



## **ANNUAL REPORT**

**2012 - 2013**

**REGISTERED OFFICE:**

42, EMERALD INDUSTRIAL ESTATE, DHEKU, TALUKA KHALAPUR  
DISTRICT RAIGAD, MAHARASHTRA- 410203, INDIA  
CONTACT NO.: + 91-219-2266163, Email: [info@tirupatiind.com](mailto:info@tirupatiind.com)

**[www.tirupatiind.com](http://www.tirupatiind.com)**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Ramesh J. Sanghvi  
*Chairman*

Mr. Neil K. Karani  
*Managing Director (w.e.f. 31<sup>st</sup> January, 2013)*

Mr. Ketan F. Karani

Mr. Manchand A. Jhaveri

Mr. Jyotiram S. Nale

Mr. Hitesh M. Jhaveri

### **REGISTRAR & TRANSFER AGENTS**

M/s. Link Intime India Pvt. Ltd.  
C-13, Panalal Silk Mills Compound,  
Bhandup (West), Mumbai – 400080,  
Maharashtra, India

### **BANKERS**

Citibank N.A.

### **AUDITORS**

M/s R. P. Trivedi & Associates  
56, Balasinor Co-op. Hsg. Society Ltd.  
S.V. Rd, Kandivili (West), Mumbai – 400067,  
Maharashtra, India

### **COMPANY SECRETARY**

Ms. Milee J. Shah  
*(w.e.f. 10<sup>th</sup> May, 2013)*

### **REGISTERED OFFICE & FACTORY**

42, Emerald Industrial Estate,  
Dheku, Taluka Khalapur,  
District Raigad,  
Maharashtra – 410203, India  
Ph. No.: +91-219-2266163

### **CORPORATE OFFICE**

403, Trade World, B Wing, Kamala City,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai – 400013, Maharashtra, India  
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## **TIRUPATI INDUSTRIES (INDIA) LIMITED**

Regd. Office: 42, Emerald Industrial Estate, Dheku, Tal. Khalapur Dist. Raigad Maharashtra 410203 India

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### **NOTICE**

Notice is hereby given that the FORTIETH ANNUAL GENERAL MEETING of the Members of TIRUPATI INDUSTRIES (INDIA) LIMITED will be held at the Registered Office of the Company at 42, Emerald Industrial Estate, Dheku, Tal. Khalapur, Dist. Raigad, Maharashtra 410203, India on Monday, the 30th September, 2013 at 3.00 p.m. to transact, with or without modification(s) as may be permissible, the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt Balance Sheet as at 31st March, 2013 and Profit and Loss Account of the Company for the year ended on that date together with the Reports of the Directors and Auditors of the Company.
2. To appoint Director in place of Hitesh M. Jhaveri, who retires from office by rotation, but being eligible, offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

### **SPECIAL BUSINESS**

#### **4. Appointment of Mr. Neil K. Karani as Managing Director of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the said Act including any modification(s) or re-enactments thereof for the time being in force) and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanction, consent of the Company be and is hereby accorded to the appointment of Mr. Neil K. Karani as Managing Director of the Company for five years with effect from 31<sup>st</sup> January, 2013 at its meeting held on 31<sup>st</sup> January, 2013 on the terms and conditions as detailed in the Explanatory Statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the Board is authorized to alter, vary and modify the said terms including salary, allowances, perquisites and designation in such manner as may be agreed to between the Board and Mr. Neil K. Karani within and in accordance of the said Act or as may be stipulated by the Central Government and as may be agreed to between the Board and Mr. Neil K. Karani.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any Financial Year Mr. Neil K. Karani be paid salary and perquisites as “minimum remuneration” not exceeding the limits specified under the Act by making such compliances as provided in the said schedule XIII.

RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, writings and agreements and to do all such acts, deeds, matters and things as may be required or expedient for giving effect to the resolution.”

#### **5. To Commence new line of Business**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to the Board of Directors of the Company, to commence, as it may deem fit from time to time, all or any of the business proposed in Clause III.C.41 of the Object Clause of Memorandum of Association of the Company, namely:

*TO carry on all or any of the business of engineers, founders, manufacturers of dyes, paints, chemicals and explosives, printers and publishers of pamphlets, magazines, books and newspapers, tin smiths, box and packing case makers, and manufacturers.*

RESOLVED FURTHER THAT for purpose of giving effect to the foregoing resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable.”

