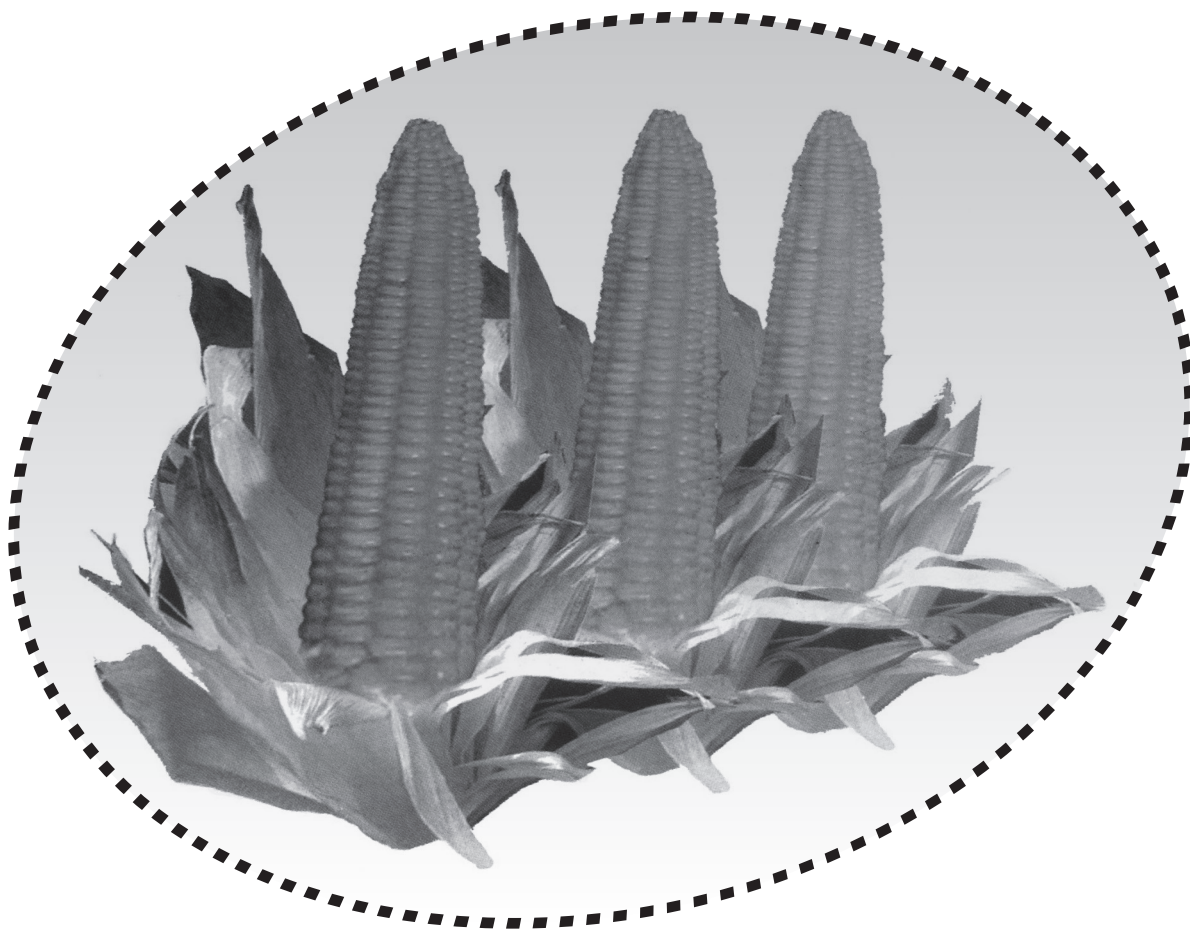




39th Annual Report

2011-2012



UNIVERSAL STARCH-CHEM ALLIED LIMITED, DADANAGAR, DONDAICHA



BOARD OF DIRECTORS

SHRI. JITENDRASINH J. RAWAL (Chairman & Managing Director)

SHRI. JAYDEOSINH J. RAWAL

SHRI. JAYKUMAR J. RAWAL (Business Development)

SHRI. JAGDISH VARSHNEYA (Up to 19.11.2011)

SHRI. ASHOK KOTHARY

SHRI. DEVPRAKASH YADAVA

SHRI. BINDU MADHAVAN

SHRI. G. K. VISHWANATH

SHRI. VIKRANT J. RAWAL

SHRI. SARVADAMANSINGH. R VAGHELA

SHRI. G. P. CHAUDHARY (Whole Time Director - Works)

■ AUDITORS ■

M/S. M. B. AGRAWAL & CO.
Chartered Accountants, Mumbai

■ BANKERS ■

THE SHAMRAO VITHAL CO-OPERATIVE BANK LTD. MUMBAI

■ REGISTRARS AND TRANSFER AGENTS ■

SHAREX DYNAMIC (INDIA) PVT. LTD.
Unit -1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road,
Andheri (E), Mumbai - 400072.

