

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

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**Eighteenth Annual
Report & Accounts 2003-2004**

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 Bapna	Whole-time Director
Shri Ramesh Chandra Goyal	Whole-time Director
Shri Sanjeev Gupta	Whole-time Director
Smt. Pramila Jajodia	Director
Smt. Shashikala Mangal	Director

COMPANY SECRETARY & FINANCE MANAGER

Bal Krishna Jain,
M.Com., LL.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, (Ghatbillod) Distt. Dhar (M.P.)

**NOTICE**

Notice is hereby given that the 18th 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 Thursday the 30th September '2004 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 '2004 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 Rameshchandra Goyal, 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.
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. Shashikala Mangal 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.

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

Resolved that pursuant to the provision of section 198, 269, 309 & 314 read with schedule-XIII of the Co.'s Act 1956 and other applicable provisions if any of the act, the company hereby accords it's approval to the appointment & payment

of remuneration to the following Managing/Whole-time Directors of the Company for a period of five years from 1st October '2003 to 30th September '2008.

Salary per month

1.	Dr. Damodar Modi Managing Director	27500.00 + HRA
2.	Shri Ramdas Goyal, Executive Director	23000.00
3.	Shri Yogesh Kumar Agrawal Wholtime Director	22500.00
4.	Shri Sanjeev Gupta Wholtime Director	22500.00
5.	Shri Prakash Bapna Wholtime Director	22500.00
6.	Shri Rameshchandra Goyal Wholtime Director	22500.00

PERQUISITES

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

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

The company also hereby retifies the payment of remuneration to the above Managing/Wholtime Directors for the period from 1st October '2003 to 30th September '2004 as per first proviso to section 314 of the Co's Act-1956.

8. To pass the following resolution with or without modification as special resolution :

"Resolve that the company do hereby approves the filing of a fresh application to the Central Government u/s 58(A) of the Co's Act 1956 for exemption from the applicability of all the provisions of section 58(A) of the Act and all the related provisions for meeting requirements of funds for it's expansion program".

By order of the Board,
For Tirupati Starch & Chemicals Ltd.,
B.K. Jain,
Company Secretary.

Place : Indore
Date : 04.9.2004

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 Thursday the 23rd Sept. '2004 to Thursday the 30th Sept. '2004. (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. Shashikala Mangal is W/o. late Shri Rameshchandra Mangal, a Director of the Company who died on 29.09.2003.

Mrs. Shashikala Mangal, aged 47 years hails from a business family and very well conversant with corporate working.

Mrs. Shashikala Mangal has been appointed as an additional Director of the Company by the Board of Directors at its meeting held on 29.01.2004 since there were no nonexecutive independent Directors 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. Shashikala Mangal as a candidate for office of Director of the Company.

Item No. 7

The Board of Directors of the Company at its meeting held on 01.10.2003 has approved the remunerations of Managing/Wholetime Directors of the company for a period of five years from 01.10.2003 to 30.9.2008 as detailed in the aforesaid resolution subject to sanction of the share holders in this Annual General Meeting.

The remuneration committee of the company has also approved the above remuneration at its meeting held on 01.10.2003 at 5.00 p.m at the Registered Office of the company.

Item No. 8

Our deposits have exceeded the limit due to repayment of I.D.B.I. loan. The company has moved an application to the Central Government u/s. 58 A for exemption from the ceilings fixed under Co's (acceptance of deposits) rules - 1975

The company is accepting deposits in excess of the ceilings prescribed in rule-3 of the Co's (acceptance of deposits) rules-1975 continuously since 01.04.2000 due to the following reasons :

1. The company has repaid all its term loan obligation including Rs. 438 lacs of Term loan of IDBI where the company was defaulter and it has settled the dues under OTS Schemes of IDBI and to repay the amount under OTS. Directors have brought in additional funds from themselves & their friends & relatives.
2. Further the company has to update its plant since it has become the need of an hour due to globalization & stiff competition.
3. The company has to expand its business as only after expansion it will be able to generate sufficient profit. In this process the

company has exceeded the limits. Therefore, in future also the company will require additional funds which will be brought in the form of deposits from Directors, their relatives & their friends.

The relevant provisions under Companies Act is reproduced here with for your reference.

