

**26<sup>th</sup>**  
**ANNUAL REPORT**  
**2009 - 2010**

**Tirupati Inks Limited**

# Tirupati Inks Limited

## CORPORATE PROFILE

### BOARD OF DIRECTORS

Mr. Sanjiv Agarwal	<i>Executive Chairman &amp; Whole Time Director</i>
Mr. Rakesh Kumar Agarwal	<i>Managing Director</i>
Mrs. Rajni Maheshwari	<i>Whole Time Director</i>
Mr. Ram Shanker Agarwal	<i>Independent Director</i>
Mr. Ram Prakash Gupta	<i>Independent Director</i>
Mr. Chandra Prakash Agarwal	<i>Independent Director</i>

### STATUTORY AUDITORS

**Shashi Dinesh & Co.**  
Chartered Accountants  
16/95, Canara Bank Building  
The Mall, Kanpur-208001

### COMPANY SECRETARY

Ms. Garima Vishnoi

### SHARES LISTED WITH STOCK EXCHANGE AT

**The Delhi Stock Exchange Ltd.**  
DSE House  
3/1, Asaf Ali Road  
New Delhi 110003

### BANKERS

**Canara Bank**  
F-19, Connaught Circus  
New Delhi- 110001  
**Oriental Bank of Commerce**  
A-2/40, Safdarjung Enclave  
New Delhi- 110029

### REGISTERED OFFICE

B-4, UNESCO Apartments, Plot No. 55  
I P Extension, Patparganj, Delhi-110092

### REGISTRAR & SHARE TRANSFER AGENT

**Beetal Financial & Computer Services Pvt. Ltd.**  
Beetal House 3<sup>rd</sup> Floor, 99  
Madangir, Behind Local Shopping Centre  
Near Dada Harsukhdas Mandir  
New Delhi-110062

<b>Contents .....</b>	<b>Page</b>
Notice .....	1
Directors' Report .....	3
Corporate Governance .....	7
Management Discussion and Analysis Report .....	16
Auditors' Report .....	18
Balance Sheet .....	21
Profit & Loss Account .....	22
Schedules to Accounts .....	23
Notes to the Accounts .....	28
Balance Sheet Abstract .....	35
Cash Flow Statement .....	36

# Tirupati Inks Limited

## NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of Tirupati Inks Limited will be held on Saturday, the 25<sup>th</sup> September 2010 at 11:00 A.M. at the registered office of the Company at B-4, UNESCO Apartments, Plot No. 55, I P Extension, Patparganj, Delhi-110092 to transact the following business:

### **Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2010 and Profit and Loss Account for the period ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Sanjiv Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mrs Rajni Maheshwari, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration. The retiring auditors M/s Shashi Dinesh & Co., Chartered Accountants, Kanpur, being eligible offer themselves for re-appointment.

### **Special Business:**

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**Resolved That** Mr Ram Prakash Gupta, who was appointed as an Additional Director to hold office till the date of the Annual General Meeting be and is hereby appointed as Director of the Company, whose office shall be liable to determination through retirement by rotation.”

For and on behalf of the Board  
For **Tirupati Inks Ltd**

Date: 26<sup>th</sup> August, 2010  
Place : New Delhi

**Sanjiv Agrawal**  
Chairman

### **NOTES:**

- A. APPOINTMENT OF PROXY: 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.**
- B. Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C.** Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- D.** The register of members and share transfer books of the Company will remain closed from Friday, 24<sup>th</sup> September 2010 to Saturday, 25<sup>th</sup> September 2010 (both days inclusive).
- E. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- F.** Members are requested to notify any change in their address immediately to the Company at its Registered Office.
- G.** Members are requested to quote their folio Nos. / DPID Nos. in all future correspondence(s) with the Company.

# Tirupati Inks Limited

- H. The Company has appointed M/s Beetal Financial & Computer Services Pvt Ltd as the Registrar & Share Transfer Agent of the Company. All the investor queries may be directed either to the Company at its registered office or its RTA on their address at Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110 062.
- I. **Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- J. **Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 4 is enclosed herewith.

## **Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956**

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

Mr Ram Prakash Gupta was co-opted on the Board of the Company as Additional Director to hold office until the date of ensuing annual general meeting.