■ REGISTERED OFFICE ■

Mhatre Pen Building, 'B' Wing, 2nd Floor,
Senapati Bapat Marg,
Dadar (W), Mumbai - 400 028.

■ FACTORY ■

Dadasaheb Rawal Group of Industries
Rawal Industrial Estate,
Dada Nagar, Dondaicha (425 408) Dist. Dhule

■ NOTICE ■

NOTICE IS HEREBY GIVEN THAT THE THIRTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE **UNIVERSAL STARCH – CHEM ALLIED LIMITED** WILL BE HELD ON FRIDAY, 28TH SEPTEMBER, 2012 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT MHATRE PEN BUILDING, 'B' WING, 2ND FLOOR, SENAPATI BAPAT MARG, DADAR (W), MUMBAI – 400 028 TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss Statement for the year ended 31st March 2012 and the Balance Sheet as on that date together with the Directors' Report and Auditors' Report attached thereto.
2. To appoint a Director in place of Shri. Devprakash Yadava who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. G.K. Vishwanath who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, M/s.M.B.Agrawal & Co. Chartered Accountants, Mumbai are eligible for re-appointment.

SPECIAL BUSINESS:

5. **WAIVER OF EXCESS MANAGERIAL REMUNERATION TO SHRI JITENDRASINH J. RAWAL, CHAIRMAN & MANAGING DIRECTOR.**

To consider and if thought fit, to pass with or without modification/(s), the following Resolution as a **Special Resolution**:

"RESOLVED that subject to the Approval of the Central Government, consent of the company be and is hereby given for waiving the recovery of an amount of Rs. 9.03 lacs paid to Shri.Jitendrasinh J.Rawal - Chairman & Managing Director of the Company during the period from 1st April 2011 to 31st March 2012 in excess of the remuneration as permissible vide schedule XIII of the Companies Act 1956.

RESOLVED further that an appropriate application under section 309 (5B) or any other Applicable provisions if any of the companies Act 1956 be made to the Central Government and that Mr. Y. L. Sindhwa - Company Secretary of the Company be and is hereby authorized to take necessary action in this regard."

6. **RE-APPOINTMENT OF MR.JITENDRASINH J.RAWAL AS CHAIRMAN & MANAGING DIRECTOR FOR A FURTHER PERIOD OF THREE YEARS W.E.F. 1ST OCTOBER 2012.**

To consider and if thought fit, to pass with or without modification/(s), the following Resolution as a **Special Resolution** :

"RESOLVED THAT in accordance with the provisions of Sections 198,269,309,310 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval for the appointment of Shri Jitendrasinh J.Rawal as Chairman & Managing Director of the Company to hold office as Chairman & Managing Director for a period of three years with effect from 1st October 2012 on the following terms and conditions :-

REMUNERATION.

- 1) **Salary** : Upto Rs.5,00,000/- per month as approved by the Board of Directors from time to time and as permissible under Schedule XIII of the Companies Act, 1956.
- 2) **Commission** : As may be approved by the Board of Directors for each year subject to the overall limit of total managerial remuneration of each year as provided under Section 309 of the Companies Act,1956 but limited to a maximum of two year's salary per year.
- 3) **Special Allowance** : As may be approved by the Board of Directors for each year subject to the overall limit of total managerial remuneration of each year as provided under section 309 of the Companies Act, 1956 but limited to a maximum of one year's salary per year.

In addition to the above remuneration Shri. Jitendrasinh J.Rawal, shall also be entitled to perquisites like free furnished accommodation or House Rent Allowance including furnishings, gas, electricity and water, medical reimbursement, Leave Travel Concessions for self and family, Club Fees, Medical Insurance, etc. as per the Company's policy applicable to the senior management of the company.

