

**Tirupati
Starch &
Chemicals Ltd.**



I N D O R E

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**Seventeenth Annual
Report & Accounts 2002-2003**



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

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 17th 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 Monday the 30th September'2003 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'2003 and Balance Sheet as at that date.
2. To appoint a Director in place of Shri Prakash Bapna, wholetime Director, who retires by rotation and being eligible offers himself for reappointment and that he shall continue to hold his office of wholetime Director and his reappointment as such shall not be deemed to constitute a break in his appointment as Wholetime Director.
3. To appoint a Director in place of Shri Sanjeev Gupta, a Director, who retires by rotation and being eligible offers himself for reappointment and that he shall continue to hold his office of Whole Time Director and his reappointment as such shall not be deemed to constitute a break in his appointment as Director.
4. To appoint a Director in place of Shri Yogesh Agrawal, Wholetime Director, who retires by rotation and being eligible offers himself for reappointment and that he shall continue to hold his office of wholetime Director 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 an ordinary resolution :

"To appoint Mrs. Pramila Jajodia as a Director of the Company. "

The Company has received a notice in writing from a member u/s. 257 of the Companies Act 1956, signifying her candidature for the office of Director of the Company.

By order of the Board,

For Tirupati Starch & Chemicals Ltd.,

Place : Indore

B.K. Jain,

Date : 5th September'2003

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 Tuesday the 23rd Sept.'2003 to Tuesday the 30th Sept.'2003, (Both days inclusive).
3. The members should intimate change in their registered address, if any.

Annexure to the Notice

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

Item No. 6

Mrs. Pramila Jajodia is W/o. late Shri Deokinandan Jajodia, a Director of the Company who died on 29.04.2003. Mrs. Pramila Jajodia, aged 55 years hails from a business family and very well conversant with corporate working she is Director in following Companies :

1. Sterling Sarees P. Ltd.,
2. Utsav Sarees P. Ltd.,
3. Agrasen Jewelers P. Ltd.,

Mrs. Pramila Jajodia has been appointed as an additional Director of the Company by the Board of Directors at it's meeting held on 05.09.2003 since there was no nonexecutive independent Director in the Company.

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

By order of the Board,

For Tirupati Starch & Chemicals Ltd.,

Place : Indore

B.K. Jain

Date : 5th September' 2003

Company Secretary.



DIRECTOR'S REPORT TO THE MEMBERS

Ladies & Gentlemen,

Your Directors have pleasure in presenting 17th Annual Report together with Audited Statements of Accounts for the year ended 31.3.2003.

	2002-2003	2001-2002
	(Rs.)	(Rs.)
Gross Profit for the year	4307915	8409097
Less : Depreciation	7880672	7777445
Profit after Depreciation (Before Tax)	-3572757	631652
Less : Provision for Deferred Tax	---	297589
Add : Provision for Deferred Tax	711487	---
Add : Excess Provision for Income-Tax Written back	---	76072
Profit/(Loss) after tax	-2861270	410135
Add : Credit relating to previous years	19863	111028
Less : Debit relating to previous years	-2841407	521163
Previous Years & Sundry Balances Profit	259513	1581614
Balance of profit/(loss) carried to Balance Sheet	-3100920	-1060451

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 produces approx 4000 MT Syrup Annually. As such, the total capacity utilisation of Dextrose Plant has increased.

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

FINANCE :

The Company is availing a C.C. Loan (hypothecation) limit of Rs. 3.5 crore from State Bank of India, Industrial Finance Branch, Indore. The Company has also availed a Corporate Loan of Rs. 2.25 Crores from State Bank of India, Industrial Finance Branch, Indore.

I.D.B.I. LOAN :

The Company has paid entire loan of Rs. 438 lacs to I.D.B.I. on 28.05.2003 in terms of OTS.

ACCOUNTING STANDARD :

The Institute of Chartered Accountants of India has introduced various Accounting Standards in the year under review to make the financial statements and disclosure in line with the International accounting practices and disclosures. Most of these Accounting Standards are of mandatory in nature and the company has incorporated them in the accounts accordingly.

