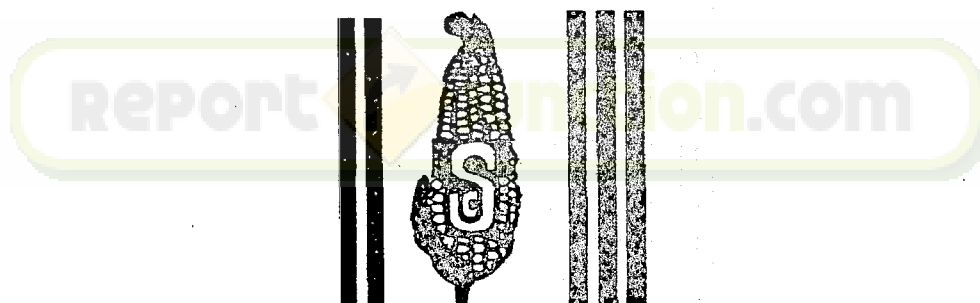


MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NA	✓	AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

TIRUPATI STARCH & CHEMICALS LTD., INDORE



1997-98

*Twelfth
Annual Report
&
Accounts*





TIRUPATI STARCH & CHEMICALS LIMITED

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

BOARD OF DIRECTORS

Dr. Damodar Modi

Shri Ramdas Goyal

Shri Suresh Chandra Agrawal

Shri Prakash Bapna

Shri Ramesh Chandra Goyal

Shri Ramesh Chandra Mangal

Shri Sanjeev Gupta

Shri Devkinandan Jajodia

Shri S. R. Iyer

Shri K. N. Dupare

Chairman & Managing Director

Executive Director

Whole-Time Director

Whole-Time Director

Whole-Time Director

Whole-Time Director

Whole-Time Director

Director

(Nominee MPAVN Ltd., Bhopal)

(Nominee of IDBI, Bombay)

COMPANY SECRETARY & FINANCE MANAGER

Shri B. K. Jain

M. Com., L.L.B., F.C.S.

AUDITORS

M/s. Sunil Chandra Goyal & Company

Chartered Accountants

103, Kanchan Bagh

Indore (M.P.)

BANKERS

State Bank of India

Industrial Finance Branch, Indore

REGISTERED OFFICE

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

WORKS

Village Sejwaya, (Ghatatillod) Dist. Dhar (M.P.)

*Tirupati Starch & Chemicals Limited***NOTICE**

Notice is hereby given that the 12th Annual General Meeting of the members of Tirupati Starch & Chemicals Ltd. will be held at Hotel Apsara, R. N. T. Marg (Ravindra Natya Graha Premises) at Indore on Wednesday, the 30th September 1998 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 1998 and Balance Sheet as at that date.
2. To appoint a Director in place of Dr. Damodar Modi, Managing Director who retires by rotation and being eligible offers himself for reappointment and that he shall continue to hold his office of Managing Director and his reappointment as such shall not be deemed to constitute a break in his appointment as Managing Director.
3. To appoint a Director in place of Shri Ramdas Goyal, Executive Director who retires by rotation and being eligible offers himself for reappointment and that he shall continue to hold his office of Executive Director and his reappointment as such shall not be deemed to constitute a break in his appointment as Executive Director.
4. To appoint a Director in place of Shri Ramesh Chandra Goyal, Whole time Director, who retires by rotation and being eligible offers himself for reappointment and his reappointment as such shall not be deemed to constitute a break in his appointment as Wholetime Director.
5. 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

6. To pass the following resolution, with or without modification, as a SPECIAL RESOLUTION.
"Resolved that subject to approval of the Central Government, the existing article No.113 of the articles of the Association of the company shall be altered and read as under:-

ARTICLE 113 :

All the Directors of the company shall retire by rotation (Including Managing/Whole-time Directors but excluding nominee Directors) and that their retirement by rotation by virtue of this article and reappointment as such shall not be deemed to constitute a break in their appointment

7. 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 for the period from 01-04-97 to 30-07-98 as detailed in the annexure to this notice".
8. To pass the following resolution, with or without modification, as an ORDINARY RESOLUTION :
"Resolved that Shri Sanjeev Gupta be and is hereby appointed a

Director of the Company".

9. To pass the following resolution, with or without modification, as an ORDINARY RESOLUTION.

"Resolved that subject to sanction of the Central Government and pursuant to the provisions of Section 198, 269, 309, 310 & 314 read with Schedule XIII of the Co's Act 1956 and other applicable provisions, if any of the Act the Company hereby accords its approval to the payment of remuneration to Shri Sanjeev Gupta appointed as additional Director of the Company for the period from 31.7.98 to 30.9.98 as per details given below :
Salary Rs. 18,000.00 p.m.

