

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

TIRUPATI STARCH & CHEMICALS LTD., INDORE



1996-97

*Eleventh
Annual Report
&
Accounts*

**TIRUPATI STARCH & CHEMICALS LIMITED**

Regd. Office : 'Madan Mahal', 12-A, Agrawal Nagar, Indore - 452 001

BOARD OF DIRECTORS

Dr. Damodar Modi	Chairman & Managing Director
Shri Ramdas Goyal	Executive Director
Shri Suresh Agrawal	Whole-Time Director
Shri Prakash Bapna	Whole-Time Director
Shri Rameshchandra Goyal	Whole-Time Director
Shri Rameshchandra Mangal	Whole-Time Director
Shri Devkinandan Jajodia	Director
Shri Murarilal Gupta	Director
Shri S.R. Iyer	(Nominee MPAVN Ltd., Bhopal)
Shri K.N. Dupare	(Nominee of IDBI, Bombay)

COMPANY SECRETARY & FINANCE MANAGER

Shri B.K. Jain
M.Com., LL.B., F.C.S.

AUDITORS

M/s Sunil Chandra Goyal & Company
Chartered Accountants
Indore

BANKERS

State Bank of India
Indore City Branch, Indore

REGISTERED OFFICE

'Madan Mahal', 12-A Agrawal Nagar, Indore - 452 001.

WORKS

Village Sejwaya (Ghatbillod) Dist. Dhar (M.P.)



Tirupati Starch & Chemicals Limited

NOTICE

Notice is hereby given that the 11th Annual General Meeting of the members of Tirupati Starch & Chemicals Ltd., will be held at Hotel Dawar Palace, 10-11 New Palasia, Chain Singh Ka Bagicha, Near 56 Shops, Indore on Tuesday the 30th September 1997 at 4 P.M. to transact the following business :

1. To consider and adopt the Directors' and Auditors' Report, Audited profit and loss account for the year ended on 31st March 1997 and Balance sheet as at that date.
2. To appoint a director in place of Shri Suresh Agrawal, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Prakash Bapna who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to Hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To pass the following resolution with, or 'without modification', as a SPECIAL RESOLUTION.
"Resolved that sanction be and is hereby accorded Under Section 314 of the Companies Act 1956 to the holding of Office of Profit by Shri Sanjeev Gupta Marketing Executive of the Company on the remuneration and perquisites as detailed in the annexure to this notice.
6. To pass the following resolution with or 'without modification', as a SPECIAL RESOLUTION :

ARTICLE - 154 :

"Resolved that subject to approval of the Central Govt. the following words be deleted from article No.154 of Article of Association of the Company :-

"Shall not while he continues to hold that office be subject to retirement by rotation and he shall not be reckoned as a director for the purpose of determination of Directors to retire".

7. To pass the following resolution with, or 'without modification', as a special resolution :

ARTICLE 113 :

"Resolved that subject to approval of the Central Govt. the existing article 113 be deleted and substitute by the following :

Article 113 : All the directors of the Company shall retire by rotation (including Managing/Wholetime Directors) but excluding Nominee Directors.

By order of the Board,
For TIRUPATI STARCH & CHEMICALS LTD.

Indore
Dated : 4th September '1997

B.K. JAIN
Company Secretary

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. The register of members of the Company will remain closed from, Wednesday the 24th September'97 to Tuesday the 30th September'97 (Both days inclusive).
3. The members should intimate change in their registered address, if any.
4. The members may bring copies of Annual Report sent to them separately at their Registered addresses for attending the meeting.
5. The Proxy form should be deposited not less than 48 hours before the time of meeting.

ANNEXURE TO THE NOTICE

Explanatory statement as required under section 173 of the Companies Act. 1956.

Item 5

Shri Sanjeev Gupta, Marketing Executive was paid a remuneration of Rs. 11000/- p.m. w.e.f. 1.4.96 to 31.3.97.

Salary	Rs. 8500/- p.m.
Medical	Rs. 800/- p.m.
Conveyance	Rs. 1700/- p.m.
	Rs.11000/- p.m.

In addition to the above, he is entitled to other benefits as per rules of the Company.

Shri Sanjeev Gupta B.Com., aged 25 years is son of Shri Murarilal Gupta, a Director of the Company and as such Shri Murarilal Gupta is interested in the resolution by virtue of his relationship.

His appointment and remuneration has been approved by the Board at it's meeting held on 04.9.97.

