

**Tirupati
Starch &
Chemicals Ltd.**
I N D O R E



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**Fourteenth Annual
Report & Accounts 1999-2000**

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 Yogesh Agrawal	Whole-time Director
Shri Prakash Bafna	Whole-time Director
Shri Ramesh Chandra Goyal	Whole-time Director
Shri Ramesh Chandra Mangal	Whole-time Director
Shri Sanjeev Gupta	Whole-time Director
Shri Devkinandan Jajodia	Director
Shri S.R. Iyer	(Nominee MPSIDC Ltd., Bhopal)

COMPANY SECRETARY & FINANCE MANAGER

Shri Bal Krishna Jain
M.Com., LLB, F.C.S.

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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, (Ghatabillod) Distt. Dhar (M.P.)

**NOTICE**

Notice is hereby given that the 14th Annual General meeting of the Members of Tirupati Starch & Chemicals Ltd., will be held at **Hotel Apsara, R.N.T. Marg, (Ravindra Natyagrah premises), Indore** on Saturday the 30th September'2000 at 4.00 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'2000 and Balance Sheet as at that date.
2. To appoint a Director in place of Shri Prakash Bapna, Wholtime Director, who retires by rotation and being eligible offers himself for reappointment and that he shall continue to hold his office of Wholtime Director and his reappointment as such shall not be deemed to constitute a break in his appointment as Wholtime Director.
3. To appoint a Director in place of Shri Yogesh Kumar Agrawal, Wholtime Director, who retires by rotation and being eligible offers himself for reappointment and that he shall continue to hold his office of Director and his reappointment as such shall not be deemed to constitute a break in his appointment as Whole-time Director.
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 an **ORDINARY RESOLUTION**:
 "Resolved that the consent of the Company be and is hereby accorded to the Board of Directors u/s. 293 (1) (d) of the Co's Act 1956 to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, togetherwith moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and it's free reserves, i.e. to say, reserves not set apart for

any specific purpose, provided however, the total amount so borrowed shall not exceed Rs. 10 crores (Rupees Ten crores only).

By order of the Board,

For Tirupati Starch & Chemicals Ltd.,

Place : Indore

B.K. Jain,

Date : 2nd September'2000

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 Saturday the 23rd Sept.'2000 to Saturday the 30th Sept.'2000, (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. 5 :

The company requires funds for day to day working time to time. The company intends to approach Bankers for enhancement of limits.

Section-293 (1)(d) of the Co's Act-1956 provides interalia that the Board of Directors of a Public Company, shall not borrows moneys which will exceed the aggregate of the paid-up capital of the Company and it's free reserves except with the approval of the Share Holders in General Meeting. Hence the resolution.

By order of the Board,

For Tirupati Starch & Chemicals Ltd.,

Place : Indore

B.K. Jain,

Date : 2nd September'2000

Company Secretary.

**DIRECTOR'S REPORT TO THE MEMBERS**

Ladies & Gentlemen,

Your Directors have pleasure in presenting 14th Annual Report togetherwith Audited Statements of Accounts for the year ended 31.3.2000.

	1999-2000	1998-99
	(Rs.)	(Rs.)
Gross Profit for the year	16473513	9967283
Less : Depreciation	7425999	7276356
Profit after Depreciation	9047514	2690927
(Before Tax)		
Less : Provision for Taxation (MAT)	974000	430000
Less : Income tax for earlier year after demand	542173	19816
Add : Excess provision for Income-tax written back	174961	---
Profit after tax	7706302	2241111
Add : Credit relating to previous years	331302	---
Add : Excess interest written back (MPSIDC)	419121	1716361
	8456725	3957472
Less : Debit relating to previous years	1313485	290013
Add : Provision for gratuity to Director written back	316546	---
Balance of profit carried to Balance Sheet	7459786	3667459

PERFORMANCE :

Both the plants (Starch & Dextrose) are running smoothly and satisfactorily at 100% capacity. In addition, Dextrose plant is also used for manufacture of Dextrose Syrup which will produce 4000 MT Syrup Anually. As such, the total capacity utilisation of Dextrose Plant has increased.

Efforts are being made to reduce power consumption by making necessary changes. In Dextrose Plant D.G. Set is used to produce electricity to save power consumption.

FINANCE :

The Company is availing following loans :

	(Rs. in lacs)
IDBI Term Loan	165.00
M.P.S.I.D.C.Ltd., Term Loan	45.00
State Bank of India-Working Capital	250.00
	<u>460.00</u>

MANAGEMENT :

Two of your Directors Sarvshri Prakash Bafna and Yogesh Kumar Agrawal retire by rotation. They are eligible and offer themselves for re-appointment and that their re-appointment as such shall not be deemed to constitute a break in their appointment as Wholetime Directors of the Company.

LISTING AGREEMENT WITH STOCK EXCHANGES :

Pursuant to a recent requirements of the listing Agreement, the Company declares that it's Equity Shares are listed on the Stock Exchanges at Indore, Ahmedabad & Mumbai. The Company confirms that it has paid listing fees due to all the above Stock Exchanges for the year 2000-2001.

