



T C M Limited

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

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**63rd Annual Report
&
Accounts**

For the year ended 31. 03. 2007



DIRECTORS

T.THIRUGNANAM
JOSEPH VARGHESE
PHILOMINA THOMAS
GEORGE VARGHESE
ANTONY VARGHESE
C.H. ABDUL RAHIM
T.RAJA
RAMESH BABU
T.S.RAJAGOPALAN

AUDITORS

M/S LAZAR & GEORGE
Chartered Accountants

BANKERS

BANK OF BARODA

REGISTERED OFFICE

40/1131, SREERAGAM
CANNON SHED ROAD
ERNAKULAM
COCHIN - 682 011

SHARE TRANSFER AGENTS

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

FACTORIES AT

KALAMASSERY
METTUR DAM
TUTICORIN



NOTICE TO SHAREHOLDERS

Notice is hereby given that the 63rd Annual General Meeting of the members of TCM Limited. will be held at 3.00 p.m. on 29.09.07 at Bharat Hotel, Ernakulam, to transact the following business.

Ordinary Business

1. To receive consider and adopt the audited Balance Sheet as at 31st March 2007 together with the Profit & Loss account made upto that date along with the report of the Directors & Auditors.
2. To appoint a director in place of Mr.T.Thirugnanam who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint auditors and to fix their remuneration and in this connection to pass, with or without modification, the following resolution as an ordinary resolution;
"Resolved that pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s Lazar & George, Chartered Accountants, be and are hereby appointed as auditors of the company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the company on a remuneration to be fixed by the Board of Directors."

Special Business

4. To pass with or without modification the following resolution as an ordinary resolution;
 - a) "Resolved that Mr. Ramesh Babu be and is hereby appointed as Director of the company subject to retirement by rotation."
 - b) "Resolved that Mr. T S Rajagopalan be and is hereby appointed as Director of the company subject to retirement by rotation."

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxy in order to be valid should be duly completed, signed and stamped and the same must be received at the registered office of the company not less than 48 hours before the commencement of the meeting.



2. The register of members and the share transfer book of the company will remain closed from. 19.09.2007 to 29.09.2007(both days inclusive).
3. Members are requested to intimate any changes in their addresses to the share transfer agent M/s Cameo Corporation Services Limited, "Subramania Building", No.1, Club House Road, Chennai – 600 002 quoting their folio number.
4. Members are requested to bring their copies of the annual report and accounts to the meeting. Members are also requested to bring the attendance slip with them duly filled in and handover the same at the entrance of the venue.
5. The relative explanatory statement in respect of special business is given below

By order of the Board
For **TCM LIMITED**

Place: Ernakulam
Date : 31.07.2007

Joseph Varghese
Director

EXPLANATORY STATEMENT

Item no.4

- a. The company has received the notice u/s 257 of the Companies Act, 1956, together with requisite deposit, from a member signifying his intention to propose Mr. Ramesh Babu as a Director of the company. He was appointed by the board as an additional director and in terms of section 260 of the Companies Act, 1956 he holds office only upto the Annual General Meeting. The resolution as at item no.4(a) is placed before the shareholders for their approval. None of the Directors except Mr. Ramesh Babu as appointee is concerned or interested in the resolution. However the appointment is subject to the approval of BIFR.
- b. The company has received the notice u/s 257 of the Companies Act, 1956, together with requisite deposit, from a member signifying his intention to propose Mr.T S Rajagopalan as a Director of the company. He was appointed by the board as an additional director and in terms of section 260 of the Companies Act, 1956 he holds office only upto the Annual General Meeting. The resolution as at item.no.4(b) is placed before the shareholders for their approval. None of the Directors except Mr. T S Rajagopalan as appointee is concerned or interested in the resolution. However the appointment is subject to the approval of BIFR.



DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 63rd Annual Report together with the audited accounts for the year ended 31st March, 2007:

I FINANCIAL PERFORMANCE OF THE COMPANY

PARTICULARS	Year Ended	Period Ended
	31.03.07	31.03.06
	Rs in lakhs	
Sales	1.05	-
Raw Material & Packing Materials	-	-
Power	7.21	0.36
Employee Cost	47.65	1.10
Excise Duty	17.48	-
Financial Cost	5.7	110.96
Depreciation	45.07	34.35
Net Loss	(286.95)	(134.76)

II DIVIDEND

Due to loss sustained by the Company the Directors are not in a position to recommend payment of any dividend to the members for the year ended 31st March, 2007.