Item No. 6

The Company is having 10 Directors out of which 6 directors are Managing/Wholetime Directors. Two Directors are nominees of Financial institutions. Out of 8 Directors, 6 Directors should retire by rotation as required u/s. 255(1) of the Companies Act. 1956.

As per article 154 of the Articles of association of the Co. the Managing/Wholetime Directors of the company are non rotatable and shall not retire by rotation. As such 6 paid Directors cannot retire by rotation. Only two directors are rotatable. To overcome this, it is proposed to alter article 154 of the Article of Association of the Company so that the Managing/Wholetime Directors may also become retireable. Hence the resolution.

Item No. 7

To conform with the altered article 154 of the Article of Association of the Company and to comply with the requirements of sanction 255(1) it is necessary to alter article 113 of the Articles of Association of the Company. Hence the resolution.

By order of the Board,
For TIRUPATI STARCH & CHEMICALS LTD.

Indore
Dated : 4th September '1997

B.K. JAIN
Company Secretary

**DIRECTOR'S REPORT TO THE MEMBERS**

Ladies & Gentlemen,

Your Directors have pleasure in presenting 11th Annual Report together with Audited Statements of Account for the year ended 31st March 1997.

	1996-97	1995-96
Gross Loss for the year	45,33,171	92,38,936
Add : Depreciation	66,33,683	43,83,652
Loss : After Depreciation	1,11,66,854	1,36,22,588
Less : Credit relating to previous years	43,574	2,240
Less : Excess Bonus Provision written back	62,867	3,608
	1,10,60,413	1,36,16,740
Add : Debit relating to previous years	1,23,244	3,20,141
Balance of loss carried to Balance Sheet	1,11,83,657	1,39,36,881

DIVIDEND :

In view of heavy losses, your Directors did not recommend any dividend for the year.

PERFORMANCE :

The new Dextrose plant is running smoothly at 65% capacity utilisation. It is expected to run at 90% capacity next year.

Due to general power cut throughout the year, increased cost of Raw Material & Coal and fuel the company had to sustain heavy loss.

FINANCE

The Company is availing following loans :

	(Rs. in lacs)
IDBI Term Loan	260.00
M.P.A.V.N. Rupees Term Loan	12.00
M.P.A.V.N. Foreign Currency Loan	53.00
State Bank of India - Working Capital-Starch Divn	145.00
State Bank of India - Working Capital-Dextorse Divn	40.00
	510.00

MANAGEMENT :

Two of your directors Shri Suresh Agrawal and Shri Prakash Bapna retire by rotation. They are eligible and offers themselves for reappointment.

The Registrar of Companies also observed that there is contravention of section 255(i) of the companies Act-1956. To overcome this, necessary resolution has been brought before your under item No.7 of the notice.

The Board recommends the above resolutions.

AUDITORS :

You have to appoint auditors for the current financial year and to fix their remuneration M/s. Sunil Chandra Goyal & Co., Chartered Accountants, Indore the retiring auditors are eligible for re-appointment. Their appointment, if made, will be within the prescribed limit specified under section 224 (1B) of the Companies Act. 1956.

COMMENTS ON AUDITORS' REPORT :

The remark in auditors' report are self explanatory.

PARTICULARS OF EMPLOYEES :

There was no employee during the year drawing remuneration in excess of the ceilings prescribed under section 217(2A) of the Companies Act, 1956.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS :

A statement giving information as required under section 217 (1)(e) of the Companies Act, 1956 is annexed and form part of this report (Annexure - 'A')

ACKNOWLEDGEMENT :

Your Directors wish to express their sincere appreciation for the co-operation and support received from State Bank of India, M.P.F.C., M.P.A.V.N. & I.D.B.I. Your directors also thank the shareholders, Customers, Distributors, Officers, Technical Staff and employees of the Company for their co-operation throughout the year.

For and on Behalf of the Board

Indore

Dated : 4th Sept. 1997

DR. DAMODAR MODI

Chairman

ANNEXURE 'A'

Information pursuant to sec. 217(1)(e) of the Companies act, 1956 read with the Companies (Disclosure of Particulars in the report of the Directors) Rule 1988 forming part of Directors Report.

A. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken :
 - i) Correcting the alignment of Main drive.
 - ii) Construction of Sundrying Plateform for per drying of Gluten and Grit. Thus saving in Furnace Oil consumption.
- b) Additional investment for reduction of Consumption of energy.
 - i) Installation of Diesel Generator Set for own generation of power.
 - ii) Installation of best designed power capacitors for achieving and maintaining power factor.