#### **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING, IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Explanatory Statement pursuant to section 173(2) of Companies Act, 1956 is annexed.

3. Proxies, in order to be effective, should be lodged with the Company at the Registered Office at least 48 hours before the commencement of the Meeting.

4. Register of Members and Share Transfer Books Register of the Company shall remain closed during Tuesday, 24<sup>th</sup> September, 2013 to Monday, 30<sup>th</sup> September, 2013 (Both days inclusive).

5. Members are requested to notify any change in their address to the Company quoting their Folio number.

6. Members / Proxy holders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the Meeting hall.

7. Members are requested to bring their copy of the Annual Report to the Meeting.

Dated: 30<sup>th</sup> May, 2013  
42, Emerald Industrial Estate,  
Dheku, Tal Khalapur,  
Dist .Raigad, Maharashtra-410203  
India.

By order of the Board of Directors  
TIRUPATI INDUSTRIES (INDIA) LIMITED  
Sd/-  
(Ramesh J. Sanghvi)  
CHAIRMAN

## **ANNEXURE TO NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 in respect of item No. 4 of the Notice**

#### **Item No.4**

Board of Directors of the Company at its meeting held on 31<sup>st</sup> January, 2013 has considered and approved the appointment of Mr. Neil K. Karani as Managing Director of the Company for a period of Five years with effect from 31<sup>st</sup> January, 2013 upto 30<sup>th</sup> January, 2018 upon the terms as to remuneration and perquisites and other terms and conditions set out below:

1. The Company shall pay to the Managing Director during the continuance of this agreement in consideration of the performance of his duties:

Salary of Rs. 50,000/- (Fifty Thousand Only) with liberty to the Board to sanction such Annual increments as the Board at its absolute discretion determine from time to time subject to a maximum permissible limits as per the Act.

2. In addition to the above, Mr. Neil K. Karani shall also be entitled to following perquisites:-

- a) Housing Accommodation: Free furnished accommodation and reimbursement of other expenses for the upkeep and maintenance thereof as per the rules of the Company Or House Rent Allowance @60% of the Basic Salary in lieu of Company provided accommodation.
- b) Reimbursement of salaries payable to servants- subject to a ceiling of Rs.60,000/- per annum.
- c) Conveyance Facilities: The Company shall provide a suitable vehicle for use by the Managing Director. Repairs, maintenance and running expenses including driver's salary shall be borne / reimbursed by the Company.
- d) Telephone and other communication facilities:-The Company shall provide telephones, telefax and other telecommunications facilities at his residence. All the expenses incurred therefore shall be paid or reimbursed by the Company.
- e) Medical Expenses: Reimbursement of expenses incurred in India for self and family at actuals (including domiciliary medical and insurance premium for hospitalization policy as applicable).
- f) Leave Travel Expenses: Leave travel expenses for self and family in accordance with the rules of the Company.
- g) Club Fees: Membership of two clubs, the monthly subscription thereto being borne and paid by the Company and no entrance fee will be provided by the Company.
- h) Personal Accident Insurance policy for self and family as per rules of the Company.
- i) Entitlement for Leave with full pay or encashment thereof, as per the rule of the Company.
- j) Contribution to Provident Fund: The benefits of the Company's Provident Fund Scheme in accordance with the rules of the scheme for the time being in force subject to shall not exceed 12.5% of Mr. Neil Karani's salary as laid down in the Income Tax Rules, 1962 or any modification thereof.

- k) Contribution to Superannuation Fund: The benefits of the Company's Superannuation fund Scheme in accordance with the rules of the scheme for the time being in force provided that the Company's contribution thereto together with the Company's contribution to the Provident Fund shall not exceed 25% of Mr. Neil Karani's salary as laid down in the Income Tax Rules, 1962.

### **Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the office of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites as specified above, subject to the requisite approvals being obtained in that behalf.

