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



**Twenty Fourth Annual
Report & Accounts 2009-2010**

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
Smt. Pramila Jajodia	Independent Director
Smt. Shashikala Mangal	Independent Director
Shri Ashish Agrawal	Independent Director
Shri Satish Chandra Mangal	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.)

BANKERS

State Bank of India,
Commercial Branch, Indore

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 24th Annual General meeting of the Members of Tirupati Starch & Chemicals Ltd., will be held at the Registered Office of the Company, on Thursday, the 30th September' 2010 at 1.00 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'2010 and Balance Sheet as at that date along with Cash Flow statement of the year ended on 31st March' 2010.
2. To appoint a Director in place of Shri Ramesh Chandra Goyal 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 Smt. Pramila Jajodia 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 Smt. Shashikala Mangal 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.

SPECIAL BUSINESS

6. 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.' Act 1956 and other applicable provisional if any of the act, the company hereby accords it's approval to the reappointment & payment of remuneration to the following Managing /Whole time directors of the company for a periods of five years from 01.10.2010 to 31.09.2015.

Salary per Month

1.	Dr. Damodar Modi Managing Director	₹ 1, 10,000.00 + H.R.A.
2.	Shri Ramdas Goyal Executive Director	₹ 92,000.00
3.	Shri Yogesh Kumar Agrawal Wholetime Director	₹ 90,000.00
4.	Shri Prakash Bapna Wholetime Director	₹ 90,000.00
5.	Shri Ramesh Chandra Goyal Wholetime Director	₹ 90,000.00



Perquisites

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

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

The above remuneration has been approved by the remuneration committee by passing a resolution.

7. To pass following resolution with or without modification as an ordinary resolution:

Resolved that Shri Satish Chandrra Mangal, an Independent Director be & is hereby appointed as a Director of the Company.

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

Place : Indore

Date : 4th September 2010

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. 2010 to Thursday the 30th Sept. 2010, (Both days inclusive).
3. The members should intimate change in their registered address, if any.

EXPLANATORY STATEMENT U/S 173 OF THE ACT

Item No. 6

The Board of the directors of the company at its meeting held on 31.07.2010 has approved the Remuneration of Managing \ Whole time Directors of the company for a period of five years from 01.10.2010 to 30.09.2015 as detailed in the aforesaid resolution subject to sanction of the share holders in this Annual General Meeting & the Central Government.

The remuneration committee of the company has also approved the above remuneration at its meeting held on 30.07.2010 at the registered office of the company.

Item No. 7

Shri Satish Chandra Mangal, an Independent Director was appointed as an additional Director on 31.07.2010 under section 260 of Companies Act-1956. You have to appoint him.

**DIRECTOR'S REPORT TO THE MEMBERS**

Ladies & Gentlemen,

Your Directors have pleasure in presenting their 24th Annual Report together with Audited Statement of Accounts for the year ended 31.3.2010.

	2009-2010	2008-2009
	(₹)	(₹)
Profit/(loss) for the year	25346440	20200520
Less : Depreciation	8377665	8054102
Profit/loss after Depreciation	16968775	12146418
Income Tax	7257430	4531100
(Net of MAT Credit)		
(Less)/ Add: Provision for Deferred Tax	(1974573)	(241287)
Fringe Benefit Tax	-	117376
Profit/Loss after Tax	11685918	7731229
Add/(Less): Debit relating to		
Previous years	(2063399)	(576981)
Sundry balances written off	(53426)	(29673)
Bonus written back	(675540)	123626
Credit relating to previous years	368098	192422
Excess provision for Income Tax written back	267825	--
Excess provision for fringe Benefit Tax	12560	--
Carried to Balance Sheet	<u>9542035</u>	<u>7499269</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 5.5 crores 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 Rameshchandra Goyal, Smt. Pramila Jajodia & Smt. Shashikala Mangal 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.

Two of your Directors' Shri Sanjeev Gupta-Whole time Director & Shri Sulabh Goyal -Independent Director have resigned & their resignations has been accepted by the Board.



Shri Satish Chandra Mangal, an Independent Director was appointed as an additional Director on 31.07.2010 under section 260 of Companies Act-1956. You have to appoint him in this General Meeting..

LISTING AGREEMENT WITH STOCK EXCHANGE :

Pursuant to requirements of the listing Agreement, the Company declares that it's 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 2010-2011.

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 27.05.2009, where in Shri Sulabh Goyal has resigned & Shri Ashish Agrawal appointed as Chairman in his place.

Now Committee consists of following Directors:

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

Shri Sanjeev Gupta has also resigned with effect from 25.02.2010 & Shri Yogesh Agrawal appointed in his place.

7 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. 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.

