

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

Report  junction.com



**Twenty Third Annual
Report & Accounts 2008-2009**

TIRUPATI STARCH & CHEMICALS LIMITED

Regd. Office : 'Shreeram Chambers', First Floor
12, Agrawal Nagar, Main Road, 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 Sanjeev Gupta	Whole-time Director
Smt. Pramila Jajodia	Independent Director
Smt. Shashikala Mangal	Independent Director
Shri Sulabh Goyal	Independent Director
Shri Ashish Agrawal	Independent Director
Shri Tejpal Lunawat	Independent Director
Shri Vinod Kumar Garg	Independent Director

COMPANY SECRETARY & FINANCE MANAGER

Shri 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.)

For Tirupati Starch & Chemicals Ltd.,

BANKERS

State Bank of India,
Commercial Branch, Indore

B. K. JAIN
Company Secretary

REGISTERED OFFICE

Shreeram Chambers, First Floor, 12, Agrawal Nagar, Main Road Indore - 452 001

WORKS

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

**NOTICE**

Notice is hereby given that the 23rd Annual General meeting of the Members of Tirupati Starch & Chemicals Ltd., will be held at the Registered Office of the Company, on Tuesday, the 29th September '2009 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'2009 and Balance Sheet as at that date along with Cash Flow statement of the year ended on 31st March' 2009.
2. To appoint a Director in place of Shri Vinod Kumar Garg, Director, who retires by rotation and being eligible offers himself for reappointment and that he shall continue to hold his office as Director and his reappointment as such shall not be deemed to constitute a break in his appointment as a Director.
3. To appoint a Director in place of Shri Tejpal Lunawat, Director, who retires by rotation and being eligible offers himself for reappointment and that he shall continue to hold his office of as Director and his reappointment as such shall not be deemed to constitute a break in his appointment as a Director.
4. To appoint a Director in place of Shri Yogesh Kumar Agrawal, 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 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.

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

Place : Indore

Date : 5th September 2009

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 22nd Sept. 2009 to Tuesday the 29th Sept. 2009, (Both days inclusive).
3. The members should intimate change in their registered address, if any.

**DIRECTOR'S REPORT TO THE MEMBERS**

Ladies & Gentlemen,

Your Directors have pleasure in presenting their 23rd Annual Report together with Audited Statement of Accounts for the year ended 31.3.2009.

	2008-2009 (Rs.)	2007-2008 (Rs.)
Profit/(loss) for the year	20200520	36563219
Less : Depreciation	<u>8054102</u>	<u>7855693</u>
Profit/loss after Depreciation (Before Tax)	12146418	28707526
Income Tax (Net of MAT Credit Rs. 1272055)	4539100	3458114
Less: Provision for Deferred Tax	- 241287	8569764
Fringe Benefit Tax	117376	141260
Less: Provision for Income Tax for Earlier year written back		<u>- 480877</u>
Profit/Loss after Tax	7731229	17019265
Add : Credit relating to previous years		—
Add/(Less):		
Debit relating to previous years	- 576981	- 4035
Sundry Balances written off	29673	-175944
Bonus written back	123626	<u>38815</u>
credit relating to previous year carried to Balance Sheet	7499969	<u>16878102</u>
	<u>192422</u>	

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. 5.50 crore from State Bank of India, Commercial Branch, Indore.

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. Accounting standard - 28, Impairment of assets. Accounting standard - 29, Provisions, Contingent liabilities & Contingent assets.

MANAGEMENT :

Three of your Directors' Shree Vinod Garg, Shri Tejpal Lunawat, & Shri 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 Director of the Company.

**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 Ltd., Mumbai. The Company confirms that it has paid listing fee due to the above Stock Exchange for the year 2009-2010.

DIRECTORS' RESPONSIBILITY STATEMENT :

The Directors confirm that :

- I. In preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any.
- II. They have selected the accounting policies and applied them consistently and made judgments 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 Profit 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 Exchange with which the Company is listed. Pursuant to Clause 49 of Listing Agreement with the Stock Exchange, 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. 292A of the Co's Act 1956, as amended by Co's (amendment) Act-2000. The committee has been reconstituted on 29.04.2006 consisting of following Directors :

1. Shri Sulabh Goyal - Chairman,
Independent Director

2. Shri Vinod Kumar Garg - Member.
Independent Director
3. Shri Sanjeev Gupta - Member.
Wholetime Director

5 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.

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. 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 throughout the year.