- 1) The annual value of these perquisites shall be limited to an amount equal to the annual salary of Shri. Jitendrasinh J. Rawal.
- 2) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of the perquisites for the purpose of calculating the said ceiling.
- 3) Company's contribution to Provident Fund, Superannuation Fund as per Company's policy. Gratuity and leave including encashment of leave at the end of the tenure as per company's policy. These, however, shall not be included in the computation of limits on perquisites as aforesaid.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of Shri. Jitendrasinh J. Rawal as Chairman & Managing Director of the company, he shall be entitled to receive as minimum remuneration, the remuneration proposed above, or such other amount as may be approved by the Central Government, not being less than the remuneration prescribed under Schedule XIII of the Companies Act, 1956 from time to time.

By order of the Board of Directors
For **Universal Starch Chem Allied Ltd.**

Place: Mumbai
Date : 9th August, 2012

Y.L.Sindhwa
Company secretary

Registered Office

Mhatre Pen Building, 'B' Wing, 2nd Floor, Senapati Bapat Marg, Dadar (W), Mumbai - 400 028.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received by the company not less than 48 hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September 2012 to 28th September 2012 (both days inclusive).
4. Members are requested to inform the Company's Registrars & Transfer Agents regarding the changes, if any, in the residential address along with the Pin Code Number.
5. As per the provisions of the amended Companies Act, 1956, the facility for making nomination is available to the shareholders in respect of the Equity Shares held by them. Nomination forms can be obtained from the Company's Registrars & Transfer Agents.
6. Members / Proxies are requested to bring the attendance slip duly filled in for attending the meeting.
7. Pursuant to the provisions of Section 205C of the Companies Act, 1956, as amended dividend for the financial year ended 31st March 2005 which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Members who have not encashed the dividend warrant pertaining to the financial year ended 31st March 2005 are requested to approach the company immediately. The due date for transfer unpaid / unclaimed amount to the IEPF is 14th November 2012. Members are requested to note that once the unpaid / unclaimed dividend is transferred to IEPF, no claims shall lie in respect of such amount by the Member.



8. The information required to be given under clause 49 (VI) (A) of the listing agreement of Directors are given below:

- a. **Shri Devprakash Hemraj Yadava** – Age 65, was appointed as a Non-Executive Director of the company on 29.01.2004. 44 years' of Rich experiences in Engineering and Pharma Industries, both in Indian and Multinational Companies, who has also a wide experience in finance, etc., his other Directorship Details – Ipca Laboratories Ltd – Director, Unique Sugars Ltd – Director, Foreign Companies – Alchymars Icsm Pvt.Ltd., Biopharmax Pvt Ltd & Scitech Labs Pvt Ltd. He is also a chairman of Audit Committee of Universal Starch Chem-Allied Ltd.

Shri. Dev Prakash Yadava does not hold any shares of the company in his name as on 31st March, 2012 and he is not related to any other director.

- b. **Shri G.K. Vishwanath** – Age 54, was appointed as a Director of the company on 30.07.2009. He is a practicing Advocate specialised in Company Law, Shipping & Banking.

Shri. G.K. Vishwanath does not hold any shares of the company in his name as on 31st March, 2012 and he is not related to any other director.

- c. **Shri. Jitendrasinh J. Rawal** – Age 64, was appointed as a Chairman & Managing Director of the Company on 28.05.1992. He is a B.Sc (Agriculture) Graduate, Extensive knowledge in Agri based manufacturing activities, especially Starch. His other Directorship Details – Director in Unique Sugars Ltd.

Shri Jitendrasinh J. Rawal hold 5,95,667 equity shares of the company in his name as on 31st March, 2012

By order of the Board of Directors
For **Universal Starch Chem Allied Ltd.**

Place: Mumbai

Y.L.Sindhawad

Date : 9th August, 2012

Company secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.5

Shri Jitendrasinh J.Rawal – Managing Director of the Company who was appointed for a period of Three years w.e.f. 1st October 2009 by members on 30th Sept.2009 at the remuneration prescribed therein. During the year 2011-12 in absence of adequate profits he has drawn the remuneration as prescribed under schedule XIII of the company's act, however the said remuneration drawn was in excess of Rs. 9.03 lacs. The said extra remuneration was incurred as per the Industry norms. Hence Board of Directors has waived the excess recovery subject to approval of members and Central Government. The Board recommends the members approval. No Directors except Shri Jitendrasinh J.Rawal, Shri Jaykumar J.Rawal (Son of Shri Jitendrasinh J.Rawal) & Shri Jaydeosinh J.Rawal (Brother of Shri Jitendrasinh J.Rawal) are concerned or interested in this resolution.

Item No.6

Shareholders are aware that Shri Jitendrasinh J.Rawal the Chairman & Managing Director of the Company is currently holding the office for a period of 3 years from 1st October 2009 and the terms of appointment were approved by the shareholders at the Annual General Meeting held on 25th September 2009.

