| Unclaimed credits written back | - | 1,31,670 |
| Total - Other non-operating income | - | 1,31,670 |



| Particulars | For the year ended 31 March, 2017 ₹ | For the year ended 31 March, 2016 ₹ |
|--|---|---|
| Note 22.a Cost of materials consumed | | |
| Cost of material consumed | | |
| Sodium Formate | 8,95,44,518 | 13,38,49,802 |
| Caustic Soda Lye | 10,84,02,441 | 8,83,34,118 |
| Sulphur | 4,64,47,877 | 5,46,78,399 |
| Coal consumed | 1,30,72,54,563 | 1,21,20,76,658 |
| Firewood consumed | - | 2,84,10,743 |
| CR Sheets consumed | 3,42,83,134 | 2,87,80,318 |
| Others | 5,90,10,673 | 5,49,26,438 |
| Total | 1,64,49,43,206 | 1,60,10,56,476 |
| MATERIALS CONSUMED | | |
| Opening Stock | 68,88,38,866 | 46,96,93,793 |
| (Add) Purchases | 1,33,12,60,700 | 1,82,38,69,387 |
| (Less) Closing Stock | 37,79,27,483 | 68,88,38,866 |
| Cost of Material Consumed before adjusting W.I.P. | 1,64,21,72,083 | 1,60,47,24,314 |
| (Add) Closing W.I.P. | 73,74,779 | 46,03,656 |
| (Less) Opening W.I.P. | 46,03,656 | 82,71,494 |
| Net Materials consumed | 1,64,49,43,206 | 1,60,10,56,476 |
| Note 22.b Purchase of traded goods | | |
| Non-cooking coal | 14,17,03,995 | - |
| Total | 14,17,03,995 | - |
| Note 22.c Changes in inventories of finished goods, work-in-progress and stock-in-trade | | |
| Inventories at the end of the year: | | |
| Finished goods | 4,99,17,752 | 11,82,69,938 |
| Work-in-progress | 73,74,779 | 46,03,656 |
| | 5,72,92,531 | 12,28,73,594 |
| Inventories at the beginning of the year: | | |
| Finished goods | 11,82,69,938 | 9,92,45,545 |
| Work-in-progress | 46,03,656 | 82,71,494 |
| | 12,28,73,594 | 10,75,17,039 |
| Net (increase) / decrease | 6,55,81,063 | (1,53,56,555) |

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Note 23 Employee benefits expense

| Particulars | For the year ended | For the year ended |
|--|---------------------|---------------------|
| | 31 March, 2017 | 31 March, 2016 |
| | ₹ | ₹ |
| Salaries and wages | 17,82,03,621 | 17,95,65,987 |
| Contributions to provident and other funds | 1,43,21,572 | 1,50,01,587 |
| Staff welfare expenses | 3,57,62,338 | 4,12,67,044 |
| Total | 22,82,87,531 | 23,58,34,618 |

Note 24 Finance costs

| | | |
|------------------------|--------------------|--------------------|
| Interest on Borrowings | 5,56,33,719 | 7,71,90,066 |
| Total | 5,56,33,719 | 7,71,90,066 |

Note 25 Other expenses

| | | |
|---|---------------------|---------------------|
| Consumption of stores and spare parts | 80,61,465 | 1,72,49,515 |
| Increase / (decrease) of excise duty on inventory | (76,30,251) | 24,88,243 |
| Power and fuel | 36,94,70,744 | 28,12,79,646 |
| Rent | 52,09,404 | 49,27,207 |
| Repairs and maintenance - Buildings | 1,93,78,185 | 1,72,81,148 |
| Repairs and maintenance - Machinery | 9,81,35,497 | 15,52,07,781 |
| Repairs and maintenance - Others | 97,11,217 | 1,03,76,233 |
| Insurance | 87,60,556 | 87,31,525 |
| Rates and taxes | 4,36,70,866 | 2,12,25,724 |
| Communication | 25,70,492 | 30,30,401 |
| Travelling and conveyance | 57,98,210 | 32,92,640 |
| Printing and stationery | 12,46,336 | 12,55,497 |
| Freight and forwarding | 48,67,443 | 51,03,162 |
| Sales commission | 71,14,293 | 42,89,721 |
| Sales discount | 2,51,805 | 2,51,344 |
| Business promotion | 7,25,742 | 10,39,785 |
| Donations | - | 1,00,000 |
| Legal and professional Fees | 10,15,972 | 3,30,104 |
| Fees | 1,54,72,083 | 1,94,94,912 |
| Payments to auditors (Refer Note (i) below) | 23,73,874 | 20,75,796 |
| Bad trade and other receivables written off | 33,65,740 | 8,52,714 |
| Net loss on foreign currency transactions | 12,67,765 | 56,98,033 |
| Prior period items | 4,12,549 | 6,15,244 |
| Corporate Social Responsibility Expenses | - | 95,000 |
| Investment Maintenance Expenses | 47,278 | 28,994 |
| Bank Processing charges | 54,54,823 | 51,58,516 |
| Miscellaneous expenses | 3,54,57,680 | 3,46,99,132 |
| Total | 64,22,09,768 | 60,61,78,017 |

(i) Payments to the auditors comprises (net of service tax input credit, where applicable):

| | | |
|-------------------------------|------------------|------------------|
| As auditors - statutory audit | 10,35,000 | 10,35,000 |
| For taxation matters | 12,53,000 | 8,57,145 |
| For other services | 81,008 | 1,75,045 |
| Reimbursement of expenses | 4,866 | 8,606 |
| Total | 23,73,874 | 20,75,796 |



NOTE 26

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2017

1. Contingent Asset:

- (a) The Company had filed a suit against a Sundry Debtor (M/s Mehra Agencies) for recovery of its trade debts for Rs 2,48,278/- (2016 - Rs 2,48,278/-) and the Honourable Court has passed an order in favour of the Company.

2. Contingent Liabilities:

- a. Letter of Credit opened by banks for purchase of raw materials Rs Nil (2016 – Rs 22,73,40,645/-)
- b. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 11,91,539/- (2016 – Rs 42,76,059/-)
- c. Guarantee given by the bankers on behalf of Company Rs 5,98,71,075/- (2016 – Rs 6,46,45,274/-)
- d. Excise Duty Rs. 8,01,680/- (2016 – Rs 8,01,680/-) for which the Company has preferred an appeal before the appellate authorities is pending. Out of this, a sum of Rs. 2,46,655/- (Rs.2,46,655/-) has been paid under protest.
- e. Income Tax - Rs.24,61,51,920/- (Rs.20,67,39,350/-) for which the company has preferred a rectification petition before the Assessing Officer and Appeal before the Appellate Authority and the same are pending. The Company is confident of succeeding the aforesaid appeals in view of the fact that most of the issues are already settled in favour of the company by higher judicial forum. Out of this said amount Rs 5,28,00,000/- (Rs 4,66,00,000/-) has been paid under protest.
- f. The Company has filed a petition in the Honourable High Court of Madras against The Tamil Nadu Generation and Distribution Corporation Ltd., (TANGEDCO) to forebear them from demanding and collecting separate demand charges and energy charges as tariff for start-up power and to charge only energy charges and to refund the amount already collected on this account. The Company also filed a petition in the Honourable High Court of Madras praying to grant an order of Interim Stay of all further proceedings in the matter filed in the original petition including by way of subsequent current consumption bills in so far as it relates to charges for start-up power. The Honourable High Court of Madras vide its Order dated 8th November, 2013 has passed an Order of Interim Stay in relation to charges for start-up power on the condition that the Company pays 50% of demand for start-up charges until further orders. Pursuant to the order the Company has been paying 50% of the demand for start-up charges on all the current consumption bills from October 2013 bill onwards. The balance 50% unpaid demand charges, upto the financial year ended 31st March, 2017 is Rs 377.17 lakhs (2016 – Rs 263.83 lakhs). This amount is not provided for in the Books of Accounts on account of the Interim Stay.

3. Turnover

| Particulars | For the year Ended 31.03.2017 | | For the year Ended 31.03.2016 | |
|---------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| | Quantity (Tonnes) | Value (₹) | Quantity (Tonnes) | Value (₹) |
| CHEMICAL DIVISION - MFG: | | | | |
| Sodium Hydrosulphite | 10,961 | 81,00,76,728 | 8,579 | 74,29,64,188 |
| Liquid Sulphur Dioxide | 1,329 | 2,85,40,571 | 512 | 1,36,44,117 |
| Recovery Salts | 4,122 | 5,98,85,384 | 1,735 | 3,53,19,406 |
| Others | - | 5,31,461 | - | 8,11,003 |
| WIND MILLS | | | | |
| Power (Units in Lakhs) | 236 | 10,55,41,709 | 152 | 7,48,51,613 |
| POWER DIVISION: MFG * | | | | |
| Power (Units in Lakhs) | 3,586 | 2,01,46,60,814 | 3,353 | 1,95,63,65,642 |
| Coal Trading | 54,300 | 14,64,67,591 | - | - |
| BIOMASS DIVISION: MFG | | | | |
| Power (Units in Lakhs) | - | - | 10 | 62,24,364 |
| | | 3,16,57,04,257 | | 2,83,01,80,333 |

Sales are inclusive of Excise Duty and Education Cess and net of Sales Returns & Discount

4. Consumption of Raw Materials:

| Particulars | For the Period ended 31.03.2017 | | For the year ended 31.03.2016 | |
|---------------------------|------------------------------------|-----------------------|----------------------------------|-----------------------|
| | Quantity (Tonnes) | Value (₹) | Quantity (Tonnes) | Value (₹) |
| CHEMICAL DIVISION: | | | | |
| Sodium Formate | 6,256 | 8,96,71,423 | 6,119 | 13,36,64,793 |
| Caustic Soda Lye | 3,812 | 10,79,66,931 | 3,518 | 9,20,52,957 |
| Sulphur | 5,446 | 4,64,70,995 | 4,525 | 5,47,12,561 |
| Others | 963 | 2,25,66,825 | 1,047 | 2,63,73,576 |
| C R Sheets | 730 | 3,42,83,134 | 624 | 2,87,80,318 |
| POWER DIVISION: | | | | |
| Coal | 3,07,551 | 1,30,72,54,563 | 2,94,832 | 1,21,20,76,658 |
| BIOMASS DIVISION: | | | | |
| Firewood | - | - | 59,479 | 2,84,10,743 |
| | | 1,60,82,13,871 | | 1,57,60,71,606 |

The above consumption does not include the following produced internally for captive consumption

| | | |
|-------------------------|-------|-----------------------|
| Liquid Sulphur Di-oxide | 8,865 | (2016 - 7,796) tonnes |
| Sodium Formate | 2,311 | (2016 - 22) tonnes |



5. Capacities and Production:

| | Capacity per annum | | Opening Stock | | Production | Closing Stock | |
|------------------------------------|----------------------|-----------------------|----------------------|---------------|----------------------|----------------------|---------------|
| | Licenced (Tonnes) | Installed (Tonnes) | Quantity (Tonnes) | Value ₹ | Quantity (Tonnes) | Quantity (Tonnes) | Value ₹ |
| CHEMICAL DIVISION: | | | | | | | |
| Sodium Hydrosulphite (Enhanced) | 10,000 | 10,000 | 562 | 4,14,84,819 | 10,411 | 12 | 7,10,115 |
| | | | - | (7,343) | (9,141) | (562) | (4,14,84,819) |
| Liquid Sulphur Di-oxide | 4,950 | 4,950 | 96 | 17,70,073 | 10,181 | 83 | 11,58,839 |
| | | | (74) | (14,52,708) | (8,330) | (96) | (17,70,073) |
| Sulphoxilates (Enhanced) | 2,000 | 2,000 | 1 | 72,709 | - | 1 | 72,702 |
| | | | (1) | (72,618) | (0) | (1) | (72,709) |
| Recovery Salts | | | 6,672 | 7,29,79,540 | 4,837 | 5,076 | 4,56,93,225 |
| | | | (4,412) | (9,33,25,839) | (4,017) | (6,672) | (7,29,79,540) |
| Drum Plant | | | 7,268 | 19,62,797 | 1,41,139 | 7,742 | 22,82,871 |
| Packing Drums in all sizes | | | (15,874) | (43,87,037) | (1,13,446) | (7,268) | (19,62,797) |
| POWER DIVISION : | | | | | | | |
| Generated units in lacs * | 63.5 mw | 63.5 mw | | | 4,126 | | |
| | | | | | (3,714) | | |
| BIOMASS DIVISION: | | | | | | | |
| Generated units in lacs * | 6 mw | 6 mw | | | - | | |
| | | | | | (20) | | |
| WINDMILLS: | | | | | | | |
| Generated units in lacs @ | 16.5 mw | 16.5 mw | | | 301 | | |
| | | | | | (205) | | |

*The above production of units generated includes 540 lac units (2016-371) utilised for captive consumption

#The above production of drums includes 1,40,665 drums (2016- 1,22,052) utilised for captive consumption

@ The above production of units generated includes 65 lac units (2016-53) utilised for captive consumption

(Figures in brackets indicate those for previous year. Installed capacities are as certified by the Management.)

