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**Tirupati  
Starch &  
Chemicals Ltd.**

**I N D O R E**



**Twenty Sixth Annual  
Report & Accounts 2011-2012**

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# **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 26<sup>th</sup> Annual General meeting of the Members of Tirupati Starch & Chemicals Ltd., will be held at the Registered Office of the Company, on Saturday, the 29th September' 2012 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'2012 and Balance Sheet as at that date along with Cash Flow statement of the year ended on 31st March' 2012.
2. To appoint a Director in place of Shri Prakash Bafna, Whole-time 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 Vinod 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.
4. To appoint a Director in place of Shri Ashish Agrawal, 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.
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.

**NOTES :**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. The register of members of the company will remain closed from Saturday the 22nd Sept. 2012 to Saturday the 29th Sept. 2012, (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 26th Annual Report together with Audited Statement of Accounts for the year ended 31.3.2012.

	2011-2012 (Rs.)	2010-2011 (Rs.)
Profit/(loss) for the year	14059511	53453906
<b>Less : Depreciation</b>	<u>8955007</u>	<u>8610810</u>
Profit/loss after Depreciation	5104504	44843096
Income Tax	2504936	16258247
(Net of MAT Credit)		
(Less)/ Add: Provision for Deferred Tax	<u>1181168</u>	<u>1370335</u>
Profit/Loss after Tax	3780736	29955184
Add/(Less):		
Debit relating to		
Previous years	32871	(186545)
Sundry balances written off	1063043	601
Bonus written back	119376	112723
Credit relating to previous years	972997	26227
Excess provision for Income Tax written back	—	13974
Excess provision for fringe Benefit Tax		—
Less - Income Tax for earlier Year 95-96	<u>--</u>	<u>(153649)</u>
Carried to Balance Sheet	<u><b>2671861</b></u>	<u><b>29768488</b></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. 5.5 crores and Term Loan upto 18 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' Shri Prakash Bafna, Shri Vinod Garg and Shri Ashish 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 EXCHANGE:**

Pursuant to requirements of the listing Agreement, the Company declares that it's Equity Shares are listed on the Stock Exchange Ltd., Mumbai. The Company confirms that



it has paid listing fee due to the above Stock Exchange for the year 2012-13.

#### **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 27.05.2011, 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.  
Wholtime Director

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. 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

**Dr. Damodar Modi**

Date : 5<sup>th</sup> September 2012

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 :
- Correcting the alignment of Main drive.
  - Construction of Sundrying Plateform for predrying of Gluten and Grit. Thus saving in G.C. 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	6604535	6170132
	Total Amount (Rs.)	3444272	28895923
	Rate/Unit (Rs.)	5.21	4.68
b.	Own Generation		
	i. Through Diesel Generator	34660	14460
	Unit		
	Unit per liter of Diesel Oil	3.53	3.37
2.	Coal (Specify quality and where used)		
	Quantity (Tones)	11090.075	10369.980
	Total Amount (Rs.)	62536035	45309898
	Average Rate (P MT)	5638.92	4369.33
3.	G.C. Oil		
	Quantity (K.Lit) M.T.	—	4.930
	Total Amount	—	152073
	Average Rate	—	30.85

**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	225.71	209.40	
G.C. Oil	K. Lit.	—	0.18	
Coal(Special Quality)	Kg.	379.00	385.55	

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

Place : Indore

Date : 5th September 2012

## 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 stockholders.

### 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 Satishchandra Mangal	Independent Director
Shri Vinod Kumar Garg	Independent Director

During the year under review, 5 Board Meetings were held on 30<sup>th</sup> April' 2011, 31<sup>st</sup> July' 2011, 3<sup>rd</sup> Sept.' 2011, 29<sup>th</sup> October' 2011, and 31<sup>st</sup> January' 2012. The last Annual General Meeting of the Company was held on 30th Sept.' 2011.