PERQUISITES :

In addition to the salary he is entitled to perquisites like P.F., Gratuity, Leave Encashment etc. which are exempted perquisites.

10. To pass the following resolution, with or without modification, as an ORDINARY RESOLUTION :

"Resolved that subject to sanction of the Central Government and pursuant to the provisions of sections 198, 269, 309, 310, 314 read with schedule - XIII of the Companies Act-1956 and other applicable provisions if any of the act, the Company hereby accords its approval to the increase in remuneration of Managing/ Wholetime Directors of the company for a period of one year w.e.f. 1.10.1997 as detailed below :

SALARY

i) Dr. Damodar Modi, Managing Director	-	Rs. 22,000/- P.M. plus H.R.A. as per agreement
ii) Shri Ramdas Goyal, Executive Director	-	Rs. 18,500/- P.M.
iii) Shri Rameshchandra Mangal, Wholetime Director	-	Rs.18,000/- P.M.
iv) Shri Rameshchandra Goyal, Wholetime Director	-	Rs.18,000/- P.M.
v) Shri Prakashchandra Bapna, Wholetime Director	-	Rs. 18,000/- P.M.

PERQUISITES :

In addition to the salary they will be entitled to perquisites like Provident Fund, Gratuity, Leave Encashment etc. which are exempted perquisites.

The above remuneration shall also be paid as minimum remuneration in case of no profits or inadequate profits.

11. To pass the following resolution, with or without modification, as an ORDINARY RESOLUTION :

"Resolved that subject to sanction of the Central Government and pursuant to the provisions of sections 198, 269, 309, 310, 314 read with schedule - XIII of the Companies Act-1956 and other applicable provisions if any of the act, the Company hereby accords its approval to the payment of remuneration to Managing/ Wholetime Directors of the company for a period of 5 year w.e.f. 1.10.1998 as detailed below :



Tirupati Starch & Chemicals Limited

SALARY

i) Dr. Damodar Modi, Managing Director	-	Rs. 27,500.00 plus H.R.A. as per agreement
ii) Shri Ramdas Goyal, Executive Director	-	Rs. 23,000.00
iii) Shri Rameshchandra Mangal, Wholetime Director	-	Rs. 22,500.00
iv) Shri Rameshchandra Goyal, Wholetime Director	-	Rs. 22,500.00
v) Shri Prakashchandra Bapna, Wholetime Director	-	Rs. 22,500.00
vi) Shri Sanjeev Gupta, Wholetime Director	-	Rs. 22,500.00

PERQUISITES :

In addition to the salary they will be entitled to perquisite like Provident Fund, Gratuity, Leave Encashment etc. which are exempted perquisites.

The above remuneration shall also be paid as minimum remuneration in case of no profits or inadequate profits.

By Order of the Board,

For TIRUPATI STARCH & CHEMICALS LTD.

Place :- Indore.

B.K.Jain

Dated :- 30th July 1998

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 proxy need not be a member.
2. The register of members of the company will remain closed from Thursday the 24th Sept.'1998 to Wednesday the 30th Sept. 1998.(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 address for attending the meeting.

ANNEXURE TO THE NOTICE :

Explanatory statement as required u/s. 173 of the Companies Act - 1956.

ITEM NO.6

The Article No. 113 of the Aticles of Association of the company has been altered again so that the retirement of all the Directors by rotation and 1/3 of them every year and their re-appointment shall not constitute a break in their appointments.

ITEM NO.7

Shri Sanjeev Gupta, Marketing Executive has been paid remuneration for the period from 1.4.97 to 30.7.98 as detailed below:-

	Per month (from 1.4.97 to 30.9.97)	Per month (from 1.10.97 to 30.7.98)
Salary	Rs. 8,500	Rs. 15,000
Medical Reimbursement	Rs. 800	Rs. 800
Conveyance	Rs. 1,700	Rs. 2,200
Total	Rs. 11,000	Rs. 18,000

In addition to the above, he is entitled to other benefits as per Rules of company. His appointment and remuneration has been approved by the Board at its meeting held on 27.11.97.

ITEM NO. 8

Shri Sanjeev Gupta, B.Com., aged 26 years is associated with the company for the last 5 years. He is working as Marketing Executive and promoted the sales of the Company. Shri Gupta has been appointed as an additional Director by the Board at its meeting held on 30.7.98.