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. There appointment if made, will be within the prescribed limit specified u/s. 224 (1B) of the Companies Act - 1956.

COMMENTS ON AUDITORS REPORT :

The remarks in Auditors' Report are self explanatory.

**FIXED DEPOSITS :**

The Company has no over-due/unclaimed deposit.

PARTICULARS OF EMPLOYEES :

There was no employee during the year drawing remuneration in excess of the ceilings prescribed u/s. 217 (2A) of the Companies Act-1956.

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

A statement giving information as required u/s. 217 (1E) 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, MPSIDC & IDBI. Your Directors also record their appreciation for the services rendered by the employees at all levels and the Shareholders, Customers & Dealers for their continued co-operation through-out the year.

For and on Behalf of the Board

Place : Indore

Dr. DAMODAR MODI

Dated : 2nd September' 2000.

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 predrying 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, COAL & FUEL CONSUMPTION :**

	Current year	Previous year
1. Electricity		
a. Purchased Units	5485100	4915723
Total Amount (Rs.)	23037060	18734108
Rate/Unit (Rs.)	4.20	3.81
b. Own Generation		
i. Through Diesel Generator	647739	510313
Unit		
Unit per liter of Diesel		
Oil	3.63	3.57
2. Coal (Special quality and where used)		
Quantity (Tonnes)	10930.125	8682.260
Total Amount (Rs.)	20924176	15658731
Average Rate	1914.36	1803.53
3. Furnace Oil		
Quantity (K.Lit)	206.065	149.465
Total Amount	1857470	965824
Average Rate	9.01	6.46

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

		Maize Starch Powder	
		Dextrose Monohydrate	
		Dextrose Anhydrous	
	Std if any	Current Yr.	Previous Yr.
Electricity	Unit	246.22	255.19
Furnace Oil	K.Lit	9.25	7.76
Coal(Special Quality)	Kg.	490.64	450.71

For and on Behalf of the Board

For Tirupati Starch & Chemicals Ltd.

Place : Indore

Dr. DAMODAR MODI

Dated : 2nd September' 2000.

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 2000 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 informations 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) In our opinion the Profit & Loss A/c and Balance Sheet subject to comments given below comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
 - e) We have relied upon the representations 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 19 forming part of 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. Further repayments made during the year have been adjusted against principal outstanding & interest has been provided on reduced balances. Due to this the Interest on IDBI loan is under charged by Rs.7592271/- in Profit & Loss Account during the year as described in Note 8 in schedule 19 forming part of accounts.

Subject to the forgoing, 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 as per

schedule 19 forming part of Accounts, more particularly, Note No.1(e)(ii)(b) regarding ascertainment of quantity of Closing Stock of Imported Maize held at Kandla Port, Note No.1(j) regarding Non-provision for leave encashment and payment of Rs 12,66,250/- for leave encashment to directors, Note No.1(k) regarding premium (including initial contribution) paid under Group Gratuity Scheme of LIC, charged to Profit & Loss a/c, Note No.15 regarding Non-reconciliation of Excise records, Note No.17 regarding Excess interest of Rs 4,19,121 being provided earlier on Preference Shares written back and Interest of Rs 2,50,888/- on Equity participation charged to Profit & Loss account, 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 2000.
And
- ii) In so far as it relates to the Profit and Loss Account, of Profit for the year ended on that date.

For **SUNIL CHANDRA GOYAL & CO.,**
CHARTERED ACCOUNTANTS

Place : INDORE

(SUNIL GOYAL)

Date : 2nd September'2000

PROPRIETOR

ANNEXURE TO THE AUDITOR'S REPORT

Ref:- TIRUPATI STARCH & CHEMICALS LIMITED REFERRED TO IN PARA (1) OF OUR REPORT OF EVEN DATE (YEAR 1999-2000)

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. According to informations and explanations given to us, the stock of Finished goods, stock in process, spare parts and Raw Materials have been physically verified during the year by the management. In respect of Stocks lying with third parties these have substantially been confirmed by them, further the quantity of Maize in transit (at Kandla Port) is based on the receipt of Imported maize after 31st March, 2000 pertaining to consignment of the year 1999-2000 in absence of Certificate from shipping agent.
4. According to information and explanations 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 the informations and explanations given to us, the discrepancies between the physical stock and book 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 explanation 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 explanation 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.
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 and the 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 information 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, 2000 for a period of more than six months from the date they became payable subject to note No. 2(i)(iv)(vii)(viii), 4, 7, 14 & 15 of Notes on accounts (Schedule 19).
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 was no damaged goods in closing stock.

For **SUNIL CHANDRA GOYAL & Co.,**
CHARTERED ACCOUNTANTS

Place : Indore

Date : 2nd September 2000

(**SUNIL GOYAL**)

PROPRIETOR