FORM A**A. POWER & FUEL CONSUMPTION**

	Current year	Previous year
1. Electricity		
a. Purchased Unit	3570450	32,69,723
Total Amount	13740802	94,13,206
Rate/Unit	3.85	2.88
b. Own Generation		
i. Through Diesel Generator Unit	Nil	Nil
Unit per litre of Diesel Oil Cost/Unit		
ii. Through Steam Turbine/Generator Unit	Nil	Nil
Unit per litre of fuel oil Gas cost/unit		



Tirupati Starch & Chemicals Limited

2. Coal (Specify quality and where used)

Quantity (Tonnes)	6373.211	6,371.844
Total Amount	1,04,68,478	89,33,128
Average Rate	1,642.58	1,401.96

FORM B

B. CONSUMPTION PER UNIT OF PRODUCTION

		Maize Starch Powder/ Dextrose Monohydrate/ Dextrose Anhydrous	Standard if any	Current Yr	Previous Yr
Electricity	Unit	306.07			384.45
Furnace Oil	K. Lit.	8.49			16.14
Coal (Special Quality)	Kg.	546.33			749.19

3. Furnace Oil

Quantity (K.Lit)	99.000	137.246
Total Amount	645686	7,73,995
Average Rate	6.52	5.64

Indore

Dated : 4th September'1997

By order of the Board,
For TIRUPATI STARCH & CHEMICALS LTD.

DR. DAMODAR MODI
Chairman

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AUDITORS' REPORT

ANNEXURE TO THE AUDITOR'S REPORT

The Members,

M/s. TIRUPATI STARCH & CHEMICALS LTD., INDORE

We have audited the attached Balance Sheet of TIRUPATI STARCH & CHEMICALS LIMITED as at 31st March 1997 and the Profit & Loss Account of the Company for the year ended on that date annexed hereto and report that:-

1. As required by the manufacturing and other companies (Auditors Report) order 1988 issued by the Company Law Board in terms of Section 227 (4-A) of the Companies Act, 1956, we enclose in annexure a statement of the matters specified in paragraph 4 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit & Loss account referred to in this report are in agreement with the books of account.
 - d) We have relied upon the representation made to us by the management that being a complex technical matter, the stock in process of Raw Starch has been determined as described in Note - 1(e) (iii) (a) in Schedule 19 forming part of the accounts.

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and the Notes thereto, more particularly, note No. 1 (k) regarding Non-provision of leave encashment and Gratuity No.17 regarding reliance on available evidence due to non availability of Excise records and Schedule 19 forming part of the accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-

- i) In so far as it relates to the Balance Sheet of the State of affairs of the Company as at 31st March 1997.

And

- ii) In so far as it relates to the Profit and Loss Account, of Loss for the year ended on that date.

for SUNIL CHANDRA GOYAL & CO.,
CHARTERED ACCOUNTANTS

Place : Indore

SUNIL GOYAL

Date : 4th September, 1997

PROPRIETOR

Ref. TIRUPATI STARCH & CHEMICALS LIMITED REFERRED TO IN PARA (1) OF OUR REPORT OF EVEN DATE

In terms of information and explanations given to us and the books and records examined by us in the normal course of Audit and to the best of our Knowledge and belief we state that:

1. The work of compiling the Fixed Assets register showing other particulars such as location, depreciation etc., is still in progress. Further we are informed that during the year, these assets were physically verified by the management and there were no material discrepancies between the inventory showing the quantitative details and physical existence of the Assets.
2. None of the fixed Assets have been revalued during the year.
3. The stock of Finished goods, stock in process, spare parts and Raw Materials have been physically verified during the year by the management.
4. According to information and explanation given to us, the procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and nature of its business and in our opinion, frequency of verification needs to be increased.
5. According to information and explanations given to us, no material discrepancies have been noticed on physical verification of stock as compared to the book records.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year subject to note 1 (e) (iii) (a) of Schedule 19 forming part of the accounts.
7. According to information and explanations given to us, in our opinion, the rate of interest and terms and conditions on which loans have been obtained from Directors and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company. The Company has not taken any loan from the companies under the same management as defined under section 370 (1B) of the companies act, 1956.
8. According to information and explanations given to us, the Company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or to Companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
9. According to information and explanations given to us, the Company has given loans or advances in the nature of loans only to its employees and they are generally repaying the principal amount as stipulated except in few cases.
10. According to the information and explanations given to us, there are internal control procedure for the purchase of stores, raw materials including components, Plant & Machinery, equipments and other assets and for the sale of goods which in our opinion need to be strengthened further to make them commensurate with the size of the Company and nature of its business.