III EXISTING STATUS:

The Unit at Tuticorin which stopped production with effect from 01.04.2005 has restarted production activities with effect from 07.04.2007. (An agreement with labour has been entered into). As regards the Mettur unit, after series of discussions with the representatives of the workers, your directors have been successful in reaching an agreement with them to reopen the factory. Accordingly necessary maintenance of the plant is completed. The company is waiting for restoration of electricity and water connection to start operation. Your directors are trying to identify a suitable business for the Kalamassery

unit. Your company has been registered with BIFR as a Sick Industrial Unit vide Registration No.101/2005 dt.28.03.2005. A revival scheme is already prepared and filed with Bank of Baroda, the Operating Agency. The company has settled the dues to Bank Of Rajasthan on One Time Settlement basis. An agreement is arrived at with Sham Rao Vithal Co-Op bank Ltd., to settle their dues on a One Time Settlement basis. Negotiation for settlement of dues to Bank of Baroda and Federal Bank is in progress.

IV DIRECTORS

Mr. T Thirugnanam retires by rotation at the Annual General Meeting and being eligible has offered for reappointment. Mr. T S Rajagopalan and Mr. Ramesh Babu were appointed as additional directors with effect from 28.04.2007 and being eligible they seek appointment as directors at the Annual General Meeting, subject to the approval of BIFR.

The appointment of Mr. Antony Varghese, Mr. T Raja, Mr. George Varghese and Mr. C H Abdul Rahim made at the last Annual General Meeting has been stayed by the Company Law Board in response to a petition filed by shareholder.

V DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

VI PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration attracting the provisions of Section 217 (2A) of the Companies Act, 1956

VII DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors Report.

- i That in preparing the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors had selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

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- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the accounts on a going concern basis, as BIFR revival scheme is under preparation.

IX LISTING

The shares of the company are listed at the Mumbai Stock Exchange. The listing fees has been paid upto and including 2007-2008.

X QUALIFICATIONS IN AUDIT REPORT

Item no. (f)

- (1) The necessary adjustments will be made when the one time settlement is finally made to the banks.
- (2) The company is trying to get its application for exemption from land ceiling disposed off at the earliest.
- (3) The land at Kalamassery unit continues to be with the company.
- (4) The company has reached an agreement with the workers at the Mettur unit to reopen the factory as soon as the electricity and water connection are restored.
- (5) The Tuticorin unit restarted production with effect from 07.04.07.
- (6) The liability in respect of the devolved letter of credit is being ascertained.
- (7) The realizable value of inventory at Mettur unit and Tuticorn unit is being ascertained.

XI AUDITORS

The retiring auditor M/s Lazar & George are eligible for reappointment.



XII FOREIGN EXCHANGE

There has been no foreign exchange earning or outgo, during the year.

XIII ACKNOWLEDGMENTS

Your directors wish to place on record their gratitude to companies, Customers for their continued patronage and Bank of Baroda, Bank of Rajasthan Limited, the Shamrao Vithal Co-operative Bank Limited, The Federal Bank Limited, ICICI Limited for their consistent guidance and co-operation. The Board also wished to place on record its appreciation for the co-operation extended by all ranks of employees.

By order of the Board
For **TCM LIMITED**

Place: Ernakulam
Date : 31.07.2007

Joseph Varghese
Director

T. Thirugnanam
Chairman



ANNEXURE TO DIRECTORS REPORT

1 .MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

The company is in the field of manufacture of two groups of chemicals:

1. Fungicides, Weedicides and their formulations
2. Barium and Strontium Salts (Carbonates, Nitrates and Chlorides)

A part of the fungicides and respective formulations are manufactured at Tuticorin. The plant which remained closed during the year restarted operations on 07.04.2007.

INDUSTRY STRUCTURE AND DEVELOPMENT

Fungicides, Weedicides and their formulations

The company used to enjoy a premium status in the production of Copper Sulphate, Copper Oxychloride and formulations. These products are used as a fungicide in coffee, rubber and cardamom plantation and in a variety of ground crops such as cotton, rice, chillies etc.

BARIUM AND STRONTIUM SALTS

These products are reserved for small scale sector and are always subject to a pressure on margin on account of competition from this sector. These products find application in television glass, ferrites, paints, heat treatment salts, fireworks, tanneries etc. The factory at Mettur remained closed during the year and is scheduled to reopen soon.

OPPORTUNITIES AND THREATS

The company is a sick company registered with BIFR and has submitted Revival Scheme to the Operating Agency.

OUTLOOK

The company has already restarted production at the Tuticorin unit and has taken effective steps to start operations at the Mettur unit



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company had established framework of internal controls for ensuring optimum use of resources and safeguarding assets.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The company maintains cordial relations with the employees of the company.

For and on Behalf of the
Board
For **TCM Limited**

Place: Ernakulam
Date : 31.07.2007

Joseph Varghese
Director

T. Thirugnanam
Chairman

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