Of the various Accounting standards, the main Accounting standards implemented during the year by the company are : Accounting standards 17-segment reporting, Accounting Standard 18, related party disclosure and Accounting standard 22-Accounting for Taxes on income.

MANAGEMENT :

Three of your Directors Sarvshri Prakash Bapna, Sanjeev Gupta and Yogesh 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 Whole time Director of the Company.

Shri Deokinanda Jajodia a Director of the Company died on 29th April, 2003. Smt. Pramila Jajodia W/o late Shri Deokinandan Jajodia has been appointed as an additional Director.

The Board noted the sad demise of late Shri Deokinandan Jajodia with deep sorrow and prayed the almighty to give peace to his soul.

LISTING AGREEMENT WITH STOCK EXCHANGES :

Pursuant to requirements of the listing Agreement, the Company declares that its 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 2002-2003.

DIRECTORS' RESPONSIBILITY STATEMENT :

The Directors confirm that :

- in preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures, if any;
- they have selected the accounting policies and applied them consistently and made judgements 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 under review and for the loss of the Company for the period ;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- they have prepared the Annual Accounts on a going concern basis ;

CORPORATE GOVERNANCE :

The Company has complied with all mandatory provisions of Corporate Governance as prescribed under the Listing Agreements of the Stock Exchanges with which the Company is registered. Pursuant to Clause 49 of Listing Agreement with the Stock Exchanges, a separate report on Corporate Governance is given as a part of the Annual Report along with the Auditors' statement on its compliance.

**AUDIT COMMITTEE :**

The Company has formed an Audit Committee as required U/S 292 A of the Co's Act 1956, as amended by Co's (amendment) Act-2000. The committee is composed of following Directors :

1. Shri Ramdas Goyal - Chairman
2. Shri Sanjeev Gupta - Member

Four meetings of the committee were held during the year.

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 u/s. 224 (1B) of the Companies Act - 1956.

COMMENTS ON AUDITORS REPORT :

The remarks in Auditors' Report are self explanatory except related to section 58 A for acceptance of excess deposits of Rs. 21287 lacs than the prescribed limits and corporate governance regarding non-inclusion of Non-executive Director.

The Company has moved an application to Central Government u/s. 58 A for exemption from the ceilings fixed under Co's (Acceptance of deposits) rules-1975 for a period of five years.

FIXED DEPOSITS :

The entire Term Loan of I.D.B.I. Settled at Rs. 438 lacs has been paid off. The deposits have exceeded due to re-payment of I.D.B.I. Loan. As reported last year, the Company has note on application to Central Government u/s. 58 A for exemption from the ceilings fixed under Co's (acceptance of deposits) rules - 1975 for a period of five years by that time the Company will re-pay the entire amount of exceeded deposits.

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 & 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 : 5th September' 2003.

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 Platform 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 3420 Hcapacitors for achieving and maintaining power factor.

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

	Current year	Previous year
1. Electricity		
a. Purchased Units	6492000	6422414
Total Amount (Rs.)	28236475	27391558
Rate/Unit (Rs.)	4.35	4.26
b. Own Generation		
i. Through Diesel Generator	145845	16537
Unit		
Unit per liter of Diesel		
Oil	3.42	2.96
2. Coal (Specify quality and where used)		
Quantity (Tonnes)	13857.395	12895.240
Total Amount (Rs.)	30032160	27879264
Average Rate	2167.00	2162.00
3. Furnace Oil		
Quantity (K.Lit)	261.590	259.625
Total Amount	3298549	2658334
Average Rate	12.61	10.24

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

	Maize Starch Powder, Dextrose Monohydrate		
	Dextrose Anhydrous, Liquid Dextrose		
	Std if any	Current Yr.	Previous Yr.
Electricity	Unit	240.167	252.060
Furnace Oil	K.Lit	9.677	10.190
Coal(Special Quality)	Kg.	512.645	506.100

For and on Behalf of the Board
For Tirupati Starch & Chemicals Ltd.

Place : Indore

Dated : 5th September' 2003.

Dr. DAMODAR MODI
Chairman



CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company's philosophy on Corporate Governance is to carry out its activities and operations in a true and fair manner to achieve transparency, accountability and business prosperity. The Board of Directors of the Company are committed towards discharging their fiduciary responsibility towards enhancing shareholders' value and interest of all other stock-holders.