6. Value of Imports calculated on CIF basis:

| Particulars | For the year Ended 31.03.2017 ₹ | For the year Ended 31.03.2016 ₹ |
|-----------------------|---------------------------------------|---------------------------------------|
| Raw Materials | 30,78,41,614 | 54,69,01,704 |
| Stores and Components | 1,95,880 | 2,84,793 |
| | 30,80,37,494 | 54,71,86,497 |

7. Expenditure in Foreign Currency on travel

8,96,150

-

8. Value of Raw Materials, Spares and Components consumed:

| Particulars | For the year ended 31.03.2017 | | For the year ended 31.03.2016 | |
|----------------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|
| | % | ₹ | % | ₹ |
| (I) Raw Materials | | | | |
| Imported | 42 | 67,51,12,927 | 42 | 66,76,28,923 |
| Indigeneous | 58 | 93,31,00,943 | 58 | 90,84,42,683 |
| | 100 | 1,60,82,13,870 | 100 | 1,57,60,71,606 |
| (II) Stores and Components | | | | |
| Imported | 1 | 4,98,346 | 4 | 31,08,004 |
| Indigeneous | 99 | 3,55,69,330 | 96 | 6,68,22,201 |
| | 100 | 3,60,67,676 | 100 | 6,99,30,205 |

9. Export Earnings in foreign currency: (FOB Value) Rs, 11,11,72,009 /- (2016 – Rs 7,12,87,814/-)
10. The Company has availed Cenvat Credit of Rs 3,94,37,627/-(2016 - Rs 3,87,91,593/-)
11. i) Total outstanding dues to small scale industrial undertakings Rs. 25,13,448/- (2016 - Rs 35,22,671/-)
- ii) Total outstanding dues of creditors other than small scale industrial undertakings Rs. 29,45,49,221/- (2016 - Rs. 37,39,20,763/-)
12. The names of small scale industrial undertakings to whom the company owes a sum exceeding Rs one lakh which is outstanding for more than 30 days.
- a. Fluid Air Technologies
- b. IRC Engineering Services India P Ltd.,
13. There are no micro, small and medium enterprises to whom the company owes dues which are outstanding for more than 45 days at the Balance Sheet date, computed on unit wise basis. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.
14. **Acknowledgment of Balances:** The Company has obtained confirmation of balances from all the banks. In respect of Debtors and creditors, the confirmation of balances were sought for by the company or by the concerned parties, as the case may be. The same has been received/sent in few cases. The reconciliation of the discrepancies in balances, wherever applicable, is in progress.



15. The details of Non-current and Non-trade Investments are as follows:

Unquoted Investments:

In Government securities: Rs.
7 year National Savings Certificate 3,000

(Lodged with Government authorities)

5 year National Savings Certificate 20,000

(Lodged with Mahanadi Coalfields Ltd

Towards security deposit – maturity date: 8-3-2018

Maturity value: Rs.30,470/-)

In fully paid Equity Shares of:

Jugal Chemicals Ltd
(10,000 shares of Rs.10/- each) 1,00,000

TCP Hotels Pvt Ltd. (Subsidiary Company)
(48,000 shares of Rs.10/- each) 8,93,25,110

The Thiruvalluvar Textiles Pvt Ltd.(Related Party)
(70,000 shares of Rs.100/- each) 70,00,000

Madras Stock Exchange Ltd (in demat form)
(13,67,050 shares of Rs.1/- each) 35,97,500

In fully paid Preference Shares of:

Binny Mills Ltd. (Related Party)
9% Cumulative Redeemable Preference Shares 138,02,70,330
(27,60,54,066) shares of Rs.5/- each

(See Note below)

The Thiruvalluvar Textiles Pvt Ltd. (Related Party)
9.50% Cumulative Redeemable Preference Shares
(18,14,075 shares of Rs.100/- each) 81,20,37,262

(See Note below)

Sub-total (A) 229,23,53,202

Quoted Investments

In fully paid Equity Shares of:

Binny Mills Ltd (Related Party) (in demat form) 13,57,883
(5,664 shares of Rs.10/- each)

Clariant Chemicals (India) Ltd (in demat form)
(352 shares of Rs.10/- each) 42,012

Indian Overseas Bank (in demat form)
(28,100 shares of Rs.10/- each) 6,01,600

| | Rs. |
|--|----------------------|
| IDBI Bank Ltd (in demat form) (27,360 shares of Rs.10/- each) | 23,25,600 |
| Kamar Chemicals & Industries Ltd (Related Party) (in demat form) (6,85,285 shares of Rs.10/- each) | 22,27,240 |
| Allahabad Bank (in demat form) (17,700 shares of Rs.10/- each) | 1,77,000 |
| | ----- |
| Sub-total (B) | 67,31,335 |
| | ----- |
| Total (A) + (B) | 229,90,84,537 |
| | ----- |

Note on Investments:

The Company holds its investments, in demat form, with the Depository 'National Securities Depository Ltd (NSDL)' and with the Depository Participant 'Nirmal Bang Securities Private Ltd' for Binny Mills Ltd equity shares and with 'Integrated Enterprises (India) Limited - Depository Division' for all other equity shares.

Preference Shares:

During the year, on 16th August 2016, The Thiruvalluvar Textiles Private Ltd redeemed a part of its 9.50% Cumulative Redeemable Preference Shares allotted to the Company, for an amount of Rs.9,50,00,000/-. Consequent to this redemption, the investment made in this Preference Share stands reduced by this amount.

During the year, on 25th July 2016, Binny Mills Ltd redeemed its 9.75% Cumulative Redeemable Preference Shares allotted to the Company, (5,88,0000 shares of Rs.5/- each) for an amount of Rs.29,40,000/- along with arrears of preference dividend on those shares for Rs.28,66,500/- up to the due date of redemption of 30th June 2016.

In the financial year ended 31st March 2015, the Company had purchased from The Thiruvalluvar Textiles Private Ltd, 47,56,788 9% Cumulative Redeemable Preference Shares (CRPS) of Binny Mills Ltd of Rs.5/- each aggregating to Rs.2,37,83,940/-. It is agreed that TCP Ltd, the buyer of the said Preference Shares, will pay to the seller of the said Preference Shares, viz., The Thiruvalluvar Textiles Private Ltd, the preference dividend in arrears amount of Rs.1,39,13,605/- accrued on the said 47,56,788 preference shares up to 31st March 2015, as and when it receives that amount from Binny Mills Ltd towards payment for preference dividend.

The details of the 9% preference dividend amount of Rs.1,39,13,605/- in arrears as at 31st March 2015 is given in the 43rd Annual Report for the financial year 2014-15.



Redemption of CRPS:

Binny Mills Ltd:

The 9% CRPS are redeemable on or before 12-5-2020.

The Thiruvalluvar Textiles Private Ltd:

The 9.50% CRPS are redeemable on or before 28th March 2020.

Preference Dividend in Arrears:

The details of Preference dividend in Arrears as at 31st March 2017 is as follows:

| Company | 9% CRPS | |
|-----------------------------------|----------------|----------------|
| | 31-3-2017 ₹ | 31-3-2016 ₹ |
| Binny Mills Ltd. (see note below) | 124,33,79,843 | 111,91,55,513 |

The arrears of Preference Dividend are calculated from the date of original allotment of Preference shares by Binny Ltd. Binny Ltd was demerged on 1st January 2010 (i.e., the Appointed date) vide the Order of The Madras High Court dated 22nd April 2010. The arrears of preference dividend are to be borne by the resulting companies, viz., Binny Mills Ltd and S V Global Mill Ltd, from the date of original allotment of shares by Binny Ltd. The Company has acquired all the CRPS of Binny Mills Ltd held by S V Global Mill Ltd and Binny Ltd.

| Company | 9.50% CRPS | |
|---|----------------|----------------|
| | 31-3-2017 ₹ | 31-3-2016 ₹ |
| The Thiruvalluvar Textiles Private Ltd (on Rs.18,14,07,500) | 3,44,67,426 | 1,72,33,713 |

The right to receive the dividend arises only when it is declared by the company. As per the Indian Accounting Standard (Ind AS) 18 – Revenue, dividends from investments in shares should be recognised as revenue only when the shareholders' right to receive payment is established (Para 30 (c)). Since the right to receive the payment is not established by the Balance Sheet date, the arrears of preference dividends is not recognised as revenue in the books of accounts of the company.

The company's investment in securities of other body corporates does not exceed the limit prescribed in section 186 of the Companies Act, 2013 viz., 100% of the free reserves of the Company as at 31st March 2016 which is Rs.382 crores. The Company's investment in the securities of other body corporates as at 31st March 2017 is Rs.229.90 crores.

16. Managerial Remuneration:

| Particulars | For the year Ended 31.03.2017 ₹ | For the year Ended 31.03.2016 ₹ |
|--|---------------------------------------|---------------------------------------|
| Salary, allowances and commission | 3,70,15,000 | 3,39,25,000 |
| Contribution to Provident Fund & Group Gratuity Fund * * | 27,14,671 | 29,35,081 |
| Perquisites * | 1,04,55,746 | 85,77,167 |
| | 5,01,85,417 | 4,54,37,248 |

* includes an amount of ₹ (23,04,017/-) (2016 - ₹ 11,99,039/-) towards actuarial valuation of earned leave entitlement and not actually drawn by the Managerial Persons.

** includes an amount of ₹ 73,471/- (2016 - ₹ 5,41,081/-) towards actuarial valuation of Gratuity entitlement and not actually drawn by the Managerial Persons.

The aggregate amount of remuneration paid to the Managing Director and the Executive Director, during the financial year 2016-17, exceeds the prescribed limit of 10% of the net profits of the Company for the financial year ended 31st March 2017, by an amount of Rs.1,37,92,660/-. This is due to inadequate profit during the financial year 2016-17 to match the remuneration paid.

