



TCM Limited

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

Regd. Office : House No.28/2917, "Aiswarya",
Ponneth Temple Road, Shanthi Nagar,
Kadavanthra, Cochin - 682 020.
Phone - 0484 - 2316771, 0484 - 2315294
Email : info@tcmlimited.in / Web. www.tcmlimited.in
CIN : L24299KL 1943PLC001192
GSTIN-32AAACT6206A1Z4

TCM No.351/ 2022
12th October 2022

The Chief General Manager
Corporation Finance Division
Securities and Exchange Board of India
SEBI Bhavan
Bandra Kurla Complex
Bandra (East)
Mumbai - 400051

BSE SCRIPT CODE- 524156

Dear Sir/ Madam,

SUB: Request for Informal guidance by way of a interpretative letter under the provisions of Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 in relation to applicability of Corporate Governance provisions as specified in regulations 17 to 27 clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI(LODR) Regulations, 2015 with respect to our company, TCM Limited (BSE SCRIPT CODE-524156)

This is a request for an interpretative letter under the SEBI(Informal Guidance) Scheme, 2003 (hereinafter referred to as 'the SEBI Scheme').

Background

We are listed in the Bombay Stock Exchange (BSE) with the above mentioned script code and company name. We have been claiming exemption from Corporate Governance provisions as specified in Regulation 17 to 27 clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C,D and E of Schedule V of SEBI(LODR) Regulations, 2015 for our company since the beginning of SEBI (LODR) Regulations, 2015 notification as our Equity Share Capital was less than Rs.10 Crore and the Net Worth of the company was less than Rs.25 Crore.

We would like to draw your kind attention that, as per the formula for computation of Net Worth of a company as per Section 2(57) of the Companies Act, 2013, the Revaluation Reserves are not required to be considered for the Net worth. Till the year ended



31st March 2021, our Reserves (Other Equity) had Revaluation Reserves to the tune of Rs. 60.78 crore arising from revaluation of land pursuant to the option adopted by the Company on transition to Indian Accounting Standards (IND AS) and this was excluded from the computation of networth and thus, our Net Worth has been less than Rs. 25 Crore for all these years, and we were eligible to claim the above mentioned Corporate Governance provisions exemption. As per IND AS 101 – ‘First Time Adoption’, all the adjustments/ impacts arising on transition to IND AS, including the revaluation of land was supposed to be accounted as an adjustment to retained earnings. Consequently, during the financial year ended 31st March 2022, in order to comply with the requirements of IND AS101 and correct the previous period error of classification of the revaluation impact under Other Equity, the said revaluation impact to the tune of Rs.60.78 crore was reclassified and merged with the Retained Earnings of negative Rs.33.11 Crore, resulting in the aggregated retained earnings of positive Rs.27.67 crore. The net worth now, while adding the equity capital and Reserves amounts to Rs. 32.053 Crore, which actually includes the revaluation impact of Rs. 60.78 crores in it, as stated above. Kindly note that purely due to this re-classification, our net worth crosses the Rs.25 crore threshold now and it is not a real increase in networth with increase in retained earnings under normal cases.

Query

We request you to provide us an ‘Informal guidance- interpretative letter’ regarding the applicability of the Corporate Governance provisions of SEBI (LODR) Regulations, 2015 for our company under these circumstances or whether we are eligible to claim the exemptions from these provisions, as done till now.

Fees for ‘Informal Guidance- interpretative letter’

As per the requirements prescribed under the SEBI(Informal Guidance) Scheme, 2003, we are enclosing along with this application, details of NEFT payment transaction, for an amount of Rs.25,000/- towards the fees for seeking the informal guidance-interpretative letter as per the following-

Payment Confirmation in favour of Securities and Exchange Board of India as under:

| | |
|---|---|
| Date of Payment | 12 th October 2022 |
| Mode of Payment | NEFT |
| Amount | Rs.25,000/- (Rupees Twenty Five Thousand Only) |
| UTR No. and Account number of the payee (SEBI) | PUNBH22285812702 to SEBI Current A/c No. 012210210000007, Bank Of India |
| Purpose | Request for Informal Guidance in the form of Interpretative letter under the SEBI(Informal Guidance) Scheme, 2003 |

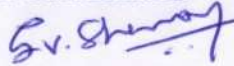


We urgently seek your considered informal guidance to this effect and will extend our full cooperation in case you require any further information. Any request for further information/ clarification may be addressed to:

| Contact Person | Telephone No. | Email ID |
|--|-------------------------|------------------|
| Mr. Gokul V Shenoy, Company Secretary, TCM Limited | 0484-2316771 (landline) | cs@tcmlimited.in |

Thanking you
Yours faithfully,

For TCM Limited



**GOKUL V SHENOY
COMPANY SECRETARY AND COMPLIANCE OFFICER**

