

56th ANNUAL REPORT

1999-2000



TCM Limited



TCM Limited

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

56th Annual Report

&

Report Accounts

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DIRECTORS

R. G. N. SWAMY (CHAIRMAN)
R. V. RAMANI
S. K. JATIA
O. P. GOENKA
R. B. KISHORE

MANAGING DIRECTOR

N. R. SUPARNA

COMPANY SECRETARY

BIJU K. ELIAS

AUDITORS

M/s. SANKARAN & RAMAN
Chartered Accountants

BANKERS

BANK OF BARODA

REGISTERED OFFICE

P.B. No. 19
GLASS FACTORY ROAD
KALAMASSERY - 683 104
KERALA STATE

FACTORIES AT

KALAMASSERY
KUNDARA
METTUR DAM
TUTICORIN



NOTICE TO SHAREHOLDERS

Notice is hereby given that the 56th Annual General Meeting of the Members of TCM Limited will be held on Thursday, the 28th day of September, 2000 at 14.00 Hrs at Bharat Hotel, Ernakulam to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet, the Profit & Loss Account for the year ended 31st March, 2000 and the Report of the Auditors thereon.
2. To appoint a Director in the place of Shri. R.V Ramani who is retiring by rotation. The retiring Director is eligible for reappointment.
3. To appoint a Director in the place of Shri. R.B.Kishore who is retiring by rotation. The retiring Director is eligible for reappointment.
4. To appoint Auditors for the ensuing year and to fix the remuneration, by passing the following resolution, with or without modification as a Special Resolution:

"RESOLVED that Messrs. Sankaran & Raman, Chartered Accountants be and are hereby reappointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a fee of Rs. 60,000/- (Rupees Sixty thousand only) plus actual travelling and halting expenses incurred by them"

NOTES

1. In connection with the General Meeting, the Register of Members and Share Transfer Books of the Company will be closed from 19-9-2000 to 28-9-2000 (both days inclusive).
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself. A proxy need not be a member of the Company. Completed proxy forms should reach the Registered Office of the Company before 14.00 Hrs on 26-9-2000.
3. Members are requested to intimate change of address, if any, immediately to the Company at its Registered Office quoting their folio numbers.
4. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends upto the year 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Kerala at Ernakulam.

By Order of the Board
For TCM Limited
BIJU K. ELIAS
Company Secretary

30th June, 2000
Registered Office
Kalamassery-683104



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 56th Annual Report with Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

The Company has achieved a Turnover of Rs.4488 lakhs as compared to Rs. 4808 lakhs last year. After providing for depreciation of Rs. 102 lakhs finance charges of Rs. 215 lakhs the operations have resulted in a loss of Rs. 245 lakhs as compared to the profit of Rs.14 lakhs last year. After adjusting last year's surplus brought forward amounting to Rs.44 lakhs, the loss set off against General Reserve is Rs.201 lakhs.

OPERATIONS

The Company's operations were affected by the fall in margins on account of steep rise in both power tariff and fuel costs. While power tariff hike affected chlorates, the steep increase in price of lecofines and furnace oil impacted on Barium Chemicals. The inability to take up selling prices, resulted in major erosion in margins. Moreover the prices had also to be reduced to keep in step with prices of imported chemicals. In this context Government of India has imposed an anti dumping duty on Barium Carbonate of Chinese origin and this will result in better performance in the coming years. The doubling of excise duty on pesticides in general and Copper Sulphate in particular as also Sales Tax hikes affected company's turnover in the IVth quarter of the year. The Company's operations resulted in a loss for the first time in the last 13 years. Appropriate measures are being taken to remedy the situation.

DIVIDEND

In view of the above, the Directors do not recommend payment of dividend to its shareholders for the year 1999-2000.

PUBLIC DEPOSITS

As of 31st March, 2000 Five deposits amounting to Rs.15000 remained unclaimed.

PARTICULARS OF EMPLOYEES

A statement of employees under the amended section 217(2A) of the Companies Act 1956 is annexed and it forms part of this report.

DIRECTORS

Shri. R. V. Ramani is liable for retirement by rotation and being eligible, offers himself for re-appointment.

Shri R. B. Kishore is liable for retirement by rotation and being eligible, offers himself for re-appointment.

AUDITORS

M/s. Sankaran & Raman, Chartered Accountants retiring as Statutory Auditors have furnished certificate of their eligibility for re-appointment as required by section 224(1) of the Companies Act 1956. The appointment of Auditors has to be made by special resolution in terms of section 224A of the Companies Act 1956.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to Company's customers for their continued patronage and Bank of Baroda, Bank of Rajasthan Ltd., The Shamrao Vithal Co-operative Bank Ltd., Federal Bank Ltd., ICICI Ltd., IFCI Ltd. for their consistent guidance and co-operation

For and on behalf of the Board

For TCM Limited

R.G.N.SWAMY

CHAIRMAN

Bangalore

30th June, 2000



Annexure to Directors' Report

Particulars of Employees Under Section 217 (2A) of the Companies Act 1956

Sl. No.	Name	Age	Designation	Remuneration Rs.	Qualification	Experience (Years)	Date of commencement of employment	Last employment
1	Shri. N. R. Suparna	52	Managing Director	12,46,425	B.E. (Mech) P.G. Diploma in Business Administration	30	01.01.1987	Vice-President Wimco Ltd.

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ADDITIONAL PARTICULARS FURNISHED PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

1. CONSERVATION OF ENERGY

- | | | |
|--|---|--|
| a) Energy conservation measures taken during the year 1999-2000. | : | Chlorate Cell House modifications were effected to bring down power consumption. |
| b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy. | : | As per the 98-99 Energy Audit Report we have planned to implement the suggestions therein. |
| c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods. | : | Helps conservation of energy |
| d) Total energy consumption and energy consumption per unit of production in Form A. | : | Not applicable |

2. TECHNOLOGY ABSORPTION

- | | |
|--|---|
| e) Research & Development (R & D) : | |
| 1. Specific areas in which R&D carried out by the Company. | : In Mettur the Co2 from Kiln gases are utilised for a pilot plant set up and further studies are going on to improve the design. |
| 2. Benefits derived as a result of above R & D. | : By the continuous furnace operation, we could reduce the fuel consumption. |
| 3. Future plan of action. | : To implement the above, and partially convert production to new route. |
| 4. Expenditure on R & D: | |
| a) Capital | : Rs. 19,92,989 |
| b) Recurring | : Nil |
| c) Total | : Rs. 19,92,989/- |
| d) Total R&D expenditure as a percentage of total turnover. | : 0.44% |
| Technology absorption, adaptation and innovation: | |
| 1. Efforts in brief made towards technology absorption, adaptation and innovation. | : Mainly Baco3 production from alternative cost effective route |
| 2. Benefit derived as a result of the above efforts. | : Cost reduction to be realised in coming years. |
| 3. Imported Technology | : Nil |

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | | |
|---|---|-----------------|
| f) Activities relating to export initiatives taken to increase exports, development of new export markets for products and services and export plans. | : | Nil |
| g) Total foreign exchange used | : | Rs. 78,938/- |
| Total foreign exchange earned | : | Rs. 12,40,977/- |

Bangalore
30th June, 2000

For and on behalf of the Board
For TCM Limited
R. G. N. SWAMY
CHAIRMAN