2. BOARD OF DIRECTORS

a. Composition of Board of Directors and category of Individual Directors

Name of the Director	Category
Dr. Damodar Modi	Chairman & Managing Director
Shri Ramdas Goyal	Executive Director
Shri Rameshchandra Mangal	Wholetime Director
Shri Rameshchandra Goyal	Wholetime Director
Shri Yogesh Kumar Agrawal	Wholetime Director
Shri Sanjeev Gupta	Wholetime Director
Shri Prakash Bapna	Wholetime Director
Shri Deokinandan Jajodia	Director (Independent non executive Director)

Seized to be a Director w.e.f. 29.4.2003 due to death and Smt. Pramila Jajodia is proposed to be appointed as Director who will also be an Independent Director.

During the year under review, five Board Meeting were held on 30th April' 2002, 31st July' 2002, 5th Sept.'2002, 31st Oct.'2002 & 31st January'2003. The last Annual General Meeting of the Company was held on 30th Sept.'2002.

b. Attendance of each Director at Board Meeting and last Annual General Meeting (AGM)

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM
Dr. Damodar Modi	5	Absent
Shri Ramdas Goyal	5	Present
Shri Rameshchandra Mangal	5	Present
Shri Yogesh Kumar Agrawal	5	Present
Shri Rameshchandra Goyal	5	Absent
Shri Sanjeev Gupta	5	Absent
Shri Prakash Bapna	5	Absent
Shri Deokinandan Jajodia	5	Absent

c. Notes on Directors seeking appointment/re-appointment.

- Shri Prakash Bapna is a Whole-time Director since 01.04.1990. He is from business community having vast experience which will be of immense benefit to the Company.
- Shri Yogesh Agrawal is the Whole-time Director of the Company since 30.10.1998. He is a Bachelor of Sci-

ence & Law and is actively involved in the day to day operations of the Company. His vast experience will be of immense benefit to the Company.

- Shri Sanjeev Gupta is Whole-time Director of the Company since 04.09.1997. He is a Bachelor of Commerce and is and actively involved in the day to day operations of the Company. His expertise lies in the field of Marketing. His experience will be of immense benefit to the Company.

- Mrs. Pramila Jajodia is W/o. late Shri Deokinandan Jajodia a Director of the Company who died on 29.04.2003.

She was actively associated in her family business. She is also director in 1. Sterling Sarees P. Ltd., Utsav Sarees P. Ltd., & Agrasen Jewelers P. Ltd., Her association well benefit the Company.

3. AUDIT COMMITTEE

a. Brief description of terms of reference

The terms of reference of this Committee covers the matters specified under Section 292A of the Companies Act, 1956 and also the matters listed under the Listing Agreement with the Stock Exchanges. The Committee is responsible for effective supervision of the financial operations and ensuring that financial, accounting activities and operating controls are exercised as per the laid down policies and procedures. The Financial Results of every quarter are reviewed by the Committee before being placed to the Board of Directors for its approval. The Company has set up its own in house Internal Audit Team, which reviews the functions and operations of the Company and submits its report to the Audit Committee.

b. Constitution of the Committee

The Audit Committee of the Company was constituted by the Board of Directors held on 05.09.2001. The Committee comprises of three Directors (two are Executive & one Independent Director). The said Committee functions under the Chairmanship of Shri Ramdas Goyal, Shri Sanjeev Gupta & Shri Deokinandan Jajodia are the other members of the Committee. During the year under review, four Audit Committee meetings were held on 29th April'2002, 30th July' 2002, 30th Oct.'2002 & 30th January'2003. The attendance of members at the meetings was as follows

Name of the Member	Status	No. of Meetings attended
Shri Ramdas Goyal	Chairman	4
Shri Sanjeev Gupta	Member	4
Shri Deokinandan Jajodia	Member	4
Shri B.K. Jain	Secretary of the Committee	
	Company Secretary.	