"The Central Government may, if it considers it necessary for avoiding any hardship or for any other just and sufficient reason, by order, issued either prospectively or retrospectively from a date not earlier than the commencement of the Companies (Amendment) Act. 1974 (41 of 1974), grant extension of time to a company or class of companies to comply with or exempt any company or class of companies from, all or any of the provisions of this section either generally or for any specified period subject to such conditions as may be specified in the order"

Therefore, it has been decided to submit fresh application to Central Government for exemption from applicability of all the provisions of section 58A & all the related provisions and in this process your permission is sought for.

DISCLOSURE UNDER SECTION 302 OF THE COMPANIES ACT. 1956

TO THE MEMBERS,

ABSTRACT OF THE TERMS OF THE APPOINTMENT OF MANAGING/WHOLETIME DIRECTORS OF THE COMPANY.

The Board of Directors of the Company at its meeting held on 30.7.98 approved the appointment & remuneration of Managing/Whole time Directors of the Company for a period of 5 years w.e.f. 1st October'98 to 30th September'03 which was also approved by the Share holders in 12th Annual General Meeting of the company held on 30.9.98 as per details below :

1.	Dr. Damodar Modi Managing Director	Rs. 27500.00 plus H.R.A. as per agreement
2.	Shri Ramdas Goyal Executive Director	Rs. 23000.00
3.	Shri Rameshchandra Mangal Wholetime Director	Rs. 22500.00
4.	Shri Rameshchandra Goyal Wholetime Director	Rs. 22500.00
5.	Shri Prakashchandra Bapna Wholetime Director	Rs. 22500.00
6.	Shri Sanjeev Gupta Wholetime Director	Rs. 22500.00

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.

Shri Yogesh Kumar Agrawal a Wholtime Director of the Company was appointed w.e.f. 01.11.98 by the Board of Directors at it's meeting held on 30.10.98 on the remuneration of Rs. 22500/- plus perquisites as above for a period of 5 years from 01.11.98 to 30.9.99 and thereafter from 01.10.99 to 30.9.2003. This appointment was also approved by Share holders in 13th Annual General Meeting of the Company held on 30.9.99

The appointments of above Managing/Wholtime Directors are further to be made for a period of 5 years w.e.f. 1st October'2003 on the same remuneration.

A. At a meeting of the Board of Directors of the Company held on 01.10.2003 it was decided to re-appoint the Managing/Wholtime Directors of the company for a period of five (5) years w.e.f. 1st October'2003 at a remuneration and on other terms & conditions of employment to be decided by the remuneration committee of Directors and further subject to the approval of share-holders in General Meeting.

B. At the meeting of the remuneration committee of the Directors held later on the same day i.e. 01.10.2003, the following remuneration of Managing/Wholtime Directors of the Company was decided :

	<u>Salary per month (Rs.)</u>
1. Dr. Damodar Modi Managing Director	27500.00 + HRA
2. Shri Ramdas Goyal, Executive Director	23000.00
3. Shri Yogesh Kumar Agrawal Wholtime Director	22500.00
4. Shri Sanjeev Gupta Wholtime Director	22500.00
5. Shri Prakash Bapna Wholtime Director	22500.00
6. Shri Rameshchandra Goyal Wholtime Director	22500.00

PERQUISITES

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

MINIMUM REMUNERATION

The above remuneration will also paid as minimum remuneration in case of no profit or inadequate profits during the relevant period of Five years. The Shareholders are requested to ratify the re-appointment and payment of remuneration to the above Managing/

Wholtime Directors for the period from 1st October'2003 to 30th September'2004 as per first proviso to section 314 of the Companies Act-1956 in Shareholders meeting.

MEMORANDUM OF INTEREST

Except Dr. Damodar Modi, Managing Director, Sarvshri Ramdasji Goyal, Executive Director, Rameshchandra Goyal, Yogesh Kumar Agrawal, Prakash Bapna & Sanjeev Gupta, Wholtime Directors of the company, no other Director is concerned or interested in the above proposal. The above may be treated disclosure to the members of the company in terms of requirement of section 302 of companies Act. 1956.

