



T C M Limited

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

**68th Annual Report
&
Accounts**

For the year ended 31. 03. 2012

| | |
|-----------------------|---|
| DIRECTORS | T.THIRUGNANAM GEORGE VARGHESE ANTONY VARGHESE 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 68th Annual General Meeting of the members of TCM Limited. will be held at 3.00 p.m. on 29th September 2012 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 2012 together with the Profit & Loss account for the year ended 31.03.2012 along with the report of the directors & auditors.
2. To appoint directors in the place of Mr. T Tirugnanam and Mr. Antony Varghese, who retire by rotation and are eligible for reappointments.
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 : 03.08.2012

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/herself 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 20.09.2012 to 29.09.2012 (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 68th Annual Report together with the audited accounts for the year ended 31st March, 2012:

I FINANCIAL PERFORMANCE OF THE COMPANY

| PARTICULARS | Year Ended | Year Ended |
|----------------|--------------|------------|
| | 31.03.12 | 31.03.11 |
| | Rs in lakhs. | |
| Sales- gross | 24.03 | 161.43 |
| Material cost | 9.04 | 57.51 |
| Employee Cost | 79.58 | 123.51 |
| Excise Duty | 2.08 | 15.35 |
| Financial Cost | .03 | 0.16 |
| Depreciation | 29.49 | 32.79 |
| Net Loss | (143.98) | (242.23) |

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, 2012.

III EXISTING STATUS:

The production at Tuticorin unit and Metur unit is currently suspended mainly due to the uncertainties faced by the company due to the prolonged litigation that the company is facing in various courts filed by a few shareholders and the matter is still subjudice, in addition to the lack of bank finance for working capital. Production during the year under report was 30.55 MT as compared to 671.50 MT in the previous year. Sales revenue was Rs. 24.03 lakhs this year as compared to Rs. 161.43 lakhs in the previous year. The company plans to initiate trading activities in the company's products to keep its foothold in the market.

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, this has become a subject matter of litigation and the matter is lying before various courts. Some shareholders have also filed applications before BIFR seeking various orders and the same are pending for orders by the BIFR. Till the matters are resolved, the situation at Kalamassery unit is likely to remain as status quo.

IV DIRECTORS

Mr. T Tirugnanam and Mr. Antony Varghese 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 2011 - 2012 | Due to reduction of maximum demand by 50% power cost is substantially reduced. Introduction of capacitors to all motors, has resulted in reduced energy consumption. Statement in Form A is annexured. |
| 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 | Not significant due to lower level of production |
| 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 to be 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 2011-2012.

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 trying to obtain 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 applications for exception 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 very 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 BIFR
- (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 BIFR

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 concerned Banks 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

Joseph Varghese
Managing Director

George Varghese
Director

T S Rajagopalan
Director

Place: Ernakulam
Date : 03.08.2012

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 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. Also, the company may not be able to re establish its position in many of its earlier products.

OUTLOOK

The company had restarted production at the Tuticorin unit and Mettur Units. However, the operations are presently suspended. The revival of these units as well as at Kalamassery unit will depend on the BIFR approvals.

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 31.03.2012 stood at 190 nos.

For and on Behalf of the Board
For TCM Limited

Joseph Varghese
Managing Director

George Varghese
Director

T S Rajagopalan
Director

Place: Ernakulam
Date : 03.08.2012