17. Employee Benefits:

| Particulars | As on 31-3-2017 (₹) | As on 31-3-2016 (₹) |
|---|---------------------------|---------------------------|
| Changes in the present value of obligations: | | |
| Present value of obligation as at the beginning of the year | 6,25,81,334 | 5,94,99,326 |
| Interest cost | 50,06,507 | 47,59,946 |
| Current service cost | 26,30,485 | 22,10,804 |
| Benefits paid | (37,61,251) | (49,75,663) |
| Actuarial (gain)/ loss on obligation | (20,44,432) | 10,86,921 |
| Present value of obligation as at the end of the year | 6,44,12,643 | 6,25,81,334 |
| Changes in the fair value of plan assets: | | |
| | LIC Fund | LIC Fund |
| Fair value of plan assets as at the beginning of the year | 6,65,50,805 | 6,28,40,003 |
| Expected return on plan assets | 53,01,388 | 54,80,840 |
| Contributions | 6,22,829 | 32,05,625 |
| Benefits paid | (37,61,251) | (49,75,663) |
| Actuarial gain on plan assets | Nil | Nil |
| Fair value of plan assets as at the end of the year | 6,87,13,772 | 6,65,50,805 |
| Actual Return on Plan Assets: | | |
| Expected return on plan assets | 53,01,388 | 54,80,840 |
| Actuarial gain on plan assets | Nil | Nil |
| Actual return on plan assets | 53,01,388 | 54,80,840 |
| Fair value of plan assets: | | |
| Fair value of plan assets as at the beginning of the year | 6,65,50,805 | 6,28,40,003 |
| Actual return on plan assets | 53,01,388 | 54,80,840 |
| Contributions | 6,22,829 | 32,05,625 |
| Benefits paid | (37,61,251) | (49,75,663) |
| Fair value of plan assets as at the end of the year | 6,87,13,772 | 6,65,50,805 |
| Funded status | (+)43,01,129 | (+)39,69,471 |
| Excess of Actual over Expected return on plan assets | Nil | Nil |
| Net Actuarial gain: | | |
| Actuarial (gain) /loss on obligation | (20,44,432) | 10,86,921 |
| Actuarial (gain) /loss on plan assets | Nil | Nil |
| Net Actuarial (gain) /loss at the end of the year | (20,44,432) | 10,86,921 |
| Net Asset (Liability) recognised in the Balance Sheet | | |
| Present value of obligation as at the end of the year | 6,44,12,643 | 6,25,81,334 |
| Fair value of plan assets as at the end of the year | 6,87,13,772 | 6,65,50,805 |
| Funded status | (+)43,01,129 | (+)39,69,471 |
| Net Liability (Asset) recognised in the Balance Sheet as at the end of the year | (43,01,129) | (39,69,471) |



| Particulars | As on 31-3-2017 (₹) | As on 31-3-2016 (₹) |
|--|---|---------------------------|
| Expense recognised in the statement of Profit & Loss Account for the year ended 31st March 2017 | | |
| Current service cost | 26,30,485 | 22,10,804 |
| Interest cost | 50,06,507 | 47,59,946 |
| Expected return on plan assets | (53,01,388) | (54,80,840) |
| Net Actuarial Loss (gain) at the end of the year | (20,44,432) | 10,86,921 |
| Expense (Gain) recognised in the Profit & Loss Account | 2,91,172 | 25,76,831 |
| Movement of Net Liability | | |
| Net Liability (Asset) as at the beginning of the year | (39,69,471) | (33,40,677) |
| Contributions | 6,22,829 | 32,05,625 |
| Expense (Gain) recognised in the Profit & Loss Account | 2,91,172 | 25,76,831 |
| Net Liability (Asset) as at the end of the year | (43,01,129) | (39,69,471) |
| Major categories of plan assets as a percentage of total plan | 100% Qualifying Insurance Policy | |
| Actuarial Assumptions: | | |
| Discount rate | 8% | 8% |
| Expected rate of return on plan assets | 9% | 9% |
| Salary Escalation | 5% | 5% |
| Attrition rate | 1% to 3% | 1% to 3% |
| Mortality rate | LIC (1994-1996) Table | |

The present value of obligations has been calculated using Projected Unit Credit Method, as specified in Accounting Standard 15-Employee Benefits, which assumes that each period of service gives rise to an additional unit of obligation.

The company is a going concern with normal changes in the employees' profile.

- a) Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligation.
- b) During the year the company has recognised the following amounts in the Profit and Loss Account:
 - (i) Salaries & Wages includes compensated absences Rs. (1,89,242/-) /- (2016 - Rs.17,93,267/-) and a Net expense of Rs.9,89,864/- towards Contribution to Gratuity Fund (2016 - Rs. 56,58,204/-)
 - (ii) Contribution to PF, ESI and other funds includes Provident Fund and family pension Rs.1,05,25,803/- (2016 : Rs.1,05,70,537/-) and Employee State Insurance Plan Rs.23,22,364/- (2016 - Rs. 27,89,725/-)

e) Employee Benefits shall comprise of the amounts shown under Salaries and wages, Contribution to P.F., E.S.I. and other funds and Workmen and Staff Welfare expenses. The Compensated absences comprise of Casual Leave and Earned Leave entitlements of the employees. The value of Earned Leave has been computed based on Actuarial valuation.

| | |
|--|-------------|
| f) Movement of Net liability for gratuity: | Rs. |
| Opening balance as on 1st April 2016 | (39,69,471) |
| Add: Contribution to gratuity fund | 6,22,829 |
| Less: Expenses recognised in the Profit & Loss A/c | 2,91,172 |
| Closing balance as on 31st March 2017 | (43,01,128) |

18. Segment Reporting:

a) Information about Primary Business Segments

| REVENUE | CHEMICAL | POWER | OTHERS | BIOMASS | WINDMILL | TOTAL |
|---|---------------------|-----------------------|--------------------|--------------------|---------------------|-----------------------|
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| External | 82,37,88,335 | 2,11,05,28,844 | 1,43,67,224 | 1,13,22,855 | 7,43,48,685 | 3,03,43,55,943 |
| | (72,37,64,246) | (1,90,64,18,835) | (1,30,51,344) | (1,86,69,871) | (4,77,62,826) | (2,70,96,67,122) |
| Inter Segment | | 6,28,26,248 | | - | 3,11,93,023 | 9,40,19,271 |
| | | (6,02,46,369) | | (1,85,50,716) | (2,70,88,787) | (10,58,85,872) |
| Total Revenue | 82,37,88,335 | 2,17,33,55,092 | 1,43,67,224 | 1,13,22,855 | 10,55,41,708 | 3,12,83,75,214 |
| | (72,37,64,246) | (1,96,66,65,204) | (1,30,51,344) | (3,72,20,587) | (7,48,51,613) | (2,81,55,52,994) |
| Less | | | | | | |
| Interest Income | 17,24,419 | 60,35,939 | 3,19,124 | - | - | 80,79,482 |
| | (19,10,962) | (27,53,779) | (2,80,344) | (1,39,590) | - | (50,84,675) |
| Dividend Income | 38,26,955 | - | - | - | - | 38,26,955 |
| | - | - | - | - | - | - |
| Net Revenue | 81,82,36,961 | 2,16,73,19,153 | 1,40,48,100 | 1,13,22,855 | 10,55,41,708 | 3,11,64,68,777 |
| | (72,18,53,284) | (1,96,39,11,425) | (1,27,71,000) | (3,70,80,997) | (7,48,51,613) | (2,81,04,68,319) |
| RESULTS: | | | | | | |
| Segment Results | (2,59,75,930) | 29,72,69,779 | 1,15,27,387 | (1,87,05,744) | 6,95,79,059 | 33,36,94,551 |
| | ((-)7,65,55,574) | (38,69,60,620) | (1,01,85,038) | ((-)3,24,80,659) | (3,50,62,045) | (32,31,71,470) |
| Operating Profit | | | | | | 33,36,94,551 |
| | | | | | | (32,31,71,470) |
| Less Interest Expenses | | | | | | 5,56,33,719 |
| | | | | | | (7,71,90,066) |
| Add: Interest Income | | | | | | 80,79,481 |
| | | | | | | (50,84,675) |
| Add: Dividend Income | | | | | | 38,26,955 |
| | | | | | | - |
| Profit before Tax | | | | | | 28,99,67,268 |
| | | | | | | (25,10,66,078) |
| Provision for Taxation including deferred tax | | | | | | 8,45,72,784 |
| | | | | | | (7,82,52,902) |
| Profit after Tax | | | | | | 20,53,94,484 |
| | | | | | | (17,28,13,176) |



| REVENUE | CHEMICAL ₹ | POWER ₹ | OTHERS ₹ | BIOMASS ₹ | WINDMILL ₹ | TOTAL ₹ |
|-----------------------------------|----------------------------------|------------------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------------|
| OTHER INFORMATION | | | | | | |
| Segment Assets | 91,36,80,515 (98,51,85,153) | 1,54,26,88,820 (2,02,28,13,980) | 5,15,81,825 (4,94,64,558) | 29,03,47,845 (30,29,24,024) | 32,42,49,548 (31,05,16,081) | 3,12,25,48,553 (3,67,09,03,795) |
| Unallocable Corporate Assets | | | | | | 2,27,74,40,113 (2,38,33,74,701) |
| Total | 91,36,80,515 (98,51,85,153) | 1,54,26,88,820 (2,02,28,13,980) | 5,15,81,825 (4,94,64,558) | 29,03,47,845 (30,29,24,024) | 32,42,49,548 (31,05,16,082) | 5,39,99,88,666 (6,05,42,78,496) |
| Segment Liabilities | 42,37,26,112 (1,03,74,95,843) | 93,18,56,206 (1,13,79,45,506) | 44,67,198 (44,24,844) | 1,25,75,819 (3,48,24,707) | 1,11,92,845 (1,07,22,814) | 1,38,38,18,180 (2,22,54,13,714) |
| Unallocable Corporate Liabilities | | | | | | (4,76,98,353) |
| Total | 42,37,26,112 (1,03,74,95,843) | 93,18,56,206 (1,13,79,45,506) | 44,67,198 (44,24,844) | 1,25,75,819 (3,48,24,707) | 1,11,92,845 (1,07,22,814) | 1,33,61,19,827 (2,18,97,47,857) |
| Capital Expenditure | 1,61,31,848 (2,36,62,915) | 20,43,887 (3,80,17,850) | - - | - (18,97,207) | - - | 1,81,75,735 (6,35,77,972) |
| Depreciation | 2,08,06,670 (2,14,83,831) | 1,80,58,971 (1,67,84,464) | 1,30,747 (1,30,747) | 69,18,518 (69,11,307) | 1,41,33,757 (1,42,73,945) | 6,00,48,663 (5,95,84,294) |

(b) Information about secondary business segment:

| Revenue by geographical Market | Domestic | International | Total |
|--------------------------------|------------------------------------|-------------------------------|------------------------------------|
| | ₹ | ₹ | ₹ |
| External | 2,92,36,33,379 (2,63,83,88,154) | 11,07,22,564 (7,12,78,968) | 3,03,43,55,943 (2,70,96,67,122) |
| Inter Segment | 9,40,19,271 (10,58,85,872) | | 9,40,19,271 (10,58,85,872) |
| Segment Assets | 3,01,76,52,650 (2,74,42,74,026) | 11,07,22,564 (7,12,78,968) | 3,12,83,75,214 (2,81,55,52,994) |
| Capital Expenditure | 3,12,25,48,553 (3,67,09,03,795) | | 3,12,25,48,553 (3,67,09,03,795) |
| | 1,81,75,735 (6,35,77,972) | | 1,81,75,735 (6,35,77,972) |

Figures in brackets indicate those for the previous year

(C) Notes:

- The Segment Revenue in the geographical market in the secondary business segment considered for disclosure are as follows:
 - Domestic - Comprising of sales to customers located within India and earnings in India
 - International - Comprising of sales to customers located outside India.
- Segment Revenue in each of the above business segments primarily include sales, and operating income in the respective segments other than interest and dividend income.
- Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

(iv) Inter segment transfers are effected at the prevailing rates of the Company.