Other Terms and conditions for appointment of Mr. Neil Ketan Karani as Managing Director are as follows:

1. The Company shall employ Mr. Neil Karani and Mr. Neil Karani shall serve the Company as its Managing Director for a period of Five years from 31<sup>st</sup> Jan, 2013 subject to the employment being previously determined in pursuance of any provisions of this agreement.
2. Mr. Neil Karani shall exercise and perform all such powers and duties as the Board of Directors of the Company ( hereinafter called "the Board") shall, from time to time in its absolute discretion, determine and subject to any directions and restrictions from time to time given and imposed by the Board, Mr. Neil Karani shall have general control of the Business of the Company with power to enter into contracts on behalf of the Company in the ordinary course of Business and to do and perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the best interest of the Company. During his employment under this agreement the Managing Director shall use his best endeavor to promote the Company's interest and welfare and shall undertake such travel in or outside India on or in relation to the business of the Company and as may from time to time be required or directed by the Board.
  - a) Mr. Neil Karani shall be entitled to reimbursement of expenses reasonably incurred by him exclusively in the business of the Company and approved by the Board of the Company.
  - b) During his employment under this Agreement, Mr. Neil Karani shall not directly or indirectly engage himself in any other business, occupation or employment whatsoever provided however that it shall be permissible to Mr. Neil Karani to hold with the previous sanction of the Board any directorship or directorships of any other Company or Companies and the holding of such directorships shall not be deemed to be a contravention of this clause.
  - c) Mr. Neil Karani as long as he functions as the Managing Director shall not be paid any sitting fees for attending the meeting of the Board or any committees thereof.
  - d) Mr. Neil Karani shall not during the continuance of this employment hereunder or at any time thereafter divulge or disclose to any person whatsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company of any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secret process of the Company and Mr. Neil Karani shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.
  - e) Mr. Neil Karani shall not so long as he functions as the Managing Director become interested or otherwise concerned directly or through his wife and/ or minor children in any selling agency of the Company without the prior approval of the Central

Government.

- f) The employment of Mr. Neil Karani as Managing Director under this Agreement shall forthwith determine if he shall become insolvent or make any composition or arrangement with his creditor or shall cease to be a Director of the Company.
- g) If Mr. Neil Karani be guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of this agreement, as in the opinion of this Board, renders his retirement from the office of Managing Director, the Company may by not less than 90 days notice in writing to Mr. Neil Karani determine this agreement and he shall cease to be a Director of the Company upon the expiration of such notice.
- h) In the event Mr. Neil Karani becomes disqualified to act as a Director for any reason other than an inadvertent breach of section 283 of the Companies Act, 1956 or failure through inadvertence or oversight to secure the leave of absence from meetings of the Board (in either of which later event he shall be reappointed as a Managing Director) the Company may by notice in writing to the Managing Director determine this agreement with immediate effect.
- i) Notwithstanding anything to the contrary contained in this agreement either party shall by giving not less than six calendar month's notice in writing in that behalf to the other party without the necessity of showing any cause and on the expiry of the period of such notice this agreement shall stand terminated and Mr. Neil Karani shall cease to be the Managing Director of the Company provided however that the Company shall be entitled to terminate Mr. Neil Karani's employment at any time by payment to him of six months salary in lieu of notice.
- j) Any notice required to be given by Mr. Neil Karani to the Company under or in pursuance of this agreement shall be sent by Registered Post acknowledgement due to the Company at its Registered Office for the time being. Any notice required to be given by the Company to Mr. Neil Karani under or in pursuance to this agreement shall be either delivered to him personally or sent by Registered Post acknowledgement due to his last known residential address. All notices given by Mr. Neil Karani to the Company or to Mr. Neil Karani by the Company shall be deemed to have been duly served upon the expiration of ninety-six hours from the date of posting.
- k) This agreement represents the entire agreement between the parties hereto in relation to the terms and conditions of Mr. Neil Karani's employment with the Company as Managing Director

The Explanatory Statement is and should be treated as an abstract under Section 302(7) of the Companies Act, 1956 of the Agreement entered between the Company and Mr. Neil K. Karani as Managing Director of the Company.

None of the Directors of the Company except Mr. Ketan Karani, who is a relative of Mr. Neil Karani, is in any way concerned or interested in the aforesaid resolution at item No. 4.

