



T C M Limited

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

**65th Annual Report
&
Accounts**

For the year ended 31. 03. 2009



DIRECTORS

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

MANAGING DIRECTOR

JOSEPH VARGHESE

AUDITORS

VBSK & COMPANY
CHARTERED ACCOUNTANTS

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 65th Annual General Meeting of the members of TCM Ltd. will be held at 3.00 p.m. on 30.09.09 at Bharat Hotel, Emakulam, to transact the following business.

Ordinary Business

1. To receive consider and adopt the audited Balance Sheet as at 31st March 2009 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. T Thirugnanam, Mr. T S Rajagopalan and Mr. Ramesh Babu who retire by rotation.
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 VBSK & Company, 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."

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. 20.09.09 to 30.09.09 (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.

Place: Emakulam

Date: 31.07.09.

Sd/-

Joseph Varghese
Managing Director



DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 65th Annual Report together with the audited accounts for the year ended 31st March, 2009.

I FINANCIAL PERFORMANCE OF THE COMPANY

PARTICULARS	Year Ended	Year Ended
	31.03.09	31.03.08
	Rs in lakhs	
Sales	221.43	43.2
Raw Materials & Packing Materials	145.46	12.67
Power	43.54	9.98
Employee Cost	129.28	14.53
Excise Duty	0.00	5.58
Financial Cost	0.90	0.36
Depreciation	32.11	32.68
Net Loss	(3.49)	(30.54)

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, 2009.

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 August 2007 has more or less stabilized the manufacturing activities. The Mettur Unit is also functioning since restarting production in May 2008.

The company has already reached agreements with all banks in respect of the loans and has repaid the entire bank loans in full & final settlement.



Your company has entered into an MOU with M/s. Godrej Properties Limited for developing the Kalamassery Unit in the field of property development, construction and infrastructure development.

IV DIRECTORS

Mr. T.Thirugnanam, Mr. T S Rajagopalan and Mr. Ramseh Babu retire by rotation at the Annual General Meeting. and being eligible have 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

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

a	Energy conservation measures taken during the year 2008-2009	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 the 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 2009-2010.

X SECRETARIAL COMPLIANCE REPORT

The secretarial compliance report in terms of section 383A(1) the Companies Act, 1956 is attached

XI QUALIFICATIONS IN AUDIT REPORT

1. Confirmation from debtors and creditors are being obtained by the company. However the management has given a request letter to auditors not to seek external confirmation, because of the fact that if letter goes to people, they will start asking for money which the company is not able to give, as the company is in revival path, any outflow at this moment, other than operation would severely jeopardize the substratum of the company.
2. The company is in the process of obtaining certified copies of the all documents in respect of the investment as these were lost/misplaced during the long period of closure of the company.
3. Letters for confirmations of balances were sent to all banks who have not replied probably because the accounts are non operative for long period and they have reconciliations problems with their own branches.
4. Letters for confirmations of deposits were sent to all parties who have not replied probably because the accounts are non operative for long period.
5. The company is trying to get its applications for exception from land ceiling disposed of at the earliest.
6. The company was closed for a very long period and started functioning only during the year under review and necessary steps for introducing formal internal control are being taken.



7. The company was closed for a very long period and started functioning only during the year under review and necessary steps for introducing formal internal audit are being taken.
8. The company was closed for a very long period and started functioning only during the year. The company is in the process of ascertaining the status of the assets and impairment.
9. The company was closed for a very long period and started functioning only during the year under review and necessary steps in respect of employee benefits are being taken, considering the revival scheme pending with BIFR.
10. The company was closed for a very long period and started functioning only during the year under review. The company has made an application to The Ministry of Corporate Affairs for waiver from maintaining cost accounting records and the same is pending.
11. The company registered with BIFR was closed for very long period and has started operations only during the year. The outstanding dues will be paid at the earliest as per revival scheme now pending with BIFR.

XI AUDITORS

M/s. VBSK & Company, the Statutory Auditors of the company retire at the conclusion of this Annual General Meeting and being eligible have offered themselves for reappointment as statutory auditors for the next financial year.

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.

Place: Ernakulam
Date: 31.07.2009

Joseph Varghese
Managing Director

By order of the Board
For TCM LIMITED

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.

INDUSTRIES 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 which remained closed during the year 2007-2008 is reopened in May 2008.

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 and Mettur units and has taken effective steps to start operations at Kalamassery Unit. As such your Directors should be able to report better results next year.



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 and no man day was lost due to labour problems. The employee strength of the company as on 31.03.09 stood at 206.

For and on Behalf of the Board
For TCM Limited

Place: Ernakulam
Date : 31.07.09

Joseph Varghese
Managing Director

T Thirugnanam
Chairman.

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REPORT ON CORPORATE GOVERNANCE

(As required by clause 49 of the listing agreement of the Stock Exchanges)

1. COMPANY'S PHILOSOPHY

The Company has consistently endeavoured to practice good corporate Governance. The Company firmly believes in the values of transparency, professionalism and accountability in its dealings with its customers, dealers, employees, shareholders and with every individual who comes in contact with the company. The company is in compliance with the Corporate Governance regulations provided in the listing agreement.

2. BOARD OF DIRECTORS

The Board consists of 9 directors of which one is a Executive Director. The composition, Independent Directorships and membership of other Board committees are tabulated hereunder:

Director	Executive/Non Executive/ Independent	No. of other Directorships	Membership of other Board Committees
Joseph Varghese	Executive	9	2
T Thirugnanam	Non Executive	-	-
Philomina Thomas (LIC Nominee)	Non Exe & Independent	-	2
Antony Varghese	Non Exe & Independent	-	-
T Raja	Non Exe & Independent	-	-
George Varghese	Non Executive	9	-
C H Abdul Rahim	Non Exe & Independent	-	-
T S Raja gopalan	Non Exe & Independent	-	3
Ramesh Babu	Non Exe & Independent	-	3