5. SHAREHOLDERS'INVESTORS' GRIEVANCE COMMITTEE

a. Composition of the Committee

The Investors' Grievance Committee has been constituted at the meeting of the Board of Directors held on 30.04.2002. The Committee functions under the Chairmanship of Shri Ramdas Goyal Executive Director, Mr. Rameshchandra Mangal and Shri Yogesh Agrawal are the other members of the Committee. During the year, the Committee met four times during the year i.e. 29th April' 2002, 30th April' 2002, 30th October' 2002 & 30th January, 2003. All the members of the Committee attended the above meeting.

b. Name and Designation of the Compliance Officer

Shri Balkrishna Jain,
Company Secretary

c. Number of complaints received and resolved

During the year under view, the Company received 7 complaints from Shareholders'Investors'. All the complaints have been resolved to the satisfaction of the shareholders. There were no complaint was pending as on March 31, 2003. In order to expedite the process of transfers of shares the Board has delegated the power to approve share transfers to the Share Transfer Committee set up by the Board of Directors.

6. REMUNERATION COMMITTEE

The above Committee has been constituted at the meeting of Board Directors held on 30.04.2002. The committee functions under the Chairmanship of Dr. Damodar Modi, Shri Ramdas Goyal & Shri Yogesh Agrawal are the other members of the committee. During the year the committee met one time. All the members of the committee attended the above meetings.

The remuneration paid to Managing/Wholtime Directors of the Company in terms of schedule-XIII of the Co's Act-1956 and is duly approved by the Share Holders.

7. GENERAL BODY MEETINGS

a. Location and time of the last three Annual General Meetings

Financial Year	Location	Date	Time
1999-2000	Hotel Apsara R.N.T. Marg, Indore	30.9.2000	4.00 p.m.
2000-2001	Hotel Apsara R.N.T. Marg, Indore	29.9.2001	4.00 p.m.
2001-2002	Hotel Apsara R.N.T. Marg, Indore	30.9.2002	4.00 p.m.

b. There were no Special Resolutions required to be passed through Postal Ballot at any of the above Annual General Meetings. None of the Resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

8. DISCLOSURES

- The Company has not entered into any transaction of material nature with any related party as described under the Listing Agreement entered into with the Stock Exchanges, that may have potential conflict with the interests of the Company at large.
- During the past three years there has been no instance of non compliance by the Company with the requirements of the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets.

9. MEANS OF COMMUNICATION

- The Company publishes its annual, half yearly and quarterly financial results in the following newspapers
 - Free Press (English)
 - Chautha Sansar (Hindi)
- The information required under the Management Discussion and Analysis Report has been covered by the Directors' Report.

10. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date : 30.09.2003

Time : 4.00 P.M.

Venue : Hotel Apsara, R.N.T. Marg, Indore.

b. Financial Calendar (tentative)

Particulars	Date
Unaudited Results of the last week offirst quarter ending June 30,2003	July 2003
Unaudited Results of the last week of second quarter & half year ending Sep. 30,03	Oct. 2003
Unaudited Results of the last week of third quarter & nine months ending Dec. 31, 03	Jan. 2004
Audited Results for the last week of year ending March 31, 2004	June 2004

c. Dates of book closure

Tuesday 23rd September'2003 to Tuesday 30th September'2003 (both days inclusive)

d. Dividend payment date

Not declared

e. Stock Exchange where listed

The Stock Exchange, Mumbai
The Stock Exchange, Ahmedabad,
The Stock Exchange, Indore
The listing fee has been paid to all the above Stock Exchanges for the year 2003-2004.

f. Stock Code : B.S.E. - 524582

A.S.E. - 61111.

M.P.S.E.- 2405.

g. Share Transfer System

The Company has set up a Committee of Board of Directors known as the Share Transfer Committee, which meets once in a month inter alia for approving the transfer of

shares. The formalities for transfer of shares in the physical form are completed and the share certificates are despatched to the transferee within thirty days of receipt of transfer documents, provided the documents are complete and the shares under transfer are not under dispute. If however, the transfer documents are not in order, objections are communicated to the transferee within thirty days from the date of receipt of the transfer documents. The trading to Shares in Demat form has not been made compulsory so far. All the Shares are held in physical form. The company has not opted for dematerialisation of shares so far.

h. Shareholding Pattern as on March 31, 2003.