For and on Behalf of the Board
Dr. Damodar Modi
Chairman

Place : Indore
Date : 5th September 2009

**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 :
- Correcting the alignment of Main drive.
 - 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.
- Installation of Diesel Generator set for own generation of power.
 - 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	5997076	6418137
	Total Amount (Rs.)	26653296	27665751
	Rate/Unit (Rs.)	4.44	4.31
b.	Own Generation		
i.	Through Diesel Generator	16644	11485
	Unit		
	Unit per liter of Diesel Oil	3.17	3.55
2.	Coal (Specify quality and where used)		
	Quantity (Tones)	11121.930	10189.008
	Total Amount (Rs.)	41224688	32095212
	Average Rate (P MT)	3706.61	3150\
3.	Furnace Oil		
	Quantity (K.Lit) M.T.	2.5	166.635
	Total Amount	59987	3501642
	Average Rate	23.99	21.01

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

	Standard of any	Current Yr.	Previous Yr.
Electricity	Unit	262.23	274.06
G.C./ Furnace Oil	K. Lit.	6.99	7.12
Coal(Special Quality)	Kg.	422.01	435.08
			Maize Starch Powder
			Dextrose Monohydrate
			Dextrose Anhydrous
			Liquid Dextrose

Place : Indore
Date : 5th September 2009

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

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 Bafna	Wholtime Director
Smt. Pramila Jajodia	Independent Director
Smt. Shashikala Mangal	Independent Director
Shri Sulabh Goyal	Independent Director
Shri Ashish Agrawal	Independent Director
Shri Tejpal Lunawat	Independent Director
Shri Vinod Kumar Garg	Independent Director

During the year under review, 5 Board Meetings were held on 30th April' 2008, 31th July' 2008, 4th Sept.'2008, 31st October'2008 & 31st January'2009. The last Annual General Meeting of the Company was held on 29th Sept.'2008.

b. Attendance of each Director at Board Meeting and last Annual General Meeting:

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

Shri Sulabh Goyal	5	Present
Shri Ashish Agrawal	5	Absent
Shri Tejpal Lunawat	1	Absent
Shri Vinod Kumar Garg	5	Absent

c. REMUNERATION OF DIRECTORS : Details of remuneration paid to Directors for the year ended 31.03.2009.

Sr. No.	Name of Director	Salary Per Month
1.	Dr. Damodar Modi Managing Director	Rs. 55000 plus HRA. Rs. 4792/- as per agreement
2.	Shri Ramdas Goyal Executive Director	Rs. 46000
3.	Shri Rameshchandra Goyal Wholtime Director	Rs. 45000
4.	Shri Prakashchandra Bafna Wholtime Director	Rs. 45000
5.	Shri Sanjeev Gupta Wholtime Director	Rs. 45000
6.	Shri Yogesh Kumar Agrawal Wholtime Director	Rs. 45000

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.

d. Notes on Directors seeking appointment/re-appointment

- Shri Vinod Kumar Garg is a Director, he is a DCE. He is from Business Community having vast experience, which will be of immense benefit to the company.
- Shri Tejpal Lunawat is a Director of the company. He is bachelor of commerce. He is from Business Community. His experience will benefit to the company.
- Shri Yogesh Kumar Agrawal is a Whole time Director of the company. He is a bachelor of commerce & Law. He is from Business Community and he is actively involved in the day to day operations in the company. His experience 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 consisting of :

Shri B.K. Jain, Chairman,
Shri Pundlik Darwade , Member
Shri S.P. Verma, Member.

which reviews the functions and operations of the Company and submits its report to the Board of Directors of the Company.

b. Constitution of the Committee :

The Audit Committee of the Company was constituted by the Board of Directors meeting held on 05.09.2001. After appointment of independent Directors, the Audit Committee was re-constituted vide Board Resolution dtd.29.04.2006 to comply with the amended clause-49 of the listing agreement as under :

- i. Shri Sulabh Goyal, B.Com. - Chairman
- ii. Shri Vinod Kumar Garg, D.C.E - Member
- iii. Shri Sanjeev Gupta, B.Com. - Member

During the year under review, five Audit Committee meetings were held on 29th April'2008, 30th July' 2008, 3rd September'2008, 30th Oct.'2008 & 30th January'2009. The attendance of members at the meetings was as follows :

Name of the Member	Status	No. of Meetings attended
Shri Sulabh Goyal	Chairman	5
Shri Vinod Kumar Garg	Member	5
Shri Sanjeev Gupta	Member	5
Secretary of the Committee : Shri B.K. Jain Company Secretary.		

