



T C M Limited

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

Report Junction.com

64th Annual Report

&

Accounts

For the year ended 31. 03. 2008



DIRECTORS

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

MANAGING DIRECTOR

JOSEPH VARGHESE

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 64th Annual General Meeting of the members of TCM Limited, will be held at 3.00 p.m. on 27.09.08 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 2008 together with the Profit & Loss account made upto that date along with the report of the directors & auditors.
2. To appoint directors in place of Mr. Antony Varghese, Mr. C H Abdul Rahim & Mr. T. Raja who retire by rotation.
3. To appoint Auditors for the ensuing accounting period and to fix the remuneration by passing the following resolution with or without modification as a ordinary resolution.

"Resolved that pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s VBSK & Company, Chartered Accountants, be and are hereby appointed as auditors of the company in the place of the retiring Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the company on a remuneration to be fixed by the board of directors"

Special Business

4. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

"Resolved that subject to the relevant provisions of the SEBI (Delisting of Securities) Guidelines 2003 and applicable provisions, if any, of the Companies Act 1956 and other statutory regulations, consent of the company be and is hereby accorded to the Board of directors of the company (the board) to get the shares of the company delisted from the Madras(Chennai), Bangalore and the Cochin Stock Exchanges.

"Further resolved that for the purpose of giving effect to the above resolution, the board be and is hereby authorized to do all such acts, deeds and things and execute all such deeds, documents and instruments as may be necessary.

Further resolved that the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s) or any officer(s) of the company."

5. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution

"Resolved that, in supersession of all previous resolutions in this regard, Mr. Joseph Varghese, a director of the company be and is hereby appointed as Managing Director of the company for a period of 5 years with effect from 01.10.08 on the following terms and conditions, until otherwise decided by the General Body:

- a. The appointment is subject to approval of the Central Government.
- b. Remuneration – Nil
- c. He shall be entitled for full reimbursement of actual travelling and other expenses incurred for and on behalf of the company."

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.

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2. The register of members and the share transfer book of the company will remain closed from. 17.09.08 to 27.09.08 (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. The relative explanatory statements in respect of special business is given below

By order of the Board
For TCM LIMITED

Place: Ernakulam
Date : 28.08.2008
Joseph Varghese
Managing Director

EXPLANATORY STATEMENT

Item No.3

The retiring Auditors M/s Lazar & George, Chartered Accountants, have intimated their inability to be reappointed as auditors. In view of the above, the Board of Directors recommended the appointment of M/s VBSK & Company, Chartered Accountants, Cochin, as the Statutory Auditors of the Company. The Company has received a notice from the said Auditors that if appointed would be within limit prescribed under the Section 224 (1B) of the Companies Act 1956. None of the directors are concerned or interested in the resolution. A notice from a member u/s. 225 of the Companies Act is received for moving a resolution for appointing VBSK & Co. as auditors of the company.

Item no.4

Presently the shares of your company are listed at the Mumbai, Madras, Bangalore and Cochin Stock Exchanges. As no trading take place at Madras, Bangalore and Cochin Stock exchanges, the shares are proposed to be delisted from these exchanges. Such delisting is permitted under the SEBI (Delisting of Securities) Guidelines 2003, since the shares will continue to be listed at the Mumbai Stock Exchange which has nation wide trading terminals. Your directors recommend the resolution as set out at serial no 4 of the notice. None of the directors is concerned or interested in the resolution, except as shareholders.

Item no.5

Mr. Joseph Varghese, a resident of India, having considerable experience in commerce and industry has been a director of the company ever since December 2005. Though the Annual General Meeting held on 30.09.2006 passed a resolution appointing him as Managing Director of the company, the same was not given effect to, in view of the order of the Company Law Board on a petition by a member. The said petition has since been dismissed by the Company Law Board. To have clarity on the matter, the Remuneration Committee and the Board of directors of the company approved the reappointment of Mr. Joseph Varghese to be made by the General Body at the Annual General Meeting as per resolution proposed at item no.5 of the notice. Your Board recommend the resolution for approval of the members. None of the directors except Mr. Joseph Vargese, the appointee and Mr. George Varghese, the brother of the appointee, are concerned or interested in the resolution.

Additional Information

Mr. Joseph Varghese, 50 years of age is a Post Graduate and has considerable experience in diverse segments of business and industry. Presently he also holds the directorship of the following companies- Sree Maha Lakshmi Food Industries Ltd, Elenjikal Aquamarine Exports Ltd., Elenjikal Exports Pvt. Ltd., Elenjikal Foods and Beverages India Pvt. Ltd., Tai Aquaresearch Foundation Ltd., Kunjamma Foods & Creams (P) Ltd., Veketeswara Essence and Chemicals Pvt. Ltd. and Vypis Agencies and Distributors. He was instrumental in reviving TCM and restarting operations at the Tuficorin and Mettur Units of the company and in successfully negotiating settlements with employees and banks.