Tirupati Starch & Chemicals Limited

11. According to the information and explanations given to us, there were no transactions of purchase of goods and materials and sale of goods, material and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and aggregating during the year Rs. 50,000 or more in respect of each party.
12. According to the information and explanations given to us, the company has a procedure for the determination of unserviceable or damaged stores, raw material and finished goods and the same has not been included in stock.
13. In our opinion and according to the information and explanations given to us the company has complied with the provisions of section 58-A of the Companies Act, 1956 Companies (acceptance of Deposits) Rules 1957.
14. In our opinion and according to the information and explanations given to us, reasonable records have been maintained by the Company for the sale and disposal of realisable by-products. No saleable scrap is generated during the process.
15. The company has an internal audit system which in our opinion needs to be strengthened to make it commensurate with the size of the Company and nature of its business.
16. According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records for the products of the company under section 209 (1) (d) of the Companies Act, 1956, for the year under review.
17. Provident Funds dues have generally been regularly deposited with the appropriate authorities. Further we are informed that the provisions of Employees' State Insurance Scheme are not made applicable to the Company.
18. According to the informations and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Sale-Tax, Custom Duty, Excise Duty were outstanding as at 31st March, 1997 for a period of more than six months from the date they became payable subject to note No. 2, 7, 8, 15 & 17 of notes on accounts.
19. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account other than those payable under the contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick industrial company within the meaning of clause (o) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985.
21. In respect of trading activity of the Company there were no damaged goods in closing stock.

For SUNIL CHANDRA GOYAL & Co.,
CHARTERED ACCOUNTANTS

SUNIL GOYAL
PROPRIETOR

Place : Indore
Date : 4th September, 1997

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BALANCE SHEET AS AT 31ST MARCH, 1997

	SCHEDULE	AMOUNT AS AT 31.03.1997 (RUPEES)	AMOUNT AS AT 31.03.1996 (RUPEES)
SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS :			
a) Share Capital	1	60931760	60931760
b) Reserves & Surplus	2	4670350	4670350
		65602110	65602110
2. LOAN FUNDS :			
a) Secured Loans	3	67018437	60087280
b) Unsecured Loans	4	11557915	4747959
		78576352	64835239
TOTAL		144178462	130437349
APPLICATION OF FUNDS			
1. FIXED ASSETS :	5		
a) Gross Block		132549370	127947102
b) Less : Depreciation		26851566	20217883
c) NET BLOCK		105697804	107729219
		105697804	107729219
2. INVESTMENTS :	6	9385	9385
3. CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	7	19045654	14746648
b) Sundry Debtors	8	18675227	12359885
c) Cash & Bank Balances	9	186820	462543
d) Loans & Advances	10	7398298	10138112
		45305999	37707188
Less : Current Liabilities & Provisions	11		
a) Liabilities		23546833	18562906
b) Provisions		285000	3173028
		23831833	21735934
NET CURRENT ASSETS		21474166	15971254
4. MISCELLANEOUS EXPENDITURE	12	4982575	5896616
(To the extent not written off or adjusted)			
PROFIT & LOSS ACCOUNT	13	12014532	830875
TOTAL		144178462	130437349
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	19		

As per our report of even date
For Sunil Chandra Goyal & Co.
Chartered Accountants
SUNIL GOYAL
Proprietor

B.K. JAIN
Company Secretary
& Finance Manager

for TIRUPATI STARCH & CHEMICALS LTD.
DR. DAMODAR MODI
Chairman & Managing Director
RAMDAS GOYAL
SURESH AGRAWAL
DEVKINANDAN JAJODIA
RAMESHCHANDRA GOYAL
RAMESH MANGAL
MURARILAL GUPTA
PRAKASH BAPNA
Directors

Place : Indore
DATED : 4th September, 1997

*Tirupati Starch & Chemicals Limited***PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1997**