The Company has received notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr Ram Prakash Gupta for the office of Director of the Company in the ensuing Annual General Meeting.

The Board recommends the proposed resolution at item no 4 for adoption of members in the larger interest of the Company.

Mr Ram Prakash Gupta is interested and concerned in his respective proposed resolution.

For and on behalf of the Board  
For **Tirupati Inks Ltd**

Date : 26<sup>th</sup> August, 2010  
Place : New Delhi

**Sanjiv Agrawal**  
*Chairman*

# Tirupati Inks Limited

## DIRECTORS' REPORT

Dear Members

Your Directors present the 26<sup>th</sup> Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March 2010.

### Financial Highlights

(Rs. in lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
Total Income	7176.22	5036.98
Total Expenditure	7226.86	4929.87
Increase / (Decrease) in Stock	346.87	(17.30)
Profit / (Loss) before tax	296.23	89.81
<b>Less:</b> Provision for Income Tax	70.34	9.20
Provision for FBT	0.00	1.55
Provision for Deferred Tax	10.47	(0.94)
Profit / (Loss) after tax	215.42	80.00
Paid-up Share Capital	317.56	277.56
Reserve & Surplus	405.57	157.68

### Year in Retrospect

During the year under review, total income of the Company was Rs. 7523.09 lacs as against Rs. 5019.68 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 215.42 lacs for the year as against a profit of Rs. 80.00 lacs in the previous year. Your Directors are putting in their best efforts to improve the performance of the Company.

### Material Changes etc. after Balance Sheet date

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company 31st March, 2010 till the date of this Report.

### Proposed Further Public Offer (FPO)

The Board of Directors has been planning to raise financial resources for setting up new facility for manufacturing of Speciality Inks like Digital Inks, UV Inks, Offset Printing Inks and Ink Concentrates to augment and support existing product range of the company which include Rotogravure Inks and Flexographic Inks used in printing of Flexible Packaging Material. For this purpose the company has been proposing to make a FPO of equity shares of the company subject to the requisite approvals of Bombay Stock Exchange, securities and Exchange Board of India, Delhi Stock Exchange, Registrar of Companies and other statutory authorities.

After the FPO the equity shares of the company shall be listed on the Bombay Stock Exchange apart from the current listing at Delhi Stock Exchange.

### Dividend

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

### Corporate Governance

A Report on Corporate Governance is attached as a part of this Directors Report along with the Auditors' Certificate on compliance of Clause 49 of the Listing Agreement.

### Public Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

# Tirupati Inks Limited

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- a. **Conservation of Energy & Technology Absorption:** Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in **Annexure A**, forming part of this report.
- b. **Export Activities:** The product of the company which is ink was exported to the overseas market. The Company exports the printing inks to various countries viz., Nigeria, Turkey, Malaysia, Mauritius, Jordan, Italy, etc. Our export revenue from Inks during the previous year ending March 31, 2009 was Rs 422.46 lacs (FOB value) constituting 20.83% of the total Printing Ink turnover of the Company.
- c. **Foreign Exchange Earnings and Outgo:** The Company had earned foreign exchange by way of export of products as per the annexure given along with this report during the year under review.

## Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

## Directors

After the last Annual General Meeting, Ms Divya Agarwal has resigned from the board and Mr Ram Prakash Gupta was appointed as additional director w.e.f 24<sup>th</sup> August, 2010. In terms of the provisions of the Companies Act, 1956, he shall hold office until the date of the ensuing Annual General Meeting. His appointment as ordinary director of the Company is placed before the members for consideration. The Board recommends the resolution for adoption by the members.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Sanjiv Agarwal and Mrs Rajni Maheshwari is liable to retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

## Auditors

M/s Shashi Dinesh & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

## Auditors' Report

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

## Directors' Responsibility Statement

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- b. they 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 as at 31<sup>st</sup> March 2010 and of the profit of the Company for the period ended on that date;
- c. they have taken proper and sufficient care for the 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; and
- d. they have prepared the Annual Accounts on a going concern basis.

# Tirupati Inks Limited

## **Stock Exchange Listing**

The shares of the Company are listed on Delhi Stock Exchange. The listing fee for the financial year 2010-11 has already been paid to the Delhi Stock Exchange. As mentioned before, the Company is planning for FPO and after that the equity shares of the Company shall be listed at Bombay Stock Exchange also.