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DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 64th Annual Report together with the audited accounts for the year ended 31st March, 2008:

I FINANCIAL PERFORMANCE OF THE COMPANY

PARTICULARS	Year Ended	Period Ended
	31.03.08	31.03.07
	Rs in lakhs	
Sales	43.2	1.05
Raw Material & Packing Materials	12.67	-
Power	9.98	7.21
Employee Cost	14.53	47.65
Excise Duty	5.58	17.48
Financial Cost	0.36	5.79
Depreciation	32.68	45.07
Net Loss	(30.54)	(286.95)

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, 2008.

III EXISTING STATUS:

After a lapse of about four years of lull the company is slowly limping back to normal manufacturing activities both at Tuticorin and Mettur Units.



The Tuticorin unit, which was restarted in April 2007 has more or less stabilized the manufacturing activities. The Mettur Unit after extensive maintenance work got the electricity and water connection restored and commenced production from May 2008.

The company has already reached an agreement with Sham Rao Vithal Co Op Bank Limited to settle its dues on a one time settlement basis and paid substantial amount towards this account. An agreement is also concluded for settling the dues to The Federal Bank Limited. Negotiation with Bank of Baroda is in progress and a settlement is expected to be reached on a one time settlement basis.

The petition filed by a shareholder of the company against the appointment of some of the Directors to the company's Board has been dismissed by the Company Law Board. Your Directors have identified a suitable business proposal for the Kalamassery Unit in the field of property development, construction and infrastructure development. The negotiations on this line are well progressing and a decision is expected to be reached very soon.

IV DIRECTORS

Mr. Antony Varghese, Mr. C H Abdhul Rahim, And Mr. T Raja retire by rotation at the Annual General Meeting. Mr. Antony Varghese, Mr. C H Abdhul Rahim and Mr. T Raja being eligible has offered for reappointment.

V DEPOSITS

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

VI PARTICULARS OF EMPLOYEES

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

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VII STATEMENT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND R&D.

a Energy conservation measures taken During the year 2007-2008	Due to reduction of maximum demand by 50%, power cost is reduced to half. Introduced the capacitor to all motors energy consumption is reduced.
b Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.	Not applicable
c Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods.	Savings in energy and cost reduction.
d Total energy consumption and energy consumption per unit of production in Form A	Not applicable
2. TECHNOLOGY ABSORPTION	
1 Research & Development (R&D) specific areas in which R&D carried out by the company	Nil
2 Benefits derived as a result of above R&D	Not applicable
3 Future plan of action	Constant study is being made in all vital areas to reduce the cost further
4 Expenditure on R&D	Nil

VIII DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 21 7(2AA) of the Companies Act, 1956 the Board of Directors Report.

- i. That in preparing the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors had selected such Accounting Policies and applied them consistently and made 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.
- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the accounts on a going concern basis, as manufacturing operations are restarted and a Revival scheme is submitted to the Operating Agency of BIFR.



IX LISTING

The shares of the company are listed at the Mumbai Stock Exchange. The listing fees has been paid upto and including 2008-2009.

X QUALIFICATIONS IN AUDIT REPORT

- (f) (1) Item no. the company has already repaid the entire dues to one bank and the dues to other banks are being settled. Also production has already recommenced at Tuticorin and Mettur Units. A viable business proposal for the Kalamassery unit is being implemented.
- (f) (2) the company is trying to get its application for exception from land ceiling disposed off at the earliest.
- (f) (3) the land at Kalamassery unit continues to be with the company and new business plan is under implementation.
- (f) (4) the Mettur Unit has recommenced operations with effect from 11.05.2008.
- (f) (5) the Tuticorin unit restarted production with effect from 07.04.07.
- (f) (6) the liability in respect of devolved letter of credit is being ascertained.
- (f) (7) the realizable values of the inventory at Mettur Unit and Tuticorin Unit are being ascertained

XI AUDITORS

M/s Lazar & George, Chartered Accountants, the retiring auditors have intimated their inability to be reappointed as auditors. Under the above circumstances the Board of Directors have identified M/s VBSK & Company, Chartered Accountants, and recommend their appointment as the Statutory Auditors of the company.

A Notice as required u/s 225 of the Companies Act'1956 has been received from a member indicating his intention to move a resolution to appoint M/s VBSK & Company, Chartered Accountants as Statutory Auditor of the Company in the ensuing Annual General Meeting in place of M/s.Lazar&George. The Company has received a certificate form M/ s VBSK & Company, in accordance with sec 224(1B) of the Companies Act'1956. The resolution will be moved at the Annual General Meeting in terms of Sec. 224 (2) (c) of the Companies Act'1956.

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 and State Bank of Travancore for their guidance and co-operation. The Board also wished to place on record its appreciation for the co-operation extended by all ranks of employees and trade unions.

By order of the Board
For TCM LIMITED

Place: Ernakulam
Date : 19.07.2008

Joseph Varghese
Managing Director

T Thirugnanam
Chairman