19. Related party disclosures: Under Accounting Standard – 18 (AS-18):

The following are the related party transactions during the year

| | Subsidiary company | Enterprises over which Key Management Personnel and their relatives is able to exercise significant influence | Key Management Personnel (KMP) | Relatives of KMP | Total |
|--|------------------------------|---|-----------------------------------|------------------------------|------------------------------------|
| | ₹ | ₹ | ₹ | ₹ | ₹ |
| Advances: | | | | | |
| Transactions during the year | -21,60,645 (-31,74,650) | -11,53,720 (7,07,744) | - (-) | - (-) | -33,14,365 (24,66,906) |
| Outstanding amount at the Balance Sheet date | 49,64,705 (71,25,350) | 47,82,049 (59,35,769) | - (-) | - (-) | 97,46,754 (1,30,61,119) |
| Interest on Unsecured loans: (Net of TDS) | | | | | |
| Net Transactions during the year | - (-) | - (-) | -13,65,573 (-12,17,472) | 14,10,032 (13,57,622) | 44,459 (1,40,150) |
| Outstanding amount at the Balance Sheet date | - (-) | - (-) | 93,964 (14,59,537) | 2,00,74,107 (1,86,64,075) | 2,01,68,071 (2,01,23,612) |
| Fixed Deposits received: | | | | | |
| Transactions during the year | - (-) | - (-) | -2,10,000- (16,000) | - (-) | -2,10,000 (16,000) |
| Outstanding amount at the Balance Sheet date | - (-) | - (-) | 64,000 (2,74,000) | 52,00,000 (52,00,000) | 52,64,000 (54,74,000) |
| Investment in shares: | | | | | |
| Transactions during the year | - (-) | -9,79,40,000 (-) | - (-) | - (-) | -9,79,40,000 (-) |
| Outstanding amount at the Balance Sheet date | 8,93,25,110 (8,93,25,110) | 2,20,06,65,475 (2,29,86,05,475) | - (-) | - (-) | 2,28,99,90,585 (2,38,79,30,585) |
| Unsecured Loans received: | | | | | |
| Net Transactions during the year | - (-) | - (-) | 1,65,15,349 (12,34,059) | 4,81,764 (4,81,764) | 1,69,97,113 (17,15,823) |
| Outstanding amount at the Balance Sheet date | - (-) | - (-) | 4,82,14,100 (3,16,98,751) | 3,31,52,112 (3,26,70,348) | 8,13,66,212 (6,43,69,099) |
| Interest paid on deposits: | | | | | |
| Transactions during the year | - (-) | - (-) | 6,354 (39,020) | 8,16,692 (5,32,524) | 8,23,046 (5,71,544) |
| Remuneration & Employee Benefits | - (-) | - (-) | 5,01,85,417 (4,54,37,248) | - (-) | 5,01,85,417 (4,54,37,248) |
| Sale of Power | | | | | |
| Transactions during the year | - (-) | 9,54,22,598 (8,99,91,668) | - (-) | - (-) | 9,54,22,598 (8,99,91,668) |
| Outstanding amount at the Balance Sheet date | - (-) | 11,43,66,016 (1,89,43,418) | - (-) | - (-) | 11,43,66,016 (1,89,43,418) |
| Rent Paid | 36,00,000 (36,00,000) | 6,00,000 (6,00,000) | | | 42,00,000 (42,00,000) |



| | Subsidiary company | Enterprises over which Key Management Personnel and their relatives is able to exercise significant influence | Key Management Personnel (KMP) | Relatives of KMP | Total |
|--|--------------------|---|--------------------------------|------------------|------------------------|
| | ₹ | ₹ | ₹ | ₹ | ₹ |
| Purchases Transactions during the year | | 5,88,891 (7,68,886) | | | 5,88,891 (7,68,886) |
| Outstanding amount at the Balance Sheet date | | - (79,658) | | | - (79,658) |

Figures in brackets relate to the previous year.

No amounts have been written off or provided for or written back during the year in respect of debts due from or to the related parties.

Related Party relationships

| | |
|---|--|
| Subsidiary Company | TCP Hotels Private Ltd. |
| Enterprises over which Key Management Personnel and their relatives is able to exercise significant influence as defined in Para 3 of AS 18 | 1. Tanchem Imports & Exports Private Ltd 2. Thiruvalluvar Textiles Private Ltd 3. Binny Mills Ltd 4. TVRRS Enterprises |
| Key Management Personnel (KMP) | Shri V.R.Venkataachalam, Managing Director Shri V. Rajasekaran, Executive Director |
| Relatives of KMP (as defined in Para 10 of AS 18) | The following persons are related to Shri V.R. Venkataachalam, Managing Director, as stated: Shri V. Sengutuvan, Son Selvi V. Samyuktha Daughter Smt. T. Amudha, } Smt. M. Radha, } Sisters Smt. Dr. R. Andal, } |

20. Earnings per Share:

Earnings per share (EPS) computed in accordance with Accounting Standard - 20 issued by the Institute of Chartered Accountants of India.

| | |
|--|--------------|
| a) Weighted average number of equity shares of Rs 10/- each | Rs. |
| i) Number of Shares at the beginning of the year | 50,31,909 |
| ii) Number of Shares at the end of the year | 50,31,909 |
| Weighted average number of equity shares outstanding during the year | 50,31,909 |
| b) Net Profit after tax available for equity shareholders | 20,53,94,485 |
| c) Basic and diluted earnings per share (in Rupees) | 41 |

Figures in brackets relate to the previous year

No amounts have been written off or provided for or written back during the year in respect of debts due from or to the related parties

21. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are provided in the Table below:

| Particulars | SBN | Others | Total |
|---|-----------|-----------|-----------|
| | In ₹ | | |
| Closing Balance as at 8 November 2016 | 12,39,500 | 31,12,284 | 43,51,784 |
| Transactions between 9th November 2016 and 30th December 2016 | | | |
| Add: Withdrawal from Bank accounts | - | 21,88,000 | 21,88,000 |
| Add: Receipts for permitted transactions | - | 17,068 | 17,068 |
| Add: Receipts for non-permitted transactions | - | - | - |
| Less: Paid for permitted transactions | 2,00,000 | 5,40,475 | 7,40,475 |
| Less: Deposited in bank accounts | 10,39,500 | - | 10,39,500 |
| Closing balance as at 30 December 2016 | - | 47,76,877 | 47,76,877 |

22. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For **T. SELVARAJ & CO.,**
Chartered Accountants
Firm Regn No.003703S

V R VENKATAACHALAM
Managing Director

S VIDYA
Partner
Membership No. 217934

V RAJASEKARAN
Executive Director

Place: Chennai
Date : 25th May, 2017

RAVI SELVARAJAN
Company Secretary



FORM AOC - I

(PERSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2015) STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY.

PART “ A ” : SUBSIDIARIES

| | | |
|----|-------------------------|--------------------------|
| 1 | SL NO | 1 |
| 2 | NAME OF THE SUBSIDIARY: | M/S TCP HOTELS PVT LTD., |
| 3 | REPORTING PERIOD | 01.04.2016 TO 31.03.2017 |
| 4 | REPORTING CURRENCY | IN RUPEES |
| 5 | SHARE CAPITAL | 5,00,000 |
| 6 | RESERVES & SURPLUS | 8,74,52,108 |
| 7 | TOTAL ASSETS | 9,50,48,639 |
| 8 | TOTAL LIABILITIES | 70,96,531 |
| 9 | INVESTMENTS | NIL |
| 10 | TURNOVER | 42,00,000 |
| 11 | PROFIT BEFORE TAXATION | 39,10,368 |
| 12 | PROVISION FOR TAXATION | 8,91,000 |
| 13 | PROFIT AFTER TAXATION | 30,19,368 |
| 14 | PROPOSED DIVIDEND | NIL |
| 15 | % OF SHAREHOLDING | 96% |

NOTE : DURING THE YEAR, THERE ARE NO SUBSIDIARIES WHICH ARE YET TO COMMENCE OPERATIONS OR WHICH HAVE BEEN LIQUIDATED OR SOLD DURING THE YEAR.

For **T.SELVARAJ & CO.,**
Chartered Accountants
Firm Regn No.003703S

V R VENKATAACHALAM
Managing Director

S VIDYA
Partner
Membership No. 217934

V RAJASEKARAN
Executive Director

Place: Chennai
Date : 25th May, 2017

RAVI SELVARAJAN
Company Secretary

AUDITORS REPORT TO THE BOARD OF DIRECTORS OF TCP LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TCP LIMITED AND IT'S SUBSIDIARY COMPANY

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of TCP Limited and its subsidiary TCP Hotels Private Ltd, which comprises the Consolidated Balance Sheet as at 31st March, 2017 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and The Companies (Accounting Standards) Amendment Rules, 2016. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments,



the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated affairs of the Company, as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of section 143 of the Act, we report, to the extent applicable, that :
 - a. We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements
 - b. In our opinion, proper books of account as required by the law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books
 - c. The consolidated Balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
 - e. On the basis of written representations received from the directors of the TCP Ltd as on 31st March, 2017 taken on record by the Board of Directors of TCP Limited and its subsidiary company incorporated in India, none of the directors is disqualified as on 31st March, 2017 from being appointed as a Director of the Company in terms of sub-section 2 of Section 164 of the Act.

- f. With respect to adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in Annexure 'A', and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial statements of TCP Limited and its subsidiary;
 - ii. Provision has been made in the consolidated financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For T Selvaraj & Co
Chartered Accountants
Firm Registration No: 003703S

S Vidya
Partner
Membership No: 217934

Place : Chennai

Date : 25th May 2017



ANNEXURE ‘A’ TO INDEPENDENT AUDITORS’ REPORT

Report on the Internal Financial Controls under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of TCP Limited (herein referred to as “the Holding Company”) and its subsidiary company TCP Hotels Private Limited which is company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective board of Directors of the Holding Company and its subsidiary, which is Company incorporated India, are responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and the directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For T Selvaraj & Co
Chartered Accountants
Firm Registration No: 003703S

S Vidya
Partner
Membership No: 217934

Place : Chennai

Date : 25th May 2017



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

| Particulars | Note No. | As at | As at |
|------------------------------------|----------|-----------------------|-----------------------|
| | | 31 March, 2017 | 31 March, 2016 |
| | | ₹ | ₹ |
| A EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| (a) Share capital | 3 | 5,03,19,090 | 5,03,19,090 |
| (b) Reserves and surplus | 4 | 4,01,33,20,989 | 3,81,10,84,197 |
| | | 4,06,36,40,079 | 3,86,14,03,287 |
| Less: Minority interest | | 35,720 | 1,56,495 |
| | | 4,06,36,04,359 | 3,86,12,46,792 |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 5 | 24,97,64,468 | 21,49,55,005 |
| (b) Deferred tax liabilities (net) | 6 | 3,19,85,374 | 2,63,12,590 |
| (c) Other long-term liabilities | 7 | 3,35,49,751 | 65,34,49,751 |
| (d) Long-term provisions | 8 | 85,21,104 | 76,19,523 |
| | | 32,38,20,697 | 90,23,36,869 |
| Current liabilities | | | |
| (a) Short-term borrowings | 9 | 47,80,82,315 | 50,27,21,809 |
| (b) Trade payables | 10 | 29,70,62,669 | 37,74,43,434 |
| (c) Other current liabilities | 11 | 30,74,01,510 | 46,85,66,945 |
| (d) Short-term provisions | 12 | 2,18,79,003 | 2,25,07,749 |
| | | 1,10,44,25,497 | 1,37,12,39,937 |
| Total | | 5,49,18,50,553 | 6,13,48,23,598 |
| B ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 13 | 1,13,37,44,547 | 1,17,42,92,126 |
| (ii) In-Tangible assets | | 57,10,278 | 72,01,401 |
| (iii) Capital work-in-progress | | 11,32,96,137 | 11,32,95,197 |
| | | 1,25,27,50,962 | 1,29,47,88,724 |
| (b) Non-current investments | 14 | 2,20,88,54,787 | 2,30,67,94,787 |
| (c) Long-term loans and advances | 15 | 5,23,63,135 | 4,25,94,976 |
| | | 2,26,12,17,922 | 2,34,93,89,763 |
| Current assets | | | |
| (a) Inventories | 16 | 66,46,48,379 | 1,03,11,70,663 |
| (b) Trade receivables | 17 | 77,56,00,707 | 94,09,28,814 |
| (c) Cash and cash equivalents | 18 | 5,33,87,289 | 5,25,45,835 |
| (d) Short-term loans and advances | 19 | 48,42,45,294 | 46,59,99,799 |
| | | 1,97,78,81,669 | 2,49,06,45,111 |
| Total | | 5,49,18,50,553 | 6,13,48,23,598 |

