



T C M Limited

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

**67th Annual Report
&
Accounts**

For the year ended 31.03.2011



DIRECTORS	T.THIRUGNANAM PHILOMINA THOMAS (LIC Nominee) GEORGE VARGHESE 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 67th Annual General Meeting of the members of TCM Limited will be held at 3.00 p.m. on 28.09.2011 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 2011 together with the Profit & Loss account for the year ended 31.03.2011 along with the report of the directors & auditors.
2. To appoint directors in the place of C H Abdul Rahim, Mr T S Rajagopalan and Mr. Ramesh Babu who retire by rotation and are eligible for reappointment.
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."

Place : Ernakulam
Date : 28.07.2011

Sd/-
Joseph Varghese
Managing Director

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 19.09.2011 to 28.09.2011. (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.



DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 67th Annual Report together with the audited accounts for the year ended 31st March, 2011:

I FINANCIAL PERFORMANCE OF THE COMPANY

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
	Rs in lakhs	
Sales	161.43	771.86
Raw Material & Packing Materials	57.51	381.01
Power	25.54	193.18
Employee Cost	123.51	158.81
Excise Duty	15.35	59.69
Financial Cost	0.16	3.20
Depreciation	32.79	33.20
Net Loss	(242.23)	(299.07)

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, 2011.

III EXISTING STATUS:

The Tuticorin unit restarted in 2007 is operating smoothly. Production during the year under report was 671.505 MT as compared to 4412.87 MT in the previous year. Sales revenue was Rs.146.07 lakhs this year as compared to Rs. 712.77 lakhs in the previous year. Because of shortage of raw materials, the production at Mettur is temporarily suspended, since May 2010.

As regards Kalamassery unit, the company had signed an MOU with Godrej Properties Limited for a property Development Project. This was approved by the Hon'ble BIFR. However, on an application filed before AAIFR by a shareholder to stay the order of the BIFR. The appellate Authority for AAIFR, New Delhi ordered to maintain the statusquo. Now the matter is pending before the Hon'ble High Court New Delhi for Final Orders.

IV DIRECTORS

Mr. C H Abdul Rahim, Mr. T S Rajagopalan and Mr. Ramesh 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 2010 - 2011	Due to reduction of Maximum demand by 50%, power cost is substantially reduced introduction, capacitor to all motors, energy consumption is reduced. Statement in form A is annexed.
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 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 consideration by operating agency.

IX LISTING

The shares of the company are listed at the Mumbai Stock Exchange. The listing fees has been paid upto and including 2010-2011.

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

- (i) Confirmation from debtors and creditors are being obtained by the company .However the management had to give 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

- (ii) The company is in the process of obtaining certified copies of all documents in respect of the investment as these were lost / misplaced during the long period of closure of the company.
- (iii) The company is trying to get its application s for exemption from land ceiling disposed of at the earliest.
- (iv) Letters of confirmations of deposits were sent to all parties who have not replied probably because the accounts are non operative for long time
- (v) Letters of confirmations of balances were sent to all banks who have not replied probably because the accounts are non operative for long period.
- (vi) The company was closed for a very long period and continue to be a sick unit though started functioning. Necessary steps for introducing formal internal audit are being taken.
- (vii) The company was closed for a very long period and continue to be a sick unit though started functioning. The company is in the process of ascertaining the status of the assets and its impairment.
- (viii) The company was closed for a vary long period and continue to be a sick unit though started functioning. Necessary steps in respect of employee benefits are being taken, considering the revival scheme pending with operating agency.
- (ix) The company was closed for a very long period and continue to be a sick unit though started functioning. The company has made an application to The Ministry of Corporate Affairs for waiver from maintaining cost accounting records and the same is pending
- (x) The company registered with BIFR was closed for very long period and continue to be a sick unit though has started operations. The outstanding statutory dues will be paid at the earliest as per revival scheme now pending with operating agency.

XI 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.

XII FOREIGN EXCHANGE

Outgo - NIL

Earning NIL



XIII ACKNOWLEDGMENTS

Your directors wish to place on record their gratitude to companies, Customers for their continued patronage and Bank of Baroda and Indina Bank 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

Joseph Varghese
Managing Director

Philomina Thomas
Director

T S Rajagopalan
Director

Place: Ernakulam

Date :28.07.2011