The Company has received a notice in writing from a member u/s. 257 of the Co's Act 1956 signifying his intention to propose Shri Sanjeev Gupta as a candidate for the office of Director of the Company.

ITEM NO. 9

Shri Sanjeev Gupta, B.Com., aged 26 years is associated with the Company for the last 5 years. He was working as Marketing Executive of the Company and promoted sales of the company.

Your Board of Directors at its meeting held on 30.7.98 appointed him as an additional Director of the Company. Shri Gupta is interested in the Resolution at item no 7 to 9 since it relates to his appointment and remuneration.

ITEM NO. 10

In view of the satisfactory performance of the Company as compared to earlier years for the Half year ended on 30.9.97, the Board of Directors at it's meeting held on 27th Nov.'1997 decided to increase the remuneration of your Directors as detailed in the aforesaid Resolution. Since the remuneration paid during the year exceeded the limits laid down in section 198, 309, 310,314 read with schedule XIII of companies Act 1956, it is necessary to seek sanction of the Share Holders in this Annual General Meeting and the Central Government. As such the resolution at item No. 10 above has been placed before you for approval.

ITEM NO.11

The Board of Directors at it's meeting held on 30.7.98, Increased the remuneration of Managing/Wholetime Directors of the company for a period for 5 years w.e.f. 1st Oct.'1998 as detailed in the aforesaid resolution subject to sanction of the Share Holders in this Annual General Meeting and the Central Government. As such the resolution at item No. 11 above has been placed before you for your approval.

MEMORANDUM OF INTEREST :

All the Directors named above are interested in the aforesaid Resolution No. 10& 11. They may be deemed to be concerned or interested in the above Resolutions, since it relates to their appointment.

By Order of the Board,

For TIRUPATI STARCH & CHEMICALS LTD.

Indore.

B.K.Jain

Dated :- 30th July 1998

Company Secretary



Tirupati Starch & Chemicals Limited

DIRECTOR'S REPORT TO THE MEMBERS

Ladies & Gentlemen,

Your Directors have pleasure in presenting 12th Annual Report together with Audited Statements of Account for the year ended 31st March'1998.

	1997-98	1996-97
Gross Profit/(Loss) for the Year	1,71,31,490	(45,33,171)
Less/(Add) : Depreciation	69,40,872	(66,33,683)
Profit/(Loss) after Depreciation (Before Tax)	1,01,90,618	(1,11,66,854)
Less : Provision for Taxation (MAT)	5,75,000	-
Less : Provision for Taxation for earlier year	49	-
Profit/(Loss) after Tax	96,15,569	(1,11,66,854)
Add/(Less) : Credit relating to Previous Years	2,66,794	43,574
Add/(Less) : Excess Bonus Provision written back	-	62,867
	98,82,363	(1,10,60,413)
Less/(Add) : Debit relating to Previous Years	4,92,258	(1,23,244)
Balance of Profit/(Loss) carried to Balance Sheet	93,90,105	(1,11,83,657)

PERFORMANCE :

Both the plants are running smoothly & satisfactorily. The Starch Division is running at its 100% capacity. The Dextrose Division is running at its 88% capacity. The efforts are being made to achieve 100% capacity utilisation in Dextrose Plant. Your company has also manufactured Dextrose Syrup this year.

FINANCE :

The Company is availing following loans :

	(Rs. in lacs)
IDBI Term Loan	260.00
M.P.A.V.N. Rupees Term Loan	7.00
M.P.A.V.N. Foreign Currency Loan	55.00
State Bank of India - Working Capital-Starch Divn	160.00
State Bank of India - Working Capital-Dextrose Divn	40.00
	522.00

MANAGEMENT :

Three of your Directors Sarvshri Dr.Damodar Modi, Ramdas Goyal & Ramesh Chandra Goyal retire by rotation. They are eligible and offers themselves for re-appointment and their re-appointment as such shall not be deemed to constitute a break in their appointment as Managing/ Wholetime Directors.

The article No.113 & 154 of the Articles of Association of the Company have been altered by passing special resolution in the last Annual

General Meeting of the Company held on 30th Sept.1997 and approved by you and the Central Government u/s. 268 of the Co's Act 1956 vide it's letter No.5/11/97 CL. VII dtd. 5th April 1998. Consequent upon the aforesaid alteration of the Articles, all the Directors of the Company shall retire by rotation. One third of such of the Directors shall retire from office every year u/s. 256 of the Act.