See accompanying notes forming part of the financial statements -26

Vide our report of even date

For **T.SELVARAJ & CO.**,
Chartered Accountants
Firm Regn No.003703S

V R VENKATAACHALAM
Managing Director

S VIDYA
Partner
Membership No. 217934

V RAJASEKARAN
Executive Director

Place: Chennai
Date : 25th May, 2017

RAVI SELVARAJAN
Company Secretary

T C P LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

| Particulars | Note No. | For the year ended | For the year ended |
|--|----------|-----------------------|-----------------------|
| | | 31 March, 2017 | 31 March, 2016 |
| | | ₹ | ₹ |
| A CONTINUING OPERATIONS | | | |
| Revenue from operations (gross) | 20 | 3,20,35,68,654 | 2,88,99,30,723 |
| Less: Excise duty | | 8,77,52,753 | 8,02,40,628 |
| Revenue from operations (net) | | 3,11,58,15,901 | 2,80,96,90,095 |
| Other income | 21 | 1,67,59,313 | 1,00,62,899 |
| Total revenue | | 3,13,25,75,214 | 2,81,97,52,994 |
| Expenses | | | |
| (a) Cost of materials consumed | 22a | 1,64,49,43,206 | 1,60,10,56,476 |
| (b) Purchases of stock-in-trade | 22b | 14,17,03,995 | - |
| (c) Changes in inventories of finished goods & work-in-progress | 22c | 6,55,81,063 | (1,53,56,555) |
| (d) Employee benefits expense | 23 | 22,82,87,531 | 23,58,44,618 |
| (e) Finance costs | 24 | 5,56,33,719 | 7,71,90,066 |
| (f) Depreciation | 13 | 6,02,13,498 | 5,98,19,129 |
| (g) Other expenses | 25 | 64,23,34,564 | 60,62,96,961 |
| Total expenses | | 2,83,86,97,576 | 2,56,48,50,695 |
| Profit before exceptional and extraordinary items and tax | | 29,38,77,638 | 25,49,02,300 |
| Exceptional items | | - | - |
| Profit before extraordinary items and tax | | 29,38,77,638 | 25,49,02,300 |
| Extraordinary items | | - | - |
| Profit before tax | | 29,38,77,638 | 25,49,02,300 |
| Tax expense: | | | |
| (a) Current tax expense for current year | | 7,97,91,000 | 6,93,91,000 |
| (b) Taxes relating to earlier years | | - | (3,71,308) |
| (c) Deferred tax (net) | | 56,72,784 | 1,01,24,210 |
| | | 8,54,63,784 | 7,91,43,902 |
| Profit from continuing operations | | 20,84,13,854 | 17,57,58,398 |
| Profit from Total Operations | | 20,84,13,854 | 17,57,58,398 |
| Profit for the year | | 20,84,13,854 | 17,57,58,398 |
| Earnings per Equity share : | | | |
| Basic and Diluted | | | |
| (i) Continuing operations | | 41 | 34 |
| (ii) Total operations | | 41 | 34 |

See accompanying notes forming part of the financial statements -26

Vide our report of even date

For **T.SELVARAJ & CO.,**
Chartered Accountants
Firm Regn No.003703S

V R VENKATAACHALAM
Managing Director

S VIDYA
Partner
Membership No. 217934

V RAJASEKARAN
Executive Director

Place: Chennai
Date : 25th May, 2017

RAVI SELVARAJAN
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

| Particulars | 31-Mar-2017 ₹ | 31-Mar-2016 ₹ |
|---|----------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit / (Loss) before extraordinary items and tax | 29,38,77,637 | 25,49,02,300 |
| Adjustments for: | | |
| Depreciation and amortisation | 6,02,13,498 | 5,98,19,129 |
| Interest income | (80,79,482) | (50,84,675) |
| Interest paid | 5,56,33,719 | 7,71,90,066 |
| Dividend Income | (38,26,955) | - |
| | 10,39,40,780 | 13,19,24,520 |
| Operating profit / (loss) before working capital changes | 39,78,18,417 | 38,68,26,820 |
| Changes in working capital: | | |
| Adjustments for (increase)/decrease in operating assets: | | |
| Inventories | 36,65,22,284 | (7,52,65,152) |
| Trade receivables | 16,46,98,357 | 2,52,92,781 |
| Short term loans and advances | (71,47,978) | (2,78,33,013) |
| Long term loans and advances | (97,68,159) | 82,30,293 |
| Adjustments for increase/(decrease) in operating liabilities: | | |
| Short term borrowings | (2,46,39,494) | 5,74,57,102 |
| Trade Payables | (8,03,80,765) | 5,70,45,158 |
| Other current liabilities | (16,33,26,079) | (98,83,234) |
| Short term provisions | (6,28,746) | 82,89,631 |
| Long term provisions | 9,01,581 | 23,25,110 |
| Other long term liabilities | (61,99,00,000) | (15,37,59,496) |
| | (37,36,68,999) | (10,81,00,820) |
| | 2,41,49,418 | 27,87,26,000 |
| Net income tax (paid) / refunds | (8,91,22,501) | (13,78,39,488) |
| Net cash flow from / (used in) operating activities (A) | (6,49,73,083) | 14,08,86,512 |
| B. Cash flow from investing activities | | |
| Capital expenditure on fixed assets, including capital advances (net) | (1,81,75,735) | (6,35,77,971) |
| Proceeds from sale of Investments | 9,79,40,000 | - |
| Dividend income | 38,26,955 | - |
| Bank balances not considered as cash & cash equivalents | 202 | 17,86,400 |
| Interest received | 80,79,482 | 50,84,675 |
| | 9,16,70,904 | (5,67,06,896) |
| Net cash flow from / (used in) investing activities (B) | 9,16,70,904 | (5,67,06,896) |
| C. Cash flow from financing activities | | |
| Proceeds from long-term borrowings | 3,48,09,463 | 52,65,172 |
| Dividend Paid | (50,31,909) | (50,31,909) |
| Finance cost | (5,56,33,719) | (7,71,90,066) |
| | (2,58,56,165) | (7,69,56,803) |
| Net cash flow from / (used in) financing activities (C) | (2,58,56,165) | (7,69,56,803) |

T C P LIMITED

| Particulars | 31-Mar-2017 ₹ | 31-Mar- 2016 ₹ |
|---|--------------------|--------------------|
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | 8,41,656 | 72,22,813 |
| Cash and cash equivalents at the beginning of the year | 1,24,35,437 | 52,12,624 |
| Cash and cash equivalents at the end of the year* | 1,32,77,093 | 1,24,35,437 |
| * Comprises: | | |
| (a) Cash on hand | 17,59,138 | 25,23,135 |
| (b) Balances with banks | | |
| (i) In current accounts | 1,15,17,955 | 99,12,302 |
| | 1,32,77,093 | 1,24,35,437 |

See accompanying notes forming part of the financial statements

In terms of our report attached
For **T. SELVARAJ & CO**
Chartered Accountants
Firm Reg.No.: 003703S

For and on behalf of the Board of Directors

S VIDYA
Partner
Membership No. 217934

V R VENKATAACHALAM
Managing Director

V RAJASEKARAN
Executive Director

RAVI SELVARAJAN
Company Secretary

Place : Chennai
Date : 25th May, 2017

AUDITOR'S CERTIFICATE

We have verified the above statement with the books and records maintained by TCP Limited and TCP Hotels P Limited and certify that in our opinion and according to the information and explanations given, the above statement is in accordance therewith.

For **T SELVARAJ & CO.,**
Chartered Accountants
Firm Regn No.003703S

Place : Chennai
Date : 25th May, 2017

S VIDYA
Partner
Membership No. 217934



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of consolidated financial statements

The consolidated financial Statements of TCP Ltd and its subsidiary TCP Hotels Private Limited are prepared and presented on going concern concept, based on accrual basis of accounting, under the historical cost convention and in accordance with the generally accepted accounting principles.

The accounting policies applied by the company is generally consistent with those applied in the previous years except to the extent modified to comply with the requirements of the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006, the pronouncements made by the Institute of Chartered Accountants of India, the Companies Act, 1956 and the guidelines issued by the Securities and Exchange Board of India. The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21-Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

In the preparation and presentation of consolidated financial statements in accordance with the Accounting Standards, the management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2. Principles of Consolidation:

The consolidated financial statements comprise the financial statements of TCP Ltd., the parent company and TCP Hotels Private Limited (Incorporated in India) the subsidiary company, in which the parent company holds 96% of the nominal value of the Equity Share capital and thus holds direct controlling interest in the subsidiary company.

The financial statements used in the consolidation are drawn up to the same reporting date as that of the respective companies.

The consolidated financial statements are prepared by using uniform Accounting Policies and by combining individual Financial Statements on a line-by-line basis by adding together the book values of like items of Assets and Liabilities, Income and Expenditure after eliminating intra group balances and transactions and resulting unrealised profits in full. The amount shown in respect of reserves comprises the amount of the relevant reserves as per the Balance Sheet of the parent company and its share in the post-acquisition increase in the reserves of the subsidiary.

The excess of the cost to the parent company of its investment in the subsidiary, over its portion of equity, on the date of investment in the shares of the subsidiary, is recognised in the financial statements as Goodwill. The parent company's portion of equity in the subsidiary is determined on the basis of the book values of assets and liabilities as per the financial statements of the subsidiary as on the date of investment.

Minority Interest's share of net profit of the subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.

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Minority Interest's share of net assets of the subsidiary is identified and presented in the consolidated balance sheet, separate from liabilities and the Equity of the company's shareholders.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its stand-alone financial statements.

The other significant accounting policies and Notes forming part of Accounts of the Consolidated Financial Statements have been set out in the Notes forming part of the Accounts Schedule of the respective companies.

Note 3 Share Capital

| Particulars | As at 31 March, 2017 | | As at 31 March, 2016 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | No. of shares | ₹ | No. of shares | ₹ |
| (a) Authorised | | | | |
| Equity shares of ₹ 10/- each with voting rights | 1,18,00,000 | 11,18,00,000 | 1,18,00,000 | 11,18,00,000 |
| 11% Cumulative Redeemable preference shares of ₹ 100/- each | 25,000 | 25,00,000 | 25,000 | 25,00,000 |
| (b) Issued | | | | |
| Equity shares of ₹ 10/- each with voting rights | 50,31,909 | 5,03,19,090 | 50,31,909 | 5,03,19,090 |
| (c) Subscribed and fully paid up | | | | |
| Equity shares of ₹ 10/- each with voting rights | 50,31,909 | 5,03,19,090 | 50,31,909 | 5,03,19,090 |
| | 50,31,909 | 5,03,19,090 | 50,31,909 | 5,03,19,090 |

(i) There has been no movement in Equity Share Capital during the year.