## **Acknowledgement**

Your Directors are grateful and pleased to place on record their appreciation for the excellent support, trust, guidance and cooperation extended & reposed by the all its stakeholders, employees, customers, financial institutions and banks, various government departments, statutory & regulatory bodies and local authorities in the Company and look forward to their continued patronage. The Board also expresses its appreciation of the understanding and support extended by the shareholders and employees of the Company

For and on behalf of the Board  
For **Tirupati Inks Limited**

Date : 26<sup>th</sup> August, 2010  
Place : New Delhi

**Sanjiv Agrawal**  
*Chairman*

# Tirupati Inks Limited

## Annexure A

### ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010:

PARTICULARS AS PER FORM A:	2009-2010	2008-2009
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY</b>		
<b>(a) PURCHASED:</b>		
Units (in lacs)	1.43	1.45
Total amount (in lacs)	6.62	6.74
Rate/Units (in Rs.)	4.62	4.65
<b>(b) OWN GENERATION:</b>		
(i) Through Diesel Generator		
Ltrs (in lacs)	0.10	0.17
Total amount (in lacs)	3.80	5.87
Rate/Ltrs (in Rs.)	38.00	34.25
(ii) Through Steam Turbine/Generator	NIL	NA
<b>2. LIGHT DIESEL OIL/FURNACE OIL</b>		
Quantity (Kilo Ltrs.)	NIL	NA
Total Cost (in lacs)	NIL	NA
Average/Ltrs (in Rs.)	NIL	NA
<b>3. GAS</b>		
<b>(a) LPG GAS</b>		
Quantity (K.G.)	NIL	NA
Total Cost (in lacs)	NIL	NA
Average/ K.G. (in Rs.)	NIL	NA
<b>(b) NATURAL GAS</b>		
Quantity (SCM)	NIL	NA
Total Cost (in lacs)	NIL	NA
Average/ SCM (in Rs.)	NIL	NA
PARTICULARS AS PER FORM B:	2009-2010	2008-2009
<b>A. RESEARCH AND DEVELOPMENT (R &amp; D)</b>		
(a) Specified Areas in which R & D carried out by the Company:	NIL	NA
(b) Benefits derived as a result of the above R & D :	NIL	NA
(c) Future plan of action	NIL	NA
(d) Expenditure on R & D		
(i) Capital	NIL	NA
(ii) Recurring	NIL	NA
(iii) Total	NIL	NA
(iv) Total R & D Expenditure as a percentage of total turnover	NIL	NA
<b>B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION</b>		
(a) Efforts in brief, made towards Technology Absorption, Adaption and innovation:	NIL	NA
(b) Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution etc., :	NIL	NA
(c) In case of imported technology, (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished :		
i) Technology imported	NIL	NA
ii) Year of import	NIL	NA
iii) Has technology been fully absorbed	NIL	NA
iv) If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action	NIL	NA
<b>C. FOREIGN EXCHANGE EARNINGS AND OUT GO:</b>		
(a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans	Nil	Nil
(b) Total foreign exchange used	Rs. 21.45 Lacs	Rs. 2.90 Lacs
(c) Total foreign exchange earned	Rs. 422.46 Lacs	Rs. 196.14 Lacs



# Tirupati Inks Limited

## REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Company's philosophy on Corporate Governance envisages attainment of highest levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

### 2. BOARD OF DIRECTORS

The Company maintains an optimum combination of Executive, Non Executive and Independent Directors. The Board consists of total Six (6) directors on 31<sup>st</sup> March, 2010, out of which three (3) are independent. Mr Sanjiv Agarwal is the Executive Chairman cum Whole Time Director of the Company, Mr Rakesh Kumar Agarwal is the Managing Director and Mrs Rajni Maheshwari is the Whole Time Director of the Company. The Constitution of the Board as on 31<sup>st</sup> March 2010 is as follows:

