



T C M Limited

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

**66th Annual Report
&
Accounts**

For the year ended 31. 03. 2010



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

32/1111, "SNIGDHA"
CHATHANGAT CROSS ROAD,
PALARIVATTOM,
COCHIN - 682 025.

SHARE TRANSFER AGENTS

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

FACTORIES AT

METTUR DAM
TUTICORIN



NOTICE TO SHAREHOLDERS

Notice is hereby given that the 66th Annual General Meeting of the members of TCM Limited. will be held at 3.00 p.m. on 30.09.2010 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 2010 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. George Varghese, Mr. Antony Varghese & Mr. T. Raja 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. 20.09.2010 to 30.09.2010 (both days inclusive).
3. Members are requested to intimate any changes in their addresses to the share transfer agent M/s Cameo Corporate 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. Corporate members deputing their authorized representatives to attend the meeting are requested to submit a certified copy of Board resolution authorising the representatives to attend and vote at the meeting on their behalf.

Place : Ernakulam
Date : 31.07.2010

Sd/-
Joseph Varghese
Managing Director



DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 66th Annual Report together with the audited accounts for the year ended 31st March, 2010

I FINANCIAL PERFORMANCE OF THE COMPANY

PARTICULARS	Year Ended	Year Ended
	31.03.10	31.03.09
	Rs in lakhs	
Sales	771.86	221.43
Raw Material & Packing Materials	381.01	145.46
Power	193.18	43.54
Employee Cost	158.81	129.28
Excise Duty	59.69	28.20
Financial Cost	3.20	0.90
Depreciation	33.20	32.11
Net Loss	(299.07)	(3.49)

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, 2010.

III EXISTING STATUS:

The Tuticorin unit restarted in 2007 and the Mettur unit restarted in 2008 are operating smoothly. The total production and sales have substantially increased. Production during the year under report was 4412.87 MT as compared to 1018.76 MT in the previous year. Sales revenue increased to Rs. 712.17 lakhs this year from Rs. 193.23 lakhs in the previous year.

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, which has been approved by the Hon'ble BIFR. However, as on date, the Appellate Authority for Industrial and Financial Reconstruction, New Delhi has ordered a status quo on the proceedings on an application filed by a shareholder praying for stay on the BIFR impugned order dated 28-11-2008 inter alia approving the above MOU and permitting the Company to enter into a Joint Venture Development Agreement with M/s Godrej Properties Ltd for its proposed project at Kalamassery, Cochin, Kerala. The matter is kept for Final Order.



IV DIRECTORS

Mr. George Varghese, Mr. Antony Varghese and Mr. T Raja 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 2009-2010	All the old power factor improving capacitors checked and lesser capacity capacitors has been paralled and connected to all Sub-switch boards for 3 transformers and maintained the power factor to the incentive level, for the entire operational period and obtained incentive from TNEB besides controlled the max. demand to the extend of 60 to 65 KVA / month
b Additional Investments and proposals ,if any, being implemented for reduction of consumption of energy	Proposal is already made to provide automatic power factor control panel for each transformer.
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 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 judgments 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. CORPORATE GOVERNANCE REPORT & MANAGEMENT DISCUSSION

The corporate governance report and certificate from the auditors regarding compliance are annexed together with the management discussion and analysis.

XI SECRETARIAL COMPLIANCE REPORT

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

XII QUALIFICATIONS IN AUDIT REPORT

1. Being a sick company response from the debtors and creditors is very poor and only a very few concern send the conformations.
2. The company is in the process of obtaining duplicate copies of all documents in



respect of the investment as these were lost / misplaced during the long period of closure of the company.

3. Letters of confirmations of balances were sent to all banks who have not replied probably because the accounts are non operative for long period.
4. Letters of confirmations of deposits were sent to all parties who have not replied probably because the accounts are non operative for long time
5. The company is trying to get its applications for exemption from land ceiling disposed of at the earliest.
6. The company was closed for a very long period and started functioning only during last year and necessary steps for introducing formal internal audit are being taken.
7. The company was closed for a very long period and started functioning only during last year. The company is in the process of ascertaining the status of the assets and its impairment.
8. The company was closed for a very long period and started functioning only during last year and necessary steps in respects of employee benefits are being taken, *considering the revival scheme pending with BIFR*
9. The company was closed for a very long period and started functioning only during last year. The company has made an application to The Ministry of Corporate Affairs for waiver from maintaining cost accounting records and the same is pending
10. The company registered with BIFR was closed for very long period and has started operations only last year .The outstanding statutory dues will be paid at the earliest as per revival scheme now pending with BIFR

XIII AUDITORS

M/s VBSK and 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.

XIV FOREIGN EXCHANGE

Outgo - Rs. 5154624 equivalent to USD 109400.00

Earning NIL



XV 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 cooperation extended by all ranks of employees and trade unions.

By order of the Board
For TCM LIMITED

Place: Ernakulam
Date: 31.07.2010

Joseph Varghese
Managing 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.

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.

OPPORTUNITIES AND THREATS

The company is a sick company registered with BIFR and has submitted revival scheme to the Operating Agency. Also, the company may not be able to re establish its position in many of its earlier products.

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 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 31.03.10 stood at 216.

For and on Behalf of the Board
For TCM Limited

Place: Ernakulam

Joseph Varghese

T Thirugnanam

Date :31.07.2010

Managing Director

Chairman.