The company has only one class of Equity Shares having a par value of ₹ 10/-. Each Holder is entitled to one vote per equity share. Dividend proposed by the Board Of Directors is subject to the approval of the Shareholders at the Annual General Meeting. The amount of dividend proposed to be distributed to Equity Shareholders is ₹ 50,31,909/- and the related amount per Equity Share is ₹ 1/-.

| Class of shares / Name of shareholder | As at 31 March, 2017 | | As at 31 March, 2016 | |
|--|-----------------------|-----------------------------------|----------------------|-----------------------------------|
| | Number of shares held | % Holding in that class of Shares | No. of shares held | % Holding in that class of shares |
| Equity shares with voting rights of ₹10/- each | | | | |
| The Thiruvalluvar Textiles Pvt Ltd., | 13,08,300 | 26.00 | 13,08,300 | 26.00 |
| Shri V R Venkataachalam | 12,30,359 | 24.46 | 12,31,959 | 24.48 |
| ICL Financial Services Ltd | 4,59,480 | 9.13 | 4,59,480 | 9.13 |
| Shri V Sengutuvan | 3,61,764 | 7.19 | 3,61,764 | 7.19 |
| ICL Securities Ltd | 2,70,272 | 5.37 | 2,70,272 | 5.37 |



Note 4 Reserves and surplus

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|---|------------------------------|------------------------------|
| (a) Capital reserve | | |
| Opening balance | 1,250 | 1,250 |
| Add: Additions during the year | - | - |
| Closing balance | <u>1,250</u> | <u>1,250</u> |
| (b) Capital redemption reserve | | |
| Opening balance | 25,00,000 | 25,00,000 |
| Add: Additions during the year | - | - |
| Closing balance | <u>25,00,000</u> | <u>25,00,000</u> |
| (c) General reserve | | |
| Opening balance | 1,95,63,60,491 | 1,90,63,60,491 |
| Add: Transferred from surplus in Statement of Profit & Loss | 5,00,00,000 | 5,00,00,000 |
| Closing balance | <u>2,00,63,60,491</u> | <u>1,95,63,60,491</u> |
| (d) Surplus in Statement of Profit and Loss | | |
| Opening balance | 1,85,53,49,808 | 1,73,85,92,919 |
| Add : Profit for the year | 20,53,94,485 | 17,28,13,176 |
| Less: Proposed dividend @ ₹ 1/- per share | 50,31,909 | 50,31,909 |
| Tax on dividend | 10,24,378 | 10,24,378 |
| Transfer to General reserve | 5,00,00,000 | 5,00,00,000 |
| Less: Revenue Loss of the Subsidiary Company | 2,28,758 | 31,27,351 |
| Closing balance | <u>2,00,44,59,248</u> | <u>1,85,22,22,457</u> |
| Total | <u>4,01,33,20,989</u> | <u>3,81,10,84,197</u> |

Note 5 Long-term borrowings

| | | |
|---|----------------------------|----------------------------|
| (a) Other Loans (Unsecured-Considered good) | | |
| Key Management Personnel | 4,82,14,100 | 3,16,98,751 |
| Relatives of Key Management Personnel | 5,15,96,368 | 5,09,39,254 |
| Others | 97,00,000 | 97,00,000 |
| | <u>10,95,10,468</u> | <u>9,23,38,005</u> |
| (b) Deposits (Unsecured -Considered good) | | |
| Key Management Personnel | 64,000 | 64,000 |
| Relatives of Key Management Personnel | - | 52,00,000 |
| Others | 14,01,90,000 | 11,73,53,000 |
| | <u>14,02,54,000</u> | <u>12,26,17,000</u> |
| Total | <u>24,97,64,468</u> | <u>21,49,55,005</u> |

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Note 6 Deferred Tax Liabilities (Net)

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|--|------------------------------|------------------------------|
| Deferred tax (liability) / asset | | |
| Tax effect of items constituting deferred tax liability | | |
| On difference between book balance and tax balance of fixed assets | (5,82,50,708) | (5,32,90,692) |
| Provision for Diminution in value of investments | (6,74,754) | (6,74,754) |
| Tax effect of items constituting deferred tax liability | (5,89,25,442) | (5,39,65,446) |
| Tax effect of items constituting deferred tax assets | | |
| Provision for employee benefits | 29,41,591 | 57,81,828 |
| Provision for Bonus | 78,59,907 | 57,35,034 |
| Provision for Customs Duty | 1,61,35,994 | 1,61,35,994 |
| Provision for disallowance under Sec 40(a)(ia) | 2,596 | - |
| Tax effect of items constituting deferred tax assets | 2,69,40,088 | 2,76,52,856 |
| Net deferred tax (liability) / asset | (3,19,85,374) | (2,63,12,590) |

Note 7 Other long-term liabilities

| | | |
|--|--------------------|---------------------|
| Security deposits received- Unsecured, Considered good | 86,60,927 | 85,60,927 |
| Other long term Liabilities | 2,48,88,824 | 64,48,88,824 |
| Total | 3,35,49,751 | 65,34,49,751 |

Note 8 Long-term provisions

(a) Provision for employee benefits:

| | | |
|--|------------------|------------------|
| (i) Provision for Compensated Absences | 85,21,104 | 76,19,523 |
| Total | 85,21,104 | 76,19,523 |

Note 9 Short-term borrowings

Loans repayable on demand

(A) From banks - Secured

| | | |
|----------------------|--------------|--------------|
| Cash Credit | | |
| Indian Overseas Bank | 18,55,37,483 | 22,64,85,529 |
| State Bank of India | 8,54,68,080 | 6,80,21,247 |
| IDBI Bank | 17,75,76,752 | 17,87,15,033 |
| | 44,85,82,315 | 47,32,21,809 |

Unsecured - Considered Good

(B) Inter Corporate Deposit

| | | |
|--------------|---------------------|---------------------|
| | 2,95,00,000 | 2,95,00,000 |
| Total | 47,80,82,315 | 50,27,21,809 |

Note:

Cash Credit borrowings from Banks are Secured by a Pari Passu first charge on the Inventory of raw materials, stores & spares and finished goods and a Pari Passu second charge on the Fixed Assets of the Company (movable and im-movable assets) except wind mills, the Corporate Office Building and specific land & building situated at Bawa Road, Chennai and is collaterally secured by the Personal Guarantee of Shri V R Venkatachalam, Promoter director of the Company.



Note 10 Trade payables

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|------------------------|------------------------------|------------------------------|
| Trade payables: | | |
| Acceptances | - | 22,73,40,645 |
| Other than Acceptances | 29,70,62,669 | 15,01,02,789 |
| Total | 29,70,62,669 | 37,74,43,434 |

Note 11 Other current liabilities

| | | |
|--|---------------------|---------------------|
| (a) Current maturities of long-term debt * (See note below) | 4,25,54,000 | 11,28,36,000 |
| (b) Interest accrued but not due on borrowings | 75,07,077 | 89,38,809 |
| (c) Interest accrued and due on borrowings | | |
| Key Management Personnel | 93,964 | 14,30,037 |
| Relatives of Key Management Personnel | 2,71,82,349 | 2,44,81,573 |
| Related parties | 98,21,393 | 91,06,293 |
| (d) Other payables | | |
| (i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) | 98,45,689 | 97,17,517 |
| (ii) Advances from customers | 1,86,80,108 | 1,41,53,289 |
| (iii) Others Current Liabilities | 19,17,16,930 | 28,79,03,427 |
| Total | 30,74,01,510 | 46,85,66,944 |

Note: (i) Current maturities of long-term debt

| | | |
|--|--------------------|---------------------|
| (a) Deposits (Unsecured - Considered good) | | |
| Key Management Personnel | - | 2,10,000 |
| Relatives of Key Management Personnel | 52,00,000 | - |
| Unclaimed | 65,30,000 | 59,76,000 |
| Others | 3,08,24,000 | 10,66,50,000 |
| Total | 4,25,54,000 | 11,28,36,000 |

Note 12 Short-term provisions

| | | |
|--|--------------------|--------------------|
| (a) Provision for employee benefits: | | |
| (i) Provision for bonus | 1,55,05,930 | 1,47,12,196 |
| (ii) Provision for Gratuity | (43,01,128) | (39,69,471) |
| (iii) Provision for Compensated Absences | 46,17,914 | 57,08,737 |
| | 1,58,22,716 | 1,64,51,462 |
| (b) Provision - Others: | | |
| (i) Provision for proposed equity dividend | 50,31,909 | 50,31,909 |
| (ii) Provision for tax on proposed dividends | 10,24,378 | 10,24,378 |
| | 60,56,287 | 60,56,287 |
| Total | 2,18,79,003 | 2,25,07,749 |



Note 13 Tangible Assets

In ₹

| Tangible Assets | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | |
|------------------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| | AS ON 1-Apr-16 | ADDITIONS DURING 2016-2017 | DEDUCTIONS DURING 2016-2017 | UPTO 31-Mar-17 | UPTO 1-Apr-16 | For the Year 2016-17 | UPTO 31-Mar-17 | AS AT 31-Mar-17 | AS AT 31-Mar-16 |
| LAND | 27,04,69,318 | - | - | 27,04,69,318 | - | - | - | 27,04,69,318 | 27,04,69,318 |
| LEASEHOLD LAND | 18,45,672 | - | - | 18,45,672 | - | - | - | 18,45,672 | 18,45,672 |
| LEASEHOLD BUILDINGS | 3,06,89,718 | - | - | 3,06,89,718 | 1,99,43,902 | 5,11,741 | 2,04,55,643 | 1,02,34,075 | 1,07,45,816 |
| BUILDINGS | 34,52,13,599 | 21,600 | - | 34,52,35,199 | 19,29,62,007 | 66,77,584 | 19,96,39,591 | 14,55,95,608 | 15,22,51,592 |
| PLANT & MACHINERY | 2,72,07,44,008 | 1,54,04,308 | - | 2,73,61,48,316 | 2,01,77,85,068 | 4,42,48,473 | 2,06,20,33,541 | 67,41,14,775 | 70,29,58,940 |
| WATER SUPPLY WORKS | 53,88,194 | - | - | 53,88,194 | 31,58,304 | 95,929 | 32,54,233 | 21,33,961 | 22,29,890 |
| COMPUTERS | 1,21,45,976 | 10,98,677 | - | 1,32,44,653 | 1,18,77,578 | 10,16,150 | 1,28,93,728 | 3,50,925 | 2,68,398 |
| OFFICE EQUIPMENTS | 55,19,523 | 43,224 | - | 55,62,747 | 49,78,201 | 89,841 | 50,67,542 | 4,95,205 | 5,41,322 |
| MISCELLANEOUS EQUIPMENTS | 2,16,64,091 | 6,89,920 | - | 2,23,54,011 | 1,40,35,230 | 22,08,086 | 1,62,43,316 | 61,10,695 | 76,28,861 |
| FURNITURE & FITTINGS | 1,20,13,230 | 8,67,855 | - | 1,28,81,085 | 89,86,184 | 3,62,328 | 93,60,512 | 35,20,573 | 30,15,046 |
| VEHICLES | 5,96,56,615 | 49,210 | - | 5,97,05,825 | 3,93,95,640 | 35,12,743 | 4,29,08,383 | 1,67,97,442 | 2,02,60,975 |
| TECHNICAL KNOWHOW (ERP- TA) | 22,94,250 | - | - | 22,94,250 | 2,17,954 | - | 2,17,954 | 20,76,295 | 20,76,296 |
| TOTAL | 3,48,76,44,194 | 1,81,74,794 | - | 3,50,58,18,988 | 2,31,33,52,068 | 5,87,22,375 | 2,37,20,74,443 | 1,13,37,44,545 | 1,17,42,92,126 |
| INTANGIBLE ASSETS | | | | | | | | | |
| Goodwill | 11,08,523 | - | - | 11,08,523 | - | - | - | 11,08,523 | 11,08,523 |
| TECHNICAL KNOWHOW (ERP- ITA) | 78,48,015 | - | - | 78,48,015 | 17,55,137 | 14,91,123 | 32,46,260 | 46,01,755 | 60,92,878 |
| TOTAL | 89,56,538 | - | - | 89,56,538 | 17,55,137 | 14,91,123 | 32,46,260 | 57,10,278 | 72,01,401 |
| CAPITAL WORK IN PROGRESS | 11,32,95,197 | 940 | - | 11,32,96,137 | - | - | - | 11,32,96,137 | 11,32,95,197 |
| TOTAL | 3,60,87,87,409 | 1,81,75,734 | - | 3,62,80,71,663 | 2,31,51,07,205 | 6,02,13,498 | 2,37,53,20,703 | 1,25,27,50,960 | 1,29,47,88,724 |
| Previous Year Figures | (3,54,63,17,958) | (6,35,77,972) | - | (3,60,98,95,929) | (2,25,52,88,076) | (5,98,19,129) | (2,31,51,07,205) | (1,29,47,88,724) | (1,29,10,29,861) |



