



T C M Limited

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

**69th Annual Report
&
Accounts**

For the year ended 31.03.2013



DIRECTORS	T.THIRUGNANAM GEORGE 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 69th Annual General Meeting of the members of TCM Limited, will be held at 3.00 p.m. on 30th September 2013 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 2013 together with the Profit & Loss account for the year ended 31.03.2013 along with the report of the directors & auditors.
2. To appoint director in the place of Mr. Ramesh Babu and Mr. T S Rajagopalan 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.”

Special Business:

4. To consider and, if thought fit, to pass with or without modification, the following ordinary resolution:
“Resolved that pursuant to the provisions of Section 269 read with Schedule XIII to the Companies Act 1956, Mr. Joseph Varghese, present Mg. Director, be and is hereby reappointed for a further period of 5 years with effect from 01.10.2013 on the following terms and conditions:
 - a) Remuneration – NIL
 - b) He shall be entitled for full reimbursement of actual travelling and other expenses in Indian Rupees incurred by him for and on behalf of the company.”
“Further Resolved that for the purpose of giving effect to this resolution, the Board of directors is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable”

Place: Ernakulam
Date: 10.08.2013

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 20.09.2013 to 30.09.2013 (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.
5. The explanatory statement in respect of special business is appended below:
Mr. Joseph Varghese, a non-resident Indian, having considerable on hand experience in trade and industry has been the managing director of the company since 2006. His present tenure of appointment is to expire on 30.09.2013. The remuneration committee and the board of directors of the company have approved his reappointment to be made by the general body in the Annual General Meeting as per resolution proposed at serial no. 4 of the notice. None of the directors of the company except Mr. Joseph Varghese, being the appointee and Mr. George Varghese, being his brother, is concerned or interested in the resolution."

Additional Information

55 years old Mr. Joseph Varghese is a post graduate and has considerable experience in trade, commerce and industry in India and abroad. He is also director of Elenjikal Aquamarine Exports Ltd., Tai Aqua Research Foundation Ltd., Sree Mahalakshmi Food Industries Ltd., Elenjikal Exports Pvt Ltd., Elenjikal Foods & Beverages (India) Pvt Ltd., Vipys Agencies & Distributors, Elenjikal Water Tech (India) Pvt Ltd., Venketeswara Essences and Chemical Pvt Ltd., Kunjamma Foods & Creams P Ltd. and Coastline Aviation Pvt Ltd. He holds 680875 shares of the company.



DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 69th Annual Report together with the audited accounts for the year ended 31st March, 2013:

I. FINANCIAL PERFORMANCE OF THE COMPANY

PARTICULARS	YEAR ENDED	
	31.03.2013	31.03.2012
	Rs in lakhs	
Sales- gross	1.79	21.95
Material cost	-	9.04
Employee Cost	77.25	79.58
Excise Duty	-	2.08
Financial Cost	0.09	0.03
Depreciation	27.85	29.49
Net Loss	23.42	143.98

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, 2013.

III. EXISTING STATUS:

Since April 2012, the production in the Tuticorin unit remains suspended, because of financial constraints and scarcity of raw materials. Sales revenue was Rs. 1.79. lakhs this year as compared to Rs. 21.95 lakhs in the previous year. The manufacturing activities at the Mettur Unit continues to be suspended.

As regards Kalamassery unit, the company had signed and 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. 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 2011 - 2012	Nil
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 applicable
d	Total energy consumption and energy consumption per unit of production in Form A	Not Applicable
2.	TECHNOLOGY ABSORPTION	Nil
1	Research & Development (R&D) specific areas in which R&D carried out by the company	
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 when operations restart.
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 2012-2013.

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 confirmation of deposits were sent to all parties who have not replied probably because the accounts are non operative for long time.
- (v) Letters of confirmation 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 :10.08.2013



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 31.03.2013 stood at 161 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 :10.08.2013