Shareholding Pattern as on March 31, 2003 (in accordance with Clause 35 of the Listing Agreement)

Category	No. of shares held	Percengate of shareholding
A Promoter's holding		
1. Promoters*		
- Indian Promoters	3420276	56.13
- Foreign Promoters	Nil	Nil
2. Persons acting in concert		
Sub-Total	3420276	56.13
B Non-Promoters Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	11800	0.19
b. Bank, Financial Institutions, Insurance Companies (Central/State Govt. Institutions /Non-Government institutions)	12500	0.21
c. FIs		
Sub-Total	24300	0.40
4. Others		
a. Private Corporate Bodies	29700	0.49
b. Indian Public	2618900	42.98
c. NRIs/OCBs		
d. Any other (please specify)		
Sub-Total	2648600	43.47
GRAND TOTAL	6093176	100.00

i. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity
The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

j. Plant locations

Vill. Sejwaya, Ghatabillod, Dist. Dhar.

k. Address for correspondence

Shareholders holding shares in the physical form should address their correspondence to the Company's address at its Regd. Office.

For and on behalf of the Board

Dr. Damodar Modi

Chairman & managing Director

Place :

Date :

Certificate

To,

The Members of Tirupati Starch & Chemicals Ltd.,

We have examined the compliance of conditions of corporate governance by Tirupati Starch & Chemicals Ltd. for the year ended on March 31, 2003 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an impression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement subject to the following:

- Clause 49 (1)(a) of the listing agreement requires that not less than fifty percent (50%) of the Board of Directors of the Company should comprise of Non-Executive Directors being independent. However, during the year, the company did not have an optimum combination of Executive & Non-Executive Directors being independent on its Board of Directors.
- The Chairman of Audit Committee, Remuneration Committee and Shareholders grievance Committee are Executive Directors and composition is also not in terms of listing agreement.
- Some features of management discussion and analysis report are included in Board Report and no separate report is prepared.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records mentioned by the Shareholders'/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
M/s. Sunil Chandra Goyal & Co.
Chartered Accountants

Place : Indore

Date : 5th September'2003

(Sunil Goyal)

Proprietor



AUDITORS' REPORT

To, the Members of

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

1. We have audited the attached Balance Sheet of M/s. **TIRUPATI STARCH & CHEMICALS LIMITED, INDORE** as at 31st March 2003 and the Profit & Loss Account of the Company for the year ended on that date Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 on the matters specified in paragraph 4 & 5 of the said order to the extent applicable to the Company.
4. Further to our comments in the annexure referred to in paragraph 3 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 those 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 Balance Sheet and Profit & Loss A/c and the Cash Flow Statement referred to in this 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) On the basis of the written representations received from the directors as on 31st March, 2003 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2003 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

- f) 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) (b) in Schedule 20 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) regarding method of ascertainment & accounting of Inventory of Raw Material lying with other parties, Note No. 1(e)(vi) (vii) & (viii) regarding method of ascertainment & accounting of Inventory of Finished Goods lying with consignee, Note No. 1(j) regarding Non-provision for leave encashment Note No. 1(k) regarding premium paid under Group Gratuity Scheme of LIC charged to Profit & Loss a/c. Note No. 1(l) regarding contribution including past year liabilities paid under Group Super Annuation Scheme of LIC of India to Directors Note No. 5 regarding inclusion of Excise Duty on uncleared Stock of Finished Goods amounting to Rs. 58,320/- Note No.7 regarding charging of IDBI Interest in current year and Note No. 14 regarding Non-reconciliation of Excise records of schedule 20 forming part of accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) In so far as it relates to the Balance Sheet of the state of affairs of the company as at 31st March 2003. And
- (ii) In so far as it relates to the Profit and Loss A/c, of the Loss for the year ended on that date.

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

Date : 5th September' 2003
Place : INDORE

SUNIL GOYAL
PROPRIETOR
M.No. 71809

ANNEXURE TO THE AUDITOR'S REPORT

Ref:- TIRUPATI STARCH & CHEMICALS LTD. REFERRED TO IN PARA (1) OF OUR REPORT OF EVEN DATE (YR. 2002-03)

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