By order of the Board,
For Tirupati Starch & Chemicals Ltd.,
B.K. Jain,
Company Secretary.

Place : Indore
Date : 04.9.2004

DIRECTOR'S REPORT TO THE MEMBERS

Ladies & Gentlemen,

Your Directors have pleasure in presenting 18th Annual Report togetherwith Audited Statements of Accounts for the year ended 31.3.2004.

	2003-2004 (Rs.)	2002-2003 (Rs.)
Gross Profit for the year	2800537	4307915
Less : Depreciation	7841552	7880672
(Loss)/Profit after Depreciation (Before Tax)	-5041015	-3572757
Add/(less): Provision for Deferred tax Assets / (Liabilities)	719157	711487
(Loss)/Profit after tax	-4321858	-2861270
Add : Credit relating to previous years	—	19863
	-4321858	-2841407
Add/(Less): Debit relating to previous years & Sundry Balances written off	17283	-259513
Balance of (Loss)/profit carried to Balance Sheet	-4304575	-3100920

PERFORMANCE:

Both the plants (Starch & Dextrose) are running smoothly and satisfactorily at 100% capacity.

Efforts are being made to reduce power consumption by making necessary changes. The D.G. Set is used to produce electricity whenever there is power cut from MPEB.

FINANCE:

The Company is availing a C.C. loan (hypothecation) limit of Rs. 3.50 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 last year and is regular in its repayment.

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 Dr. Damodar Modi, Ramdas Goyal and Rameshchandra Goyal 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 Managing/Wholtime Directors of the Company.

Shri Rameshchandra Mangal a Director of the Company died on 29th Sept. 2003. Smt. Shashikala Mangal, W/o. late Shri Rameshchandra Mangal has been appointed as an Additional Director.

The Board noted the sad demise of late Shri Rameshchandra Mangal 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 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 2004-2005.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that :

- (i) in preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures, if any.
- (ii) 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;

- (iii) 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;
- (iv) they have prepared 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.
3. Shri Yogesh Kumar Agrawal - Member.

4 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. 309.52 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:**

Our deposits have exceeded the limit due to repayment of I.D.B.I. loan. The company has moved an application to the Central Government u/s. 58 A for exemption from the ceilings fixed under Co's (acceptance of deposits) rules - 1975

The company is accepting deposits in excess of the ceilings prescribed in rule-3 of the Co's (acceptance of deposits) rules-1975 continuously since 01.04.2000 due to the following reasons :

1. The company has repaid all its term loan obligation including Rs. 438 lacs of Term loan of IDBI where the company was defaulter and it has settled the dues under OTS Schemes of IDBI and to repay the amount under OTS, Directors have brought in additional funds from themselves & their friends & relatives.
2. Further the company has to update its plant since it has become the need of an hour due to globalization & stiff competition.
3. The company has to expand its business as only after expansion it will be able to generate sufficient profit. In this process the company has exceeded the limits. Therefore, in future also the company will require additional funds which will be brought in the form of deposits from Directors, their relatives & their friends.

Therefore, it has been decided to submit fresh application to Central Government for exemption from applicability of all the provisions of section 58A & all the related provisions and in this process your permission is sought for.

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 & I.D.B.I. 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.

Place : Indore

Dated : 4th September' 2004.

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 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 & FUEL CONSUMPTION :**

		Current year	Previous year
1.	Electricity		
a.	Purchased Units	6413840	6492000
	Total Amount (Rs.)	29676809	28236475
	Rate/Unit (Rs.)	4.63	4.35
b.	Own Generation		
i.	Through Diesel Generator	159060	145845
	Unit		
	Unit per litre of Diesel		
	Oil	3.58	3.42
2.	Coal		
	Quantity (Tonnes)	11629.88	13857.395
	Total Amount (Rs.)	27738031	30032160
	Average Rate (P MT)	2385	2167.00
3.	Furnace Oil		
	Quantity (K.Lit)	215.585	261.590
	Total Amount	2835739	3298549
	Average Rate	13.15	12.61

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

		Maize Starch Powder	Dextrose Monohydrate	Dextrose Anhydrous	Liquid Dextrose
	Standard of any	Current Yr.	Previous Yr.		
Electricity	Unit	256.830	240.167		
Furnace Oil	K.Lit	8.630	9.677		
Coal	Kg.	465.700	512.645		
(Special Quality)					

For and on Behalf of the Board
For Tirupati Starch & Chemicals Ltd
Dr. DAMODAR MODI
Chairman

Place : Indore

Dated : 4th September 2004.