4. REMUNERATION COMMITTEE

a) Composition :

The Remuneration Committee of the company comprises of Dr. Damodar Modi, Chairman of the committee and Shri Ramdas Goyal & Shri Yogesh Agrawal are members of the said committee.

b) Meetings :

During the year the committee met one time on 31st March 2009. All the members of The committee attended the meeting.

c) Remuneration Policy :

The non-executive Directors are not paid any sitting fee for meeting of the Board or any Committee thereof attended by them.

d) Details of Remuneration paid to the Directors for the year ended 31st March'2009:

Sr. No.	Name of Director	Salary Per Month
1.	Dr. Damodar Modi Managing Director	Rs. 55000 plus HRA, Rs. 4792/- as per agreement
2.	Shri Ramdas Goyal Executive Director	Rs. 46000
3.	Shri Rameshchandra Goyal Wholetime Director	Rs. 45000
4.	Shri Prakashchandra Bafna Wholetime Director	Rs. 45000
5.	Shri Sanjeev Gupta Wholetime Director	Rs. 45000
6.	Shri Yogesh Kumar Agrawal Wholetime Director	Rs. 45000

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

a. Composition of the Committee :

The committee was constituted in order to comply with clause 49 of the listing agreement and following composition of the committee was approved by the Board of Directors on 29.07.2006 as under :

1.	Shri Vinod Garg, Independent Director	-	Chairman
2.	Shri Ashish Agrawal, Independent Director	-	Member
3.	Shri Yogesh Kumar Agrawal Wholetime Director	-	Member

b. Functions :

To review the status of shareholders/investors grievances, redress mechanism and recommend measures to improve the level of investor's services.

**c. Meetings and attendance:**

During the financial year ended on 31st March'2009, four (4) meetings were held on : 30th April'2008, 31st July'2008, 31st Oct'2008 & 31st Jan.'2009. All the members of the committee attended the above meetings.

d. Name and Designation of the Compliance Officer:

Shri B.K. Jain, Company Secretary of the company is Compliance Officer of the Company as required under Clause 47 of the Listing Agreement.

e. Number of complaints received and resolved :

During the year under review, the Company received 18 complaints from Shareholders / Investors'. All the complaints have been resolved to the satisfaction of the shareholders. No complaint was pending as on March 31, 2009. 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.

7. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time
2005-2006	Registered office of the Company	29.9.2006	4.00 p.m.
2006-2007	Registered office of the Company	29.9.2007	4.00 p.m.
2007-2008	Registered office of the Company	29.9.2008	4.00 p.m.

The Chairman of the Audit Committee Shri Sulabh Goyal was present at the Annual General Meeting to answer the queries of the share holders.

- 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 four 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.
- c. The company has complied with the mandatory and non mandatory requirements of clause-49 of the listing agreement as far as possible.

9. MEANS OF COMMUNICATION

- a. The Company publishes its annual, half yearly and quarterly financial results in the following newspapers
- Free Press (English)
 - Chautha Sansar (Hindi)
- b. 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 : 29.09.2009
Time : 4.00 P.M.
Venue : At Shreeram Chamber,
12, Agrawal Nagar Main Road, Indore.

- b. Financial Calendar (tentative)

Particulars	Date
Unaudited Results of the first quarter ending June 30,2009	Last week of July'2009
Unaudited Results of the second quarter & half year ending September 30, 2009	Last week of October'2009
Unaudited Results of the third quarter & nine months ending December 31, 2009	Last week of January'2010
Unaudited Results for the ending March 31, 2010	Last week of April'2010
c. Dates of book closure Tuesday, 22 nd September'2009 to Tuesday, 29th September'2009 (both days inclusive)	



d. Dividend payment date
Not declared

e. Stock Exchange where listed
Bombay Stock Exchange Ltd., Mumbai
The listing fee has been paid to Mumbai Stock Exchange for the year 2009-2010.

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

g. Share Transfer System :

The Company has set up a Committee of Board of Directors known as the Share Transfer Committee, which meets generally 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.

h. Dematerialisation of Shares

Now the equity Shares of the company can be traded in de-materialised form. The company has signed the agreement with both the depositories i.e. Central Depository Services (I) Ltd., & National Security Depository Ltd., Mumbai for providing demate facility to the share holders. The Company's ISIN No. is INE314D01011.

The Company has also appointed M/s. Ankit Consultancy Pvt. Ltd., Indore as Registrar and Transfer agent for the above purpose.

i. Share holding Pattern as on March 31, 2009.

Share holding Pattern as on March 31, 2009 (in accordance with Clause 35 of the Listing Agreement)

Category	No. of shares held	Percentage of shareholding
A. Promoter's holding		
1. Promoters *		
- Indian Promoters	3460676	56.80
- Foreign Promoters	Nil	Nil
2. Person acting in concert#		
Sub - Total	3460676	56.80
B Non - Promoters Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	32100	0.52
b. Bank, Financial Institutions, Insurance Companies (Central/State Govt. Institution/ Non- Government institutions)	12500	0.21
c. Fils		
Sub Total	44600	0.73
4. Others		
a. Private Corporate Bodies	29600	0.49
b. Indian Public	2587900	42.47
c. NRIs/ OCBs		
d. Any others (please specify)		
Sub- total	2632500	43.20
GRAND TOTAL	6093176	100.00