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

Place : Indore

Date : 4th September 2010

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 Platform for predrying of Gluten and Grit. Thus saving in G.C. 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	6288850	5997076
	Total Amount (₹)	26759188.00	26653296.00
	Rate/Unit (₹)	4.25	4.44
b.	Own Generation		
i.	Through Diesel Generator	21720	16644
	Unit		
	Unit per liter of Diesel Oil	3.38	3.17
2.	Coal (Specify quality and where used)		
	Quantity (Tones)	10776.105	11121.930
	Total Amount (₹)	38515186.00	41224688.00
	Average Rate (P MT)	3574.13	3706.61
3.	G.C. Oil		
	Quantity (K.Lit) M.T.	10.120	2.500
	Total Amount	249141.00	59987.00
	Average Rate	24.61	23.99

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

	Standard of any	Current Yr.	Previous Yr.
			Maize Starch Powder
			Dextrose Monohydrate
			Dextrose Anhydrous
			Liquid Dextrose
Electricity	Unit	256.86	262.23
G.C. Oil	K. Lit.	4.13	6.99
Coal (Special Quality)	Kg.	440.14	422.01

For and on Behalf of the Board
For Tirupati Starch & Chemicals Ltd.,
Dr. Damodar Modi
 Chairman

Place : Indore

Date : 4th September 2010

**CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The 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	Wholetime Director
Shri Yogesh Kumar Agrawal	Wholetime Director
Shri Prakash Bafna	Wholetime Director
Smt. Pramila Jajodia	Independent Director
Smt. Shashikala Mangal	Independent Director
Shri Ashish Agrawal	Independent Director
Shri Tejpal Lunawat	Independent Director
Shri Vinod Kumar Garg	Independent Director

During the year under review, 9 Board Meetings were held on 29TH April' 2009, 13th May 2009, 27th May'2009, 31st July' 2009, 5th Sept.'2009, 31st October'2009, 30th January'2010, 11th February'2010 & 25th February 2010 . The last Annual General Meeting of the Company was held on 29th Sept.'2009.

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	9	Present
Shri Ramdas Goyal	9	Present
Shri Yogesh Kumar Agrawal	9	Present
Shri Rameshchandra Goyal	8	Present
Shri Sanjeev Gupta	3	Absent
Shri Prakash Bafna	6	Present
Smt. Pramila Jajodia	4	Absent
Smt. Shashilala Mangal	5	Absent
Shri Sulabh Goyal	2	Absent
Shri Ashish Agrawal	9	Present

Shri Tejpal Lunawat	2	Absent
Shri Vinod Kumar Garg	3	Absent

c. REMUNERATION OF DIRECTORS : Details of remuneration paid to Directors for the year ended 31.03.2010.

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

1. Smt Pramila Jajodia is an Independent Director of the Company since 05.09.2003. She is from Business family having corporate experience, which will be of immense benefit to the company.
2. Smt. Shashikala Mangal is an Independent Director of the company since 29.01.2004. She is from Business family and conversant with corporate working. Her experience will benefit to the company.



3. Shri Rameshchandra Goyal is a Whole time Director of the company. He is a bachelor of Science & belongs to Industrial family of Indore. He was partner in family pulse mills for 15 years. He is associate with the Company since 01.04.1993. His business experience will be immense 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 in 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. 27.05.2010 to comply with the amended clause-49 of the listing agreement as under:

- i. Shri Ashish Agrawal, C.A. - Chairman
- ii. Shri Vinod Kumar Garg, D.C.E - Member
- iii. Shri Yogesh Agrawal, B.Sc.. - Member

During the year under review, Seven Audit Committee meetings were held on 28th July'2009, 30th July' 2009, 2nd September'2009, 4th September 2009, 5th September 2009, 20th Oct.'2009 & 28th January'2010. The attendance of members at the meetings was as follows:

Name of the Member	Status	No. of Meetings attended
*Shri Ashish Agrawal	Chairman	6
Shri Vinod Kumar Garg	Member	7
*Shri Sanjeev Gupta	Member	5
Secretary of the Committee:	Shri B.K. Jain	7
	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 2010. 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' 2010:

Sr.No.	Name of Director	Salary Per Month
1.	Dr. Damodar Modi Managing Director	₹ 55000 plus HRA, ₹ 4792/- as per agreement
2.	Shri Ramdas Goyal Executive Director	₹ 46000
3.	Shri Rameshchandra Goyal Wholetime Director	₹ 45000
4.	Shri Prakashchandra Bafna Wholetime Director	₹ 45000
5.	Shri Sanjeev Gupta Wholetime Director	₹ 45000
6.	Shri Yogesh Kumar Agrawal Wholetime Director	₹ 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'2010, Three (3) meetings were held on : 30th April'2009, 31st July'2009 & 1st Jan.'2010. 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 16 complaints from Shareholders / Investors'. All the complaints have been resolved to the satisfaction of the shareholders. No complaint was pending as on March 31, 2010. 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
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.
2008-2009	Registered office of the Company	29.9.2009	4.00 p.m.

The Chairman of the Audit Committee Shri Ashish Agrawal 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 needs 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
1. Free Press (English)
 2. Choutha Sansar (Hindi)
- b. The information required under the Management Discussion and Analysis Report has been covered by the Directors' Report.