Shri Sanjeev Gupta, S/o. Shri Murarilal Gupta has been appointed as an Additional Director u/s. 260 of the Co's act 1956 by the Board of Directors at its meeting held on 30.7.98 in place of Shri Murarilal Gupta, one of the promotor Directors of the company, who has since resigned. Shri Sanjeev Gupta will hold office upto the conclusion of this Annual General Meeting.

The Company has received a Notice from a member u/s. 257 of the Act signifying his intention to propose Shri Sanjeev Gupta as a Candidate for the office of Director of the Company. A resolution at Sr. No. 8 of the Notice of this meeting has been proposed in this regard.

Your Board of Directors has placed on record the appreciation of valuable guidance given by Shri Murarilal Gupta to the Board time to time.

MANAGERIAL REMUNERATION

The Managerial Remuneration was paid to Managing/Wholetime Directors of the Company within the limits laid down in part II of schedule XIII of the Companies Act,1956. In view of satisfactory working of the company for the half year ended 30/9/97, Your Board of Directors has increased the remuneration of managerial personnel w.e.f. 1st Oct.1997 as detailed in resolution No.10 of the notice of this meeting, subject to sanction of the Share Holders in this Annual General Meeting. It was also resolved by the Board that the increased remuneration will be re-fixed or Central Government approval will be obtained in case it exceed the limits laid down in part II of schedule XIII or 10% of net profit of the Company in case of inadequate profits. The aforesaid remuneration has exceeded the limit and as such an application will be made to the Central Government for approval to the appointment and sanction of remuneration to the Managing/ Wholetime Directors of the Company.

Further, Your Directors at their meeting held on 30th July'1998 sanctioned the remuneration of Managing/Wholetime Directors of the Company for a period of 5 Years w.e.f. 01/10/98 as detailed in resolution No.11 of the notice of this meeting subject to sanction of the Share Holders in this Annual General Meeting and the Central Government. An application will be made to the Central Government for approval to the appointment and sanction of remuneration to Managing/ Wholetime Directors of the Company.

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 remarks 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.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.

Place :- Indore

Dated :- 30th July 1998

For and on Behalf of the Board

DR. DAMODAR MODI

Chairman

ANNEXURE 'A'

Information pursuant to sec. 217(1)(a) 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 Units	4952911	3570450
Total Amount (Rs.)	18124036	13740802
Rate/Unit (Rs.)	3.66	3.85
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		
2. Coal (Specify quality and where used)		
Quantity (Tonnes)	7936.719	6373.211
Total Amount (Rs.)	14476687	10468478
Average Rate	1824.01	1642.58
3. Furnace Oil		
Quantity (K.Lit)	134.415	99.000
Total Amount	910259	645686
Average Rate	6.77	6.52

FORM B**B. CONSUMPTION PER UNIT OF PRODUCTION**

		Maize Starch Powder	Dextrose Monohydrate	Dextrose Anhydrous
	Standard if any	Current Yr	Previous Yr	
Electricity	Unit	270.58	306.07	
Furnace Oil	K. Lit.	7.34	8.49	
Coal (Special Quality)	Kg.	433.58	546.33	

By order of the Board.
For Tirupati Starch & Chemicals Ltd.

Place :- Indore

Dated :- 30th July 1998

DR. DAMODAR MODI

Chairman

AUDITORS' 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 1998 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 account 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.
 - i) 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 20 forming part of the accounts.
 - ii) IDBI will agree for charging simple rate of interest on its loan and therefore interest on IDBI loan has been calculated on simple rate of interest instead of contracted basis. Due to this the Interest on IDBI loan is under charged by Rs.32,10,425/- in profit & Loss Account as described in Note 8 in schedule 20.
- 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 and No.15 regarding reliance on available evidence due to non availability of Excise records of Schedule 20 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 1998.
 - 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

Date : 30th July 1998

SUNIL GOYAL
PROPRIETOR

ANNEXURE TO THE AUDITOR'S REPORT

Ref: TIRUPATI STARCH & CHEMICALS LIMITED REFERRED TO IN PARA (1) OF OUR REPORT OF EVEN DATE (YEAR 1997-98)

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 discrepancies between the physical stock and books and records were not material and have been properly dealt with in the books of accounts.
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 20 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 procedures 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.
11. According to the information and explanations given to us, there were no transactions of purchase of goods and materials and sale of goods, materials 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 to Rs. 50,000 or more in respect of each party.