Note 14 Non-current and Non-Trade investments

| Particulars | As at 31 March, 2017 | | As at 31 March, 2016 | | Total ₹ |
|---|----------------------|-----------------------|-----------------------|--------------------|-----------------------|
| | Quoted ₹ | Unquoted ₹ | Quoted ₹ | Inquoted ₹ | |
| (a) Investment in equity instruments | | | | | |
| (iii) of other Companies | | | | | |
| M/s Thiruvalluvar Textiles Pvt Ltd., | | 70,00,000 | | 70,00,000 | 70,00,000 |
| M/s Binny Mills Ltd., | 13,57,883 | | 13,57,883 | | 13,57,883 |
| M/s Jugal Chemicals Ltd., | | 1,00,000 | | 1,00,000 | 1,00,000 |
| M/s Madras Stock Exchange Ltd., | | 35,97,500 | | 35,97,500 | 35,97,500 |
| M/s Clariant Chemicals (India) Ltd., | 42,012 | | 42,012 | | 42,012 |
| M/s Indian Overseas Bank | 6,01,600 | | 6,01,600 | | 6,01,600 |
| M/s IDBI Bank Ltd., | 23,25,600 | | 23,25,600 | | 23,25,600 |
| M/s Kamar Chemicals & Industries Ltd., | 22,27,240 | | 22,27,240 | | 22,27,240 |
| M/s Allahabad Bank | 1,77,000 | | 1,77,000 | | 1,77,000 |
| TOTAL (A) | 67,31,335 | 1,06,97,500 | 1,74,28,835 | 1,06,97,500 | 1,74,28,835 |
| (Aggregate market value - Quoted Investments as on 31.03.2017 is Rs. 68,20,182/- (31.03.2016 - Rs. 62,15,500/-) | | | | | |
| (b) Investment in preference shares | | | | | |
| (i) of Related Parties | | | | | |
| M/s Binny Mills Ltd., | | 1,38,02,70,330 | 1,38,02,70,330 | 1,38,32,10,330 | 1,38,32,10,330 |
| M/s Thiruvalluvar Textiles Pvt Ltd., | | 81,20,37,262 | 81,20,37,262 | 90,70,37,262 | 90,70,37,262 |
| TOTAL (B) | - | 2,19,23,07,592 | 2,19,23,07,592 | - | 2,29,02,47,592 |
| (c) Investment in government or trust securities | | | | | |
| (i) National Savings Certificates | | 23,000 | 23,000 | 23,000 | 23,000 |
| TOTAL (C) | | 23,000 | 23,000 | 23,000 | 23,000 |
| Total (A+B+C) | 67,31,335 | 2,20,30,28,092 | 2,20,97,59,427 | 67,31,335 | 2,30,76,99,427 |
| Less: Provision For Diminution In Value Of Investments In Respect of M/S Kamar Chemicals And Industries Ltd. | 9,04,640 | | 9,04,640 | 9,04,640 | 9,04,640 |
| TOTAL | 58,26,695 | 2,20,30,28,092 | 2,20,88,54,787 | 58,26,695 | 2,30,67,94,787 |

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Note 15 Long-term loans and advances

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|--|------------------------------|------------------------------|
| Unsecured, considered good | | |
| (a) Capital advances | 1,23,95,852 | 42,76,059 |
| (b) Security deposits | 2,47,27,791 | 2,30,72,365 |
| (c) Loans and advances to related parties (Refer Note below) | 1,52,39,492 | 1,52,46,552 |
| Total | 5,23,63,135 | 4,25,94,976 |

Note: Loans and Advances amounting to ₹ 1,52,13,492/- (₹ 1,52,08,552/-) given to Binny Mills Ltd., a company in which six directors of the Company are also directors, being advance given for purchase of an immovable property of Binny Mills Ltd., having an extent of about 3 acres, as identified by the Company, in terms of the Agreement of Sale entered into by the Company with Binny Mills Ltd., on 22nd May, 2010.

Note 16 Inventories (As Certified by the Management)

(At lower of cost or net realisable value)

| | | |
|--|---------------------|-----------------------|
| (a) Raw materials | 20,02,16,813 | 57,76,77,827 |
| Goods-in-transit | 17,73,23,851 | 11,07,74,219 |
| (b) Work-in-progress @ (Refer Note below) | 73,74,779 | 46,03,656 |
| (c) Finished goods (other than those acquired for trading) | 4,99,17,752 | 11,82,69,938 |
| (d) Stores and spares | 22,98,15,184 | 21,98,45,023 |
| Total | 66,46,48,379 | 1,03,11,70,663 |

Note: Details of inventory of work-in-progress

| | | |
|------------------|------------------|------------------|
| Sodium Formate | 7,22,427 | 8,49,332 |
| Caustic Soda Lye | 10,56,049 | 6,20,539 |
| Suphur | 1,35,949 | 1,59,066 |
| Others | 54,60,354 | 29,74,719 |
| Total | 73,74,779 | 46,03,656 |

Note 17 Trade receivables

| | | |
|---|---------------------|---------------------|
| Unsecured, considered good | | |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | 35,47,00,308 | 40,39,96,848 |
| Other Trade receivables | 42,09,00,399 | 53,69,31,966 |
| Total | 77,56,00,707 | 94,09,28,814 |



Note 18 Cash and cash equivalents

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|---|------------------------------|------------------------------|
| (a) Cash on hand | 17,59,138 | 25,23,135 |
| (b) Balances with banks | | |
| (i) In current accounts | 1,15,17,955 | 99,12,302 |
| (ii) Balances held as margin money for guarantees | 4,01,10,196 | 4,01,10,398 |
| Total | 5,33,87,289 | 5,25,45,835 |

Note 19 Short-term loans and advances

Unsecured - considered good

| | | |
|---|---------------------|---------------------|
| (a) Loans and advances to employees | 81,07,177 | 82,15,276 |
| (b) Prepaid expenses | 1,12,80,377 | 96,64,469 |
| (c) Balances with government authorities | | |
| (i) CENVAT credit receivable | 20,31,128 | 14,28,757 |
| (ii) Service Tax credit receivable | 18,87,026 | 17,98,134 |
| (d) Inter-corporate deposits | | |
| Others | 1,00,00,000 | 1,00,00,000 |
| (e) Others Loans and Advances | | |
| (i) Others Loans and Advances | 35,88,08,439 | 35,10,69,139 |
| (f) Advance Income Tax (net of provisions) | 9,21,31,147 | 8,38,24,024 |
| Total | 48,42,45,294 | 46,59,99,799 |

Note 20 Revenue from operations

| | | |
|---|-----------------------|-----------------------|
| Sale of products (Refer (i) below) | 3,16,57,04,257 | 2,83,01,80,333 |
| Other operating revenues (Refer (ii) below) | 3,78,64,397 | 5,97,50,390 |
| Total | 3,20,35,68,654 | 2,88,99,30,723 |

(i) Sale of products comprises

Manufactured goods

| | | |
|------------------------|----------------|----------------|
| Sodium Hydrosulphite | 81,00,76,727 | 74,29,64,188 |
| Liquid Sulphur Dioxide | 2,85,40,571 | 1,36,44,117 |
| Recovery Salts | 5,98,85,384 | 3,53,19,406 |
| Power | 2,12,02,02,523 | 2,03,74,41,619 |
| Coal Trading | 14,64,67,591 | - |
| Miscellaneous Sales | 5,31,461 | 8,11,003 |

Total - Sale of manufactured & traded goods **3,16,57,04,257** **2,83,01,80,333**

Total - Sale of products **3,16,57,04,257** **2,83,01,80,333**

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| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|--|------------------------------|------------------------------|
| (ii) Other operating revenues comprise: | | |
| Sales- Scrap | 54,64,079 | 63,61,835 |
| Sale of Renewable Energy Certificate | 1,13,22,856 | 1,22,92,858 |
| Export Incentive | 14,59,979 | 14,42,464 |
| Steam Transfer | - | 1,85,50,716 |
| Insurance Claims | - | 8,87,133 |
| Rent Received | 1,58,48,100 | 1,45,71,000 |
| Miscellaneous Income | 37,69,383 | 56,44,384 |
| Total - Other operating revenues | 3,78,64,397 | 5,97,50,390 |
| Note 21 Other income | | |
| Interest income (Refer Note (i) below) | 80,79,482 | 50,84,675 |
| Dividend income: | | |
| Dividend Income : Non Current Investments | 38,26,955 | - |
| Rent received | 48,52,876 | 48,46,554 |
| Other non operating income (Refer Note (ii) below) | - | 1,31,670 |
| Total | 1,67,59,313 | 1,00,62,899 |
| Note (i) Interest income comprises: | | |
| Deposits | 56,30,938 | 23,15,648 |
| Interest on loans and advances | 24,48,544 | 27,69,027 |
| Total - Interest income | 80,79,482 | 50,84,675 |
| Note (ii) Other non-operating income comprises: | | |
| Unclaimed credits written back | - | 1,31,670 |
| Total - Other non-operating income | - | 1,31,670 |
| Note 22.a Cost of materials consumed | | |
| Cost of material consumed : | | |
| Sodium Formate | 8,95,44,518 | 13,38,49,802 |
| Caustic Soda Lye | 10,84,02,441 | 8,83,34,118 |
| Sulphur | 4,64,47,877 | 5,46,78,399 |
| Coal consumed | 1,30,72,54,563 | 1,21,20,76,658 |
| Firewood consumed | - | 2,84,10,743 |
| CR Sheets consumed | 3,42,83,134 | 2,87,80,318 |
| Others | 5,90,10,673 | 5,49,26,438 |
| Total | 1,64,49,43,206 | 1,60,10,56,476 |



| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|--|------------------------------|------------------------------|
| MATERIALS CONSUMED | | |
| Opening Stock | 68,88,38,866 | 46,96,93,793 |
| (Add) Purchases | 1,33,12,60,700 | 1,82,38,69,387 |
| (Less) Closing Stock | 37,79,27,483 | 68,88,38,866 |
| Cost of Material Consumed before adjusting WIP | 1,64,21,72,083 | 1,60,47,24,314 |
| (Add) Closing W.I.P. | 73,74,779 | 46,03,656 |
| (Less) Opening W.I.P. | 46,03,656 | 82,71,494 |
| Net Materials consumed | 1,64,49,43,206 | 1,60,10,56,476 |
| Note 22.b Purchase of traded goods | | |
| Non-cooking coal | 14,17,03,995 | - |
| Total | 14,17,03,995 | - |
| Note 22.c Changes in inventories of finished goods, work-in-progress and stock-in-trade | | |
| Inventories at the end of the year: | | |
| Finished goods | 4,99,17,752 | 11,82,69,938 |
| Work-in-progress | 73,74,779 | 46,03,656 |
| Total | 5,72,92,531 | 12,28,73,594 |
| Inventories at the beginning of the year: | | |
| Finished goods | 11,82,69,938 | 9,92,45,545 |
| Work-in-progress | 46,03,656 | 82,71,494 |
| | 12,28,73,594 | 10,75,17,039 |
| Net (increase) / decrease | 6,55,81,062 | (1,53,56,555) |
| Note 23 Employee benefits expense | | |
| Salaries and wages | 17,82,03,621 | 17,95,65,987 |
| Contributions to provident and other funds | 1,43,21,572 | 1,50,01,587 |
| Staff welfare expenses | 3,57,62,338 | 4,12,77,044 |
| Total | 22,82,87,531 | 23,58,44,618 |
| Note 24 Finance costs | | |
| Interest on Borrowings | 5,56,33,719 | 7,71,90,066 |
| Total | 5,56,33,719 | 7,71,90,066 |