Under the Management of Shri Jitendrasinh J.Rawal the company has shown commendable progress in view of the challenging environment, as evident from the Annual Reports that have been adopted by the shareholders from year to year barring some few exceptional years. The terms of appointment has been specified in the said resolution No.6. These particulars also constitute the abstract of the terms of appointment and remuneration pursuant to section 302 of the companies Act, 1956.

Under section 269 and 309 of the act, the re-appointment and the terms of remuneration of the Managing Director are required to be approved by the company in General Meeting. Accordingly, a resolution is being moved for approval of shareholders.

Shri Jitendrasinh J.Rawal is one of the Original Promoters of the company and the Board is of the opinion that it is in the interests of the company that Shri Jitendrasinh J.Rawal be re-appointed as the Chairman & Managing Director of the Company as in the opinion

of the Board, the terms and conditions of his appointment are fair & reasonable and commensurate with his long-standing experience in management of the Industrial Enterprise as Managing Director . Hence the Board recommends his re-appointment as the Chairman & Managing Director to the members of the Company.

The Relevant information as required by Notification No.GSR 36(E), dated 16th January,2002, issued by the Central Government for amendment of Schedule XIII to the Companies Act, 1956, is as given below :

Universal Starch-Chem Allied Ltd. is engaged in the manufacture of Starches & their derivatives, Liquid Glucose and other By-Products. The company has been established more than three decades back and has shown a consistent growth from year to year.

General Information:

During the year under Review the turnover has increased considerably, however profitability was affected due to increase in cost of raw material, however during the current year remedial measures including power & fuel cost controls has been initiated which will show the positive results from the forthcoming years.

Exports has remain the new focus area of the company and are hopeful of achieving substantial progress in this regard.

The company has been very consistent in payment of dividend to its shareholders upto the financial year 2010-2011.

Information about Shri Jitendrasinh J. Rawal

Under the guidance and able management of Shri Jitendrasinh J.Rawal, the company has made commendable progress and it would therefore be in the interest of the Company to re-appoint Shri Jitendrasinh J.Rawal as the Managing Director of the Company on the terms and conditions as mentioned above, Presently Shri Jitendrasinh J.Rawal is being paid a monthly Salary of Rs. 3.75 lacs and other perquisites. Additionally he is also entitled to commission of 5% and 10% of the net profit of the company computed in the manner laid down under Section 309(5) of the Companies Act, 1956.

Other Information:

The Company is also concentrating more on Exports and with increased thrust in this direction, it will be able to penetrate in the overseas markets, more particularly the Middle East Market. The Company is also concentrating on cost cutting devices to cut the cost on all fronts and as a major step in this direction, has already increased the crushing capacity, which will enable to reduce the fixed overhead expenses. The Company is also planning to add some more products in its portfolio to improve the margins.

Thus with continued application of stringent cost cutting measures and addition of more products with better margins, the Company expects to further improve its turnover and profitability in the years to come.

Shri Jitendrasinh J.Rawal is interested in the resolution as it concerns his appointment. Shri Jaydeosinh J.Rawal and Shri Jaykumar J.Rawal to whom Shri Jitendrasinh J.Rawal is related may also be regarded as interested or concerned in the resolution. Directors recommend this resolution as proposed in the Notice for Members approval.

By order of the Board of Directors

For **Universal Starch Chem Allied Ltd.**

Place: Mumbai

Y.L.Sindhawad

Date : 9th August, 2012

Company secretary

Registered Office

Mhatre Pen Building, 'B' Wing, 2nd Floor, Senapati Bapat Marg, Dadar (W), Mumbai - 400 028.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circular stating that service of notice/ documents including annual report can be sent by e-mail to its members. We fully support the Ministry's green Initiative. Accordingly, the members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depositor through their concerned Depository Participant. Members' who hold shares in physical form, are requested to register their e-mail addresses and forward the same to the Company Secretary of the Company.

39th Annual Report 2011-2012

■ DIRECTORS' REPORT ■

Your Directors have pleasure in presenting the 39th Annual Report of the Company along with audited statements of accounts for the year ended 31st March 2012. The summarized financial results are given below:

(Rs. In Lacs.)