Name of the Director & Designation	Category	No. of positions held in other Public Companies <sup>1</sup>		
		Board	Committee	
			Membership	Chairmanship
Mr Sanjiv Agarwal Chairman & Whole Time Director	Promoter & Executive	1	Nil	Nil
Mr Rakesh Kumar Agarwal Managing Director	Promoter & Executive	Nil	Nil	Nil
Ms Rajni Maheshwari Whole Time Director	Promoter & Executive	1	Nil	Nil
Mr Ram Shanker Agarwal Director	Non Executive Independent	Nil	Nil	Nil
Mr Chandra Prakash Agarwal Director	Non Executive Independent	Nil	Nil	Nil
Ms Divya Agarwal <sup>2</sup>	Non Executive Independent	Nil	Nil	Nil

<sup>1</sup> Only included Indian Companies

<sup>2</sup> Resigned from directorship and Mr Ram Prakash Gupta has been appointed as additional director w.e.f. 24<sup>th</sup> August, 2010.

### Directors' Attendance Record

During the Financial Year 2009-10, (25) twenty five meetings of the Board of Directors were held on 02.04.2009, 27.04.2009, 01.05.2009, 31.05.2009, 06.06.2009, 25.06.2009, 23.07.2009, 30.07.2009, 06.08.2009, 07.08.2009, 22.08.2009, 04.09.2009, 30.09.2009, 12.10.2009, 14.10.2009, 22.10.2009, 24.10.2009, 31.10.2009, 09.11.2009, 25.11.2009, 27.11.2009, 07.12.2009, 10.12.2009, 23.12.2009 and 30.01.2010. The Board was duly supplied with the agenda of the meetings incorporating all material information for facilitating meaningful and focused discussions at the meeting. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the financial year 2009-10 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Sanjiv Agarwal	25	25	Yes
Mrs Rajni Maheshwari	25	24	Yes
Mr Rakesh Kumar Agarwal	25	25	Yes

# Tirupati Inks Limited

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Ram Shanker Agarwal	25	20	Yes
Mr Chandra Prakash Agarwal	25	0	Yes
Mr Harish Kumar Sharma <sup>1</sup>	25	1	No
Mr Rajeev Kumar Maheshwari <sup>2</sup>	25	3	No
Ms Divya Agarwal <sup>3</sup>	25	20	Yes

<sup>1</sup>Resigned on 06.08.2009

<sup>2</sup>Resigned on 22.08.2009

<sup>3</sup>Resigned from directorship and Mr Ram Prakash Gupta has been appointed as additional director w.e.f. 24<sup>th</sup> August, 2010.

## Disclosure Regarding Appointment & Re-appointment of Directors in the ensuing AGM

Mr Sanjiv Agarwal and Mrs Rajni Maheshwari Directors, who shall be retiring in this AGM, being eligible have offered themselves for re-appointment. Mr Ram Prakash Gupta was appointed as Additional Director of the company and will be appointed as Ordinary Director of the Company in the AGM. Brief particulars of these directors are as follows:

Particulars	Mr Sanjiv Agarwal	Mrs Rajni Maheshwari	Mr Ram Prakash Gupta
DIN	00140174	01371043	03201059
Father's Name	Mr Satya Narain Agarwal	Mr Girdhar Das Bhattar	Mr Ram Karan Gupta
Date of Birth	1 <sup>st</sup> March, 1964	7 <sup>th</sup> November, 1970	5 <sup>th</sup> July, 1958
Address	B-71, Shyam Nagar, Kanpur-208013	7/103, Swaroop Nagar, Kanpur-208002	309 E, Sujat Gunj, Kanpur Nagar-208013
Designation	Whole Time Director	Whole Time Director	Director
Education	Chartered Accountant	B.A.	Master of Science
Experience	Experience in taxation, finance, accounting department and over 10 years of experience in Ink Industry.	Over 5 years of experience in administrative and various financial functions.	Experience in managing banking affairs for about 14 years as an officer of Bank of Baroda, and marketing in different fields and production of INDIGO and other herbal based cosmetic products with an overall experience of 30 years in the Cosmetic Industry.
Companies in which holds Directorship	Ramdeo Polysters Pvt. Ltd.	Ramdeo Polysters Pvt. Ltd.	Nil
Companies in which holds membership of committees	Nil	Nil	Nil
Shareholding in the Company (No. & %)	6,92,000 (21.79%)	4,84,938 (15.27%)	Nil
Relationship with other Director	Nil	Nil	Nil