T C P LIMITED

| Particulars | As at 31 March, 2017 ₹ | As at 31 March, 2016 ₹ |
|---|------------------------------|------------------------------|
| Note 25 Other expenses | | |
| Consumption of stores and spare parts | 80,61,465 | 1,72,49,515 |
| Increase / (decrease) of excise duty on inventory | (76,30,251) | 24,88,243 |
| Power and fuel | 36,94,70,744 | 28,12,79,646 |
| Rent | 52,09,404 | 49,27,207 |
| Repairs and maintenance - Buildings | 1,93,78,185 | 1,72,81,148 |
| Repairs and maintenance - Machinery | 9,81,35,497 | 15,52,07,781 |
| Repairs and maintenance - Others | 97,11,217 | 1,03,76,233 |
| Insurance | 87,60,556 | 87,31,525 |
| Rates and taxes | 4,37,53,322 | 2,13,14,857 |
| Communication | 25,70,492 | 30,30,401 |
| Travelling and conveyance | 57,98,210 | 32,92,640 |
| Printing and stationery | 12,46,336 | 12,55,497 |
| Freight and forwarding | 48,67,443 | 51,03,162 |
| Sales commission | 71,14,293 | 42,89,721 |
| Sales discount | 2,51,805 | 2,51,344 |
| Business promotion | 7,25,742 | 10,39,785 |
| Donations | - | 1,00,000 |
| Legal and professional | 10,15,972 | 3,30,104 |
| Fees | 1,54,83,183 | 1,95,16,012 |
| Payments to auditors (Refer Note (i) below) | 23,82,500 | 20,84,421 |
| Bad trade and other receivables written off | 33,65,740 | 8,52,714 |
| Net loss on foreign currency transactions | 12,67,765 | 56,98,033 |
| Prior period items | 4,12,549 | 6,15,244 |
| Corporate Social Responsibility Expenses | - | 95,000 |
| Investment Maintenance Expenses | 47,278 | 28,994 |
| Bank Processing charges | 54,55,437 | 51,58,602 |
| Miscellaneous expenses | 3,54,79,680 | 3,46,99,132 |
| Total | 64,23,34,564 | 60,62,96,961 |
| (i) Payments to the auditors comprises: | | |
| As auditors - statutory audit | 10,43,626 | 10,43,625 |
| For taxation matters | 12,53,000 | 8,57,145 |
| For other services | 81,008 | 1,75,045 |
| Reimbursement of expenses | 4,866 | 8,606 |
| Total | 23,82,500 | 20,84,421 |



NOTE 26 Segment Reporting:

a) Information about Primary Business Segments

In ₹

| REVENUE | CHEMICAL | POWER | OTHERS | BIOMASS | WINDMILL | TOTAL |
|---|-----------------------------------|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|------------------------------------|
| External | 82,37,88,335 (72,37,64,246) | 2,11,05,28,844 (1,90,64,18,835) | 1,85,67,224 (1,72,51,344) | 1,13,22,855 (1,86,69,871) | 7,43,48,685 (4,77,62,826) | 3,03,85,55,943 (2,71,38,67,122) |
| Inter Segment | - | 6,28,26,248 (6,02,46,369) | - | - (1,85,50,716) | 3,11,93,023 (2,70,88,787) | 9,40,19,271 (10,58,85,872) |
| Total Revenue | 82,37,88,335 (72,37,64,246) | 2,17,33,55,092 (1,96,66,65,204) | 1,85,67,224 (1,72,51,344) | 1,13,22,855 (3,72,20,587) | 10,55,41,708 (7,48,51,613) | 3,13,25,75,214 (2,81,97,52,994) |
| Less | | | | | | |
| Interest Income | 17,24,419 (19,10,962) | 60,35,939 (27,53,779) | 3,19,124 (2,80,344) | - (1,39,590) | - | 80,79,482 (50,84,675) |
| Dividend Income | 38,26,955 | - | - | - | - | 38,26,955 |
| Net Revenue | 81,82,36,961 (72,18,53,284) | 2,16,73,19,153 (1,96,39,11,425) | 1,82,48,100 (1,69,71,000) | 1,13,22,855 (3,70,80,997) | 10,55,41,708 (7,48,51,613) | 3,12,06,68,777 (2,81,46,68,319) |
| RESULTS: | | | | | | |
| Segment Results | (2,59,75,930) (-)(7,65,55,574) | 29,72,69,779 (38,69,60,620) | 1,54,37,755 (1,40,21,259) | (1,87,05,744) (-)(3,24,80,659) | 6,95,79,059 (3,50,62,045) | 33,76,04,920 (32,70,07,691) |
| Unallocated Expenditure | | | | | | - |
| Operating Profit | | | | | | 33,76,04,920 (32,70,07,691) |
| Less Interest Expenses | | | | | | 5,56,33,719 (7,71,90,066) |
| Add: Interest Income | | | | | | 80,79,482 (50,84,675) |
| Add: Dividend Income | | | | | | 38,26,955 |
| Profit before Tax | | | | | | 29,38,77,637 (25,49,02,300) |
| Provision for Taxation including deferred tax | | | | | | 8,54,63,784 (7,91,43,902) |
| Profit after Tax | | | | | | 20,84,13,853 (17,57,58,398) |
| OTHER INFORMATION | | | | | | |
| Segment Assets | 91,15,19,870 (98,51,85,153) | 1,54,26,88,820 (2,02,28,13,980) | 14,56,15,785 (14,26,41,296) | 29,03,47,845 (30,29,24,024) | 32,42,49,548 (31,05,16,081) | 3,21,44,21,868 (3,76,40,80,534) |
| Unallocable Corporate Assets | | | | | | 2,18,31,50,298 (2,28,69,24,241) |
| Total | 91,15,19,870 (98,51,85,153) | 1,54,26,88,820 (2,02,28,13,980) | 14,56,15,785 (14,26,41,296) | 29,03,47,845 (30,29,24,024) | 32,42,49,548 (31,05,16,081) | 5,39,75,72,166 (6,05,10,04,774) |
| Segment Liabilities | 42,37,26,112 (1,03,74,95,843) | 93,18,56,207 (1,13,79,45,506) | 44,75,823 (44,34,969) | 1,25,75,819 (3,48,24,707) | 1,11,92,845 (1,07,22,814) | 1,38,38,26,805 (2,22,54,23,839) |
| Unallocable Corporate Liabilities | | | | | | (4,76,98,353) (-3,56,65,857) |
| Total | 42,37,26,112 (1,03,74,95,843) | 93,18,56,207 (1,13,79,45,506) | 44,75,823 (44,34,969) | 1,25,75,819 (3,48,24,707) | 1,11,92,845 (1,07,22,814) | 1,33,61,28,452 (2,18,97,57,982) |
| Capital Expenditure | 1,61,31,848 (2,36,62,914) | 20,43,887 (3,80,17,850) | - | - (18,97,207) | - | 1,81,75,735 (6,35,77,971) |
| Depreciation | 2,08,06,670 (2,14,83,831) | 1,80,58,971 (1,67,84,464) | 2,95,582 (3,65,582) | 69,18,518 (69,11,307) | 1,41,33,757 (1,42,73,945) | 6,02,13,498 (5,98,19,129) |

(b) Information about secondary business segment:

In ₹

| Revenue by geographical Market | Domestic | International | Total |
|--------------------------------|------------------|---------------|------------------|
| External | 2,92,78,33,379 | 11,07,22,564 | 3,03,85,55,943 |
| | (2,64,25,88,154) | (7,12,78,968) | (2,71,38,67,122) |
| Inter Segment | 9,40,19,271 | - | 9,40,19,271 |
| | (10,58,85,872) | | (10,58,85,872) |
| | 3,02,18,52,650 | 11,07,22,564 | 3,13,25,75,214 |
| | (2,74,84,74,026) | (7,12,78,968) | (2,81,97,52,994) |
| Segment Assets | 3,21,44,21,868 | - | 3,21,44,21,868 |
| | (3,76,40,80,534) | | (3,76,40,80,534) |
| Capital Expenditure | 1,81,75,735 | - | 1,81,75,735 |
| | (6,35,77,971) | | (6,35,77,971) |

Figures in brackets indicate those for the previous year

(c) Notes:

- (i) The Segment Revenue in the geographical market in the secondary business segment considered for disclosure are as follows:
 - Domestic - Comprising of sales to customers located within India and earnings in India
 - International - Comprising of sales to customers located outside India.
- (ii) Segment Revenue in each of the above business segments primarily include sales, and operating income in the respective segments other than interest and dividend income.
- (iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- (iv) Inter segment transfers are effected at the prevailing rates of the Company.

For **T. SELVARAJ & CO**
Chartered Accountants
Firm Reg.No.: 003703S

V R VENKATAACHALAM
Managing Director

S VIDYA
Partner
Membership No. 217934

V RAJASEKARAN
Executive Director

Place : Chennai
Date : 25th May, 2017

RAVI SELVARAJAN
Company Secretary

T C P LIMITED

Registered Office: No.4, Karpagambal Nagar, Mylapore, Chennai 600 004.

CIN: U24200TN1971PLC005999

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management & Administration) Rules, 2014]

Name of the Member(s) :

Registered address :

E-mail Id :

Folio No. / DP ID No. : Client ID No.

I / We, being the member(s) of equity shares of TCP Limited, hereby appoint

1. Name : E-mail Id:

Address :

..... Signature:

or failing him/ her...

2. Name : E-mail Id:

Address :

..... Signature:

or failing him/ her...

3. Name : E-mail Id:

Address :

..... Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 45th annual general meeting of the company to be held on 22nd September, 2017 at 4.00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of audited financial statement and Directors' report and Auditors' Report for the financial year ended 31st March, 2017.
2. Declaration of dividend on the equity shares for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Shri V. Sengutuvan, (DIN 00053629) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and fixing their remuneration.
5. To approve the appointment of Ms. V. Samyuktha as director of the Company.
6. To approve the remuneration of the Cost Auditor for the Financial year ended 31st March, 2018.

Signed this day of 2017

Signature of shareholder

Signature of Proxy holder(s)



NOTES:

1. This form in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company at No.4, Karpagambal Nagar, Mylapore, Chennai 600 004, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.

ATTENDANCE SLIP
T C P LIMITED

Registered Office: No.4, Karpagambal Nagar, Mylapore, Chennai 600 004.

CIN: U24200TN1971PLC005999

1. Full Name of the Shareholder/proxy
2. Registered Folio No No. of Shares
- DP ID / Client ID
3. If Proxy, full name of the Shareholder

I hereby record my presence at the 45th Annual General Meeting of the members of the company at No.4, (Old No.10) Karpagambal Nagar, Mylapore, Chennai 600 004 on Friday, the 22nd September, 2017 at 4 P.M.

.....
(Signature of shareholder/proxy)

Important: This attendance slip must be handed over at the entrance of the meeting hall.