Smt. Pramila Jajodia	3	Absent
Smt. Shashilala Mangal	1	Absent
Shri Deokinandan Jajodia	Nil	(expired on 29.04.03)
Shri Rameshchandra Mangal	Nil	(expired on 29.09.03)

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 Goyal	Wholtime Director
Shri Yogesh Kumar Agrawal	Wholtime Director
Shri Sanjeev Gupta	Wholtime Director
Shri Prakash Bapna	Wholtime Director
Smt. Pramila Jajodia	Director (Independent non executive Director)
* Smt. Shashilala Mangal	Director (Independent non executive Director)

* Smt. Shahshilala Mangal is proposed to be appointed as Director who will also be an independent Director.

During the year under review, six Board Meeting were held on 30th April '2003, 28th July '2003, 5th Sept. '2003, 1st October '2003, 30th Oct. '2003 & 29th January '2004. The last Annual General Meeting of the Company was held on 30th Sept. '2003.

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

Name of the Director	No. of Board Meetings	Attendance at the last AGM attended
Dr. Damodar Modi	6	Present
Shri Ramdas Goyal	6	present
Shri Yogesh Kumar Agrawal	5	present
Shri Rameshchandra Goyal	6	Absent
Shri Sanjeev Gupta	6	Absent
Shri Prakash Bapna	6	Absent

c. Notes on Directors seeking appointment/re-appointment
i. Dr. Damodar Modi, Managing Director, aged 61 years is graduate in medicines. He was on government deputation in Iran for 9 years. He is associated with the company since incorporation. He belongs to a industrial family of Jaora (M.P.). He has floated the company in the year 1985 and is looking after the entire management of the company since then smoothly. His experience will be of immense benefit to the company.

ii. Shri Ramdas Goyal, Executive Director, aged 57 years is M.Com. LL.B. and belongs to industrial family of Indore. He was partner in Family Pulse Mills for nine years. He is one of the promoters of the company and associated with the company since incorporation. He is looking after finance and allied matters of the company. His experience will benefit to the company.

iii. Shri Rameshchandra Goyal, Whole-time Director, aged 53 years, B.Sc. and is belongs to industrial family of Indore. He was partner in Family Pulse Mills for 15 years. He is associated with the company since 01.04.1993. His business experience will be of immense benefit to the company.

iv. Mrs. Shashikala Mangal is W/o. late Shri Rameshchandra Mangal a Director of the Company who died on 29.09.2003. She was actively associated in her family business. Her association will benefit to 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 Company.

b. Constitution of the Committee

The Audit Committee of the Company was constituted by the Board of Directors at its meeting held on 05.09.2001. The Committee comprises of three Directors (two are Executive & one Independent Director). The said Committee func-

tions under the Chairmanship of Shri Ramdas Goyal, Shri Sanjeev Gupta & Shri Deokinandan Jajodia were the other members of the Committee till the death of Shri Deokinandan Jajodia. Due to the death of Shri Deokinandan Jajodia, Shri Yogesh Kumar Agrawal was appointed as member of the Committee at the meeting of Board of Directors held on 30.4.03. During the year under review, five Audit Committee meetings were held on 29th April'2003, 27th July' 2003, 4th September'2003, 29th Oct.'2003 & 28th January'2004. The attendance of members at the meetings was as follows :

Name of the Member	Status	No. of Meetings attended
Shri Ramdas Goyal	Chairman	5
Shri Sanjeev Gupta	Member	5
Shri Yogesh Kumar Agrawal	Member	2
Shri Deokinandan Jajodia	Member	Nil expired on 29.4.03
Secretary of : the Committee	Shri B.K. Jain 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 Goyal 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' 2003, 27th July' 2003, 29th October' 2003 & 28th January, 2004. All the members of the Committee attended the above meeting. Except Shri Yogesh Kumar Agrawal who attended two meetings.