- 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
Smt. Shashikala Mangal	4	Present
Shri Satishchandra Mangal	3	Present
Shri Prakash Bafna	3	Present
Smt. Pramila Jajodia	1	Absent
Shri Ashish Agrawal	2	Present
Shri Vinod Kumar Garg	2	Absent

- c. REMUNERATION OF DIRECTORS : Details of remuneration paid to Directors for the year ended 31.03.2012.

Sr. No.	Name of Director	Salary Per Month
1.	Dr. Damodar Modi Managing Director	Rs. 1,65,000 plus HRA. as per agreement
2.	Shri Ramdas Goyal Executive Director	Rs. 1,38,000
3.	Shri Rameshchandra Goyal Wholetime Director	Rs. 1,35,000
4.	Shri Prakash Bafna Wholetime Director	Rs. 1,35,000
5.	Shri Yogesh Kumar Agrawal Wholetime Director	Rs. 1,35,000

### 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 Prakash Bafna is a Wholetime Director, he is a graduate. He is from Business Community having vast experience in food grains, which will be of immense benefit to the company.
- 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.



3. Shri Ashish Agrawal is a Director of the company since he is a qualified Chartered Accountant in practice for the last 7 years. 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 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 & 25.02.2011 to comply with the amended clause-49 of the listing agreement as under:

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

During the year under review, Four Audit Committee meetings were held on 28th April' 2011, 28th July' 2011, 25th Oct.'2011 & 28th January'2012. The attendance of members at the meetings was as follows:

Name of the Member	Status	No. of Meetings attended
Shri Ashish Agrawal	Chairman	4
Shri Yogesh Kumar Agrawal	Member	4
Shri Vinod Kumar Garg	Member	4
Secretary of the Committee : Shri B.K. Jain		4
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 30th July 2011. 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'2012:

Sr. No.	Name of Director	Salary Per Month
1.	Dr. Damodar Modi Managing Director	Rs. 1,65,000 plus HRA. as per agreement
2.	Shri Ramdas Goyal Executive Director	Rs. 1,38,000
3.	Shri Rameshchandra Goyal Wholtime Director	Rs. 1,35,000
4.	Shri Prakash Bafna Wholtime Director	Rs. 1,35,000
5.	Shri Yogesh Kumar Agrawal Wholtime Director	Rs. 1,35,000

### 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
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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' 2012, Four (4) meetings were held on : 28th April' 2011, 28th July' 2011 25th October' 2011 & 28th Jan.'2012. 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 12 complaints from Shareholders / Investors'. All the complaints have been resolved to the satisfaction of the shareholders. No complaint was pending as on March 31, 2012. 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
2008-2009	Registered office of the Company	29.9.2009	4.00 p.m.
2009-2010	Registered office of the Company	30.09.2010	1.00 p.m.
2010-2011	Registered office of the Company	30.09.2011	1.00 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.

**10. GENERAL SHAREHOLDER INFORMATION.**

- a. Annual General Meeting  
Date : 29.09.2012  
Time : 1.00 P.M.  
Venue: At Shreeram Chambers, 12, Agrawal Nagar Main Road, Indore.



b. Financial Calendar (tentative)

Particulars	Date
Unaudited Results of the first quarter ending June 30, 2011	Last week of July' 2011
Unaudited Results of the second quarter & half year ending September 30, 2011	Last week of October' 2011
Unaudited Results of the third quarter & nine months ending December 31, 2011	Last week of January' 2012
Unaudited Results for the ending March 31, 2012	Last week of April' 2012

c. Dates of book closure  
Saturday, 22nd September' 2012 to Saturday, 29th September'2012 (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 Bombay Stock Exchange for the year 2012-2013.

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 dispatched 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. Dematerialization of Shares

Now the equity Shares of the company can be traded in de-materialized form. The company has signed the agreement with both the depositaries 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, 2012.  
Share holding Pattern as on March 31, 2012 (in accordance with Clause 35 of the Listing Agreement)