Your Directors commend your approval for the appointment of Mr. Neil Ketan Karani as Managing Director of the Company.

#### **Item No. 5**

The present business of the Company comprises of manufacturing and processing of oils and its derivatives including manufacturing chemicals in general terms. The Company is now exploring the possibilities of conducting business of specialty chemicals such as LR/AR/ACS grade laboratory

reagents, high purity solvents and acids, inorganic & organic chemicals, metallic salts, other chemicals of various kinds, dyes and paints.

Pursuant to Section 149 (2A) of the Companies Act, 1956 approval of the shareholders is necessary by way of Special Resolution before commencement of any new activity. Accordingly, approval of the shareholders is sought for commencement and carrying out all or any of the new business activities proposed in Clause III.C.41 of the Memorandum of Association of the Company, as setout in the accompanying resolution.

None of the Directors of the Company are in any way concerned or interested in the aforesaid resolution at item No. 5.

Dated: 30<sup>th</sup> May, 2013  
42, Emerald Industrial Estate,  
Dheku, Tal Khalapur,  
Dist .Raigad, Maharashtra-410203  
India.

By order of the Board of Directors  
TIRUPATI INDUSTRIES (INDIA) LIMITED  
Sd/-  
(Ramesh J. Sanghvi)  
CHAIRMAN



## DIRECTOR'S REPORT

**Dear Shareholders,**

Your Directors are pleased to present the Fortieth Annual Report and the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2013.

### Financial Results

The Financial performance of the Company for the year ended 31<sup>st</sup> March, 2013 is summarized below:

Particulars	Current Year Ended 31st March, 2013 (Rs. in Lakhs)	Previous Year Ended 31st March, 2012 (Rs. in Lakhs)
Sales and other income	2836.47	1994.67
Profit before Depreciation	169.27	110.07
Depreciation & Amortization Expenses	16.73	14.34
Profit before Taxation	152.54	95.73
Current Tax	(30.2)	(18.25)
Deferred Tax	44.42	37.29
Profit after Tax	128.68	114.77
Profit brought from previous Year	165.46	50.69
Surplus carried to Balance Sheet	294.14	165.46

### Dividend

Your Directors have considered it financially prudent, in the long term interests of the Company, to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company. No dividend has therefore been recommended for the year ended 31<sup>st</sup> March, 2013.

### Year in Retrospect

During the year under review, the Company has increased its production activities which resulted in higher sales at Rs. 2836.47 lakhs and has also increased the profit before tax at Rs. 152.54 lakhs as against Rs. 95.73 lakhs in the previous year. The Directors of the Company are confident that the same tempo of higher sales and increased profitability shall be maintained in the future.

## **Public Deposits**

The Company has not invited, accepted or renewed any deposits from the public during the year ended on 31<sup>st</sup> March, 2013 and as such Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.

## **Director's Responsibility Statement**

As required u/s 217(2AA) of the Companies Act, 1956

- (i) That in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2013, the applicable Accounting Standards have been followed along with proper explanation for material departures, if any;
- (ii) That the Directors have 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 of the profit of the Company for that year;
- (iii) That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That Directors have prepared the annual accounts on a going concern basis.

## **Appointment/Reappointment/Resignation of Directors**

Mr. Hitesh M. Jhaveri, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

## **Appointment of Mr. Neil Karani as the Managing Director**

During the year under review, Board appointed Mr. Neil Karani as Managing Director of the Company for a period of five years with effect from 31<sup>st</sup> January, 2013 at the remuneration and on the terms and conditions detailed in the Notice and Explanatory Statement. Taking into consideration his knowledge and experience, the Board commends his appointment as Managing Director of the Company to the Members.

## **Brand Development**

Your Company is developing brands for its products which will provide long term future benefits. Expenditure on development of brands is considered as a Capital Expenditure for Intangible Assets and the same will be capitalized on or before 31<sup>st</sup> March, 2014.

## **Corporate Governance**

Your Company has complied with the mandatory Corporate Governance requirements stipulated under Clause 49 of the Listing Agreement. Report on Corporate Governance is annexed hereto forming part of this report.

## **Particular of Employees**

Information in accordance with provision of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended regarding employees is nil.