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 61 complaints from Shareholders' Investors'. All the complaints have been resolved to the satisfaction of the shareholders. No complaint was pending as on March 31, 2004. In order to expedite the process of transfers of shares the Board has delegated the powers 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 on 01.10.2003 at 5.00 p.m.. All the members of the committee at-

tended the above meetings.

The remuneration paid to Managing/Wholtime Directors of the Company in terms of schedule-XIII of the Co's Act-1956 was reviewed.

The Board of Directors of the Company at it's meeting held on 30.7.98 approved the appointment & remuneration of Managing/Whole time Directors of the Company for a period of 5 years w.e.f. 1st October '98 to 30th September '03 which was also approved by the Share holders in 12th Annual General Meeting of the company held on 30.9.98 as per details below :

1.	Dr. Damodar Modi Managing Director	Rs. 27500.00 plus H.R. A. as per agreement
2.	Shri Ramdas Goyal Executive Director	Rs. 23000.00
3.	Shri Rameshchandra Mangal Wholtime Director	Rs. 22500.00
4.	Shri Rameshchandra Goyal Wholtime Director	Rs. 22500.00
5.	Shri Prakashchandra Bapna Wholtime Director	Rs. 22500.00
6.	Shri Sanjeev Gupta Wholtime Director	Rs. 22500.00

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.

Shri Yogesh Kumar Agrawal a Wholtime Director of the Company was appointed w.e.f. 01.11.98 by the Board of Directors at it's meeting held on 30.10.98 on the remuneration of Rs. 22500/- plus perquisites as above for a period of 1 year from 01.11.98 to 30.9.99 and thereafter for a period of 4 years from 01.10.99 to 30.9.2003. This appointment was also approved by Share holders in 13th Annual General Meeting of the Company held on 30.9.99

The appointments of above Managing/Wholtime Directors are further to be made for a period of 5 years w.e.f. 1st October '2003 on the same remuneration.

The committee discussed the matter in detail and recommended following remuneration to Managing/Wholtime Directors for a period of five years from 01.10.2003 to 30.9.2008 and recommended to the share-holders for their consideration and approval.

	Salary per month
1. Dr. Damodar Modi Managing Director	27500.00 + HRA
2. Shri Ramdas Goyal. Executive Director	23000.00
3. Shri Yogesh Kumar Agrawal Wholtime Director	22500.00

4.	Shri Sanjeev Gupta Wholetime Director	22500.00
5.	Shri Prakash Bapna Wholetime Director	22500.00
6.	Shri Rameshchandra Goyal Wholetime Director	22500.00

PERQUISITES

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

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

The payment of remuneration to the above Managing/Wholetime Directors for the period from 1st October'2003 to 30th September'2004 is to be ratified as per first proviso to section 314 of the Co's Act-1956.

7. GENERAL BODY MEETINGS

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

Financial	Location	Date	Time Year p.m.
2000-2001	Hotal Apsara R.N.T. Marg, Indroe	29.9.2001	4.00 p.m.
2001-2002	Hotal Apsara R.N.T. Marg, Indroe	30.9.2002	4.00 p.m.
2002-2003	Hotal Apsara R.N.T. Marg, Indroe	30.9.2003	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

- a. 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.
- b. 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

- a. The Company publishes its annual, half yearly and quarterly financial results in the following newspapers
1. Free Press (English)
 2. Chautha Sansar (Hindi)
- b. The information required under the Management Discus-

sion and Analysis Report has been covered by the Directors' Report

10. GENERAL SHAREHOLDER INFORMATION.

- a. Annual General Meeting

Date : 30.09.2004

Time : 4.00 P.M.

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

- b. Financial Calendar (tentative)

Particulars	Date
Unaudited Results of the ter ending June 30, 2004	Last week offirst quar July'2004
Unaudited Results of the second quar ter & half year ending September 30, 2004	Last week of October'2004
Unaudited Results of the third quarter & nine months ending December 31, 2004	Last week of January'2005
Unaudited Results for the period ending March 31, 2005	Last week of April'2005

- c. Dates of book closure
Thursday 23rd September'2004 to Thursday 30th September'2004 (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 2004-2005.
- 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, 2004 (in accordance with Clause 35 of the Listing Agreement)