SCHEDULE	AMOUNT AS AT 31.03.1997 (RUPEES)	AMOUNT AS AT 31.03.1996 (RUPEES)
INCOME		
Sales of Maize Starch Powder, Gluten, Grit, Husk, Maize Oil, Oil Cake, Dextrine, Dextrose Monohydrates Dextrose Anhydrous, Hydrol Crown Steep Liquor Cake etc. (inclusive of Excise duty)	162338016	107816491
Less : Trade Discount, Commission etc.	2421495	3381886
	159916521	104434605
Add : Other Income	86581	256474
	160003102	104691079
EXPENDITURE AND CHARGES		
Raw Materials Consumed	98481620	67606887
Packing Materials Consumed	2891113	2064788
Manufacturing Expenses 14	41670897	27168789
Administrative & Other Expenses 15	2786472	1923487
Expenditure on Employees 16	8530006	6115428
Managerial Remuneration	910862	978144
Interest 17	12839077	7318358
Depreciation	6633683	4383652
Deferred Revenue Expenditure Written Off	513371	513371
Preliminary Expenses Written Off	430027	430027
	175687128	118502931
INCREASE/(DECREASE) IN STOCK 18	4517172	189264
	171169956	118313667
Profit/(Loss) for the year before Tax	(- 11166854)	(- 13622588)
Less : Provision for Income Tax for earlier year	—	166901
Profit / (Loss) after Tax	(- 11166854)	(- 13789489)
Less : Credit relating to previous year	43574	2240
Less : Excess Bonus Provision Written Back	62867	3608
	(- 11060413)	(- 13783641)
Add : Debit relating to Previous Years	123244	153240
Balance of Profit / (Loss) available for appropriation	(- 11183657)	(- 13936881)
APPROPRIATIONS	—	—
Balance of Profit/(Loss) carried to Balance Sheet	(- 11183657)	(- 13936881)
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 19		

As per our report of even date
For Sunil Chandra Goyal & Co.
 Chartered Accountants
SUNIL GOYAL
 Proprietor

B.K. JAIN
 Company Secretary
 & Finance Manager

for TIRUPATI STARCH & CHEMICALS LTD.
DR. DAMODAR MODI
 Chairman & Managing Director
RAMDAS GOYAL
SURESH AGRAWAL
DEVKINANDAN JAJODIA
RAMESHCHANDRA GOYAL
RAMESH MANGAL
MURARILAL GUPTA
PRAKASH BAPNA
 Directors

Place : Indore
 DATED : 4th September, 1997



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 1997

SCHEDULE -1

SHARE CAPITAL :

		Amount as at 31/03/97 Rs.	Amount as at 31/03/96 Rs.
Authorised			
65,00,000	Equity Shares of Rs.10/-each Previous year 65,00,000 Equity Shares	65000000	65000000
25,000	14% cumulative Redeemable Preference Shares of Rs.100/-each (Previous Year 25000 Preference Shares)	2500000	2500000
		67500000	67500000
Issued subscribed & paid up			
60,93,176	Equity Shares of Rs.10/-each fully paid-up (of the above shares 2,39,768 equity shares are allotted as fully paid up by way of bonus shares by capitalisation of reserve in the year 1993/94 (Previous year 60,93,176 shares)	60931760	60931760
		60931760	60931760

SCHEDULE -2

RESERVES & SURPLUS :

INVESTMENT ALLOWANCE RESERVE

As per last Year	3670350	3670350
Preference Share Capital Redemption Reserve	1000000	1000000
	4670350	4670350

SCHEDULE -3

SECURED LOANS :

Term Loans

(1) Madhya Pradesh Audyogik vikas Nigam Ltd, Bhopal		
Foreign Currency Loan	5334000	5720000
Rupee Term Loan	1206000	1206000
Interest Accrued & Due (FCL)	1387180	826962
Interest Accrued & Due (RTL)	1101422	723882
	9028602	8476844

Secured by :

- (a) Equitable Mortgage of Company's fixed assets, present & future, comprising of freehold land, buildings and fixed machineries and other fixed assets
- (b) First Charge by way of Hypothecation of all the movable properties of the company including Plant & Machineries (subject to charge of State Bank of India for working capital) and ranking pari-passu with charge created in favour of Madhya Pradesh Financial Corporation & State Bank of India as Described in (2) & (3) below and
- (c) Personally guaranteed by seven directors of the Company

(2) Madhya Pradesh Financial Corporation, Indore		
Term Loan	38720	540000
Interest Accrued & due	205925	205925
	244645	745925