Particulars	2011- 2012	2010- 2011
Sales (Gross) and Other Income	17287	12909
Profit / (Loss) before depreciation	88	741
Depreciation	412	330
Profit / (Loss) before tax	(324)	411
Provision for taxation(Including Deferred & FBT)	(42)	210
Profit / (Loss) after tax	(282)	201
Balance brought forward	665	538
Profit available for appropriations	383	739
Appropriations :		
Proposed Equity Dividend	–	42
Corporate Dividend Tax	–	7
Transfer to General Reserve	–	25
Balance Carried forward	383	665

DIVIDEND :

In view of loss during the year under review the Board of Directors do not recommend dividend for the financial year 2011-2012.

OPERATIONAL RESULTS :

Your Company's Net Sales for the year amounted to Rs. 15728 Lacs as compared to Rs. 11808 lacs of last year. The result for the year shows net Loss after tax of Rs.(282) Lacs as compared to profit of Rs. 201 Lacs in the Previous Year. The operational Loss was due to increase in cost of raw materials plus other cost increase as compared to last year. Further details of operation are given in the management discussion and analysis report which forms part of this report.

CORPORATE GOVERNANCE :

Your Company has complied with the Corporate Governance practices mandated by Clause 49 of the Listing Agreement with the Stock Exchange. As per various amendments made in Clause 49 of the Listing Agreement, the company has adopted the Code of Conduct which is also available on the website of the Company. All the Board members and Senior Management Personnel have affirmed compliance with the code of conduct. The Corporate Governance Report along with the Certificate from the Auditors is set out as part of the Annual Report. A Management Discussion and Analysis Report also accompanies this report.

DIRECTORS :

The Directors Shri. Dev Prakash Yadava and Shri. G.K. Vishwanath retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

With regret we would like to state that our Director Shri. Jagdish Varshneya was ceased to be director on account of his death on 18.11.2011. The board appreciates his valuable guidance and co-operation received during his tenure.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors, Based on the representations received from the operating Management confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed.

- (ii) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as on 31st March 2012 and of the (loss) of the company for the year ended 31st March 2012.
- (iii) Proper and sufficient care has been taken 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) The annual accounts have been prepared on a going-concern basis.

WIND MILL:

The Company has commissioned a Wind Power Project with effect from 30th March 2002, with an annual power generation capacity of around 14 Lacs units. In line with the Government notification, your Company is maintaining cost records of generation of electricity through this project.

AUDITORS:

The Auditors M/s M.B. Agrawal & Co. Chartered Accounts, retire at the ensuing Annual General meeting. The retiring Auditors have confirmed eligibility for reappointment. The Audit Committee recommends their reappointment.

FIXED DEPOSITS :

Fixed Deposits from the public and the shareholders as on 31st March 2012 aggregated to Rs.168.20 lacs as against Rs.66.67 lacs at the end of the previous year. There are no deposits which have been claimed but not paid.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO.

Information in accordance with Clause (e) of the Sub-Section (1) of Section 217 of the Companies Act, 1956, relating to the Technology Absorption / Energy Conservation / Foreign Exchange Earnings & Outgo read with the Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2012 is enclosed with this report.

PARTICULARS OF EMPLOYEES :

There is no employee falling under the purview of section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1975.

LISTING DETAILS :

At present, your Company's securities are listed on :

The Bombay Stock Exchange, Phiroze Jeejeehoy Towers, Dalal Street, Fort, Mumbai – 400 001, Code No.524408.

The Company has paid the annual listing fees to the above Stock Exchange for the Financial year 2012 – 2013.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to express their appreciation and gratitude to the Union Government, State Government, The Shamrao Vithal Co-op.Bank Ltd.. Customers and our valued shareholders of their kind support, co-operation and guidance.

For and on behalf of the Board,

Place : Mumbai
Date : 9th August, 2012

Jitendrasinh J. Rawal
Chairman&Managing Director



■ CORPORATE GOVERNANCE ■

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company aims at maintaining openness, credibility, transparency and accountability which form the basic principles of good corporate governance. The company is committed to Corporate Governance practices which are in the best interests of its shareholders and those associated with the Company. Corporate Governance norms promote investor confidence and ensure the integrity of the Board in conducting the affairs of the Company. The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the Corporate Governance requirements.

BOARD OF DIRECTORS :

The Board of Directors comprised of 10 members as on 31st March 2012. The Company has an Executive Chairman, more than 50% of the Board comprises of Non-Executive Directors. The Executive Directors include the Chairman and Managing Director and two other Executive Directors. The Board has 5 independent directors.

Composition, Category and other details of Directorships are given below :

Category	Name of Director & Designation	No. of other Directorships	No. of Committee Membership / Chairmanship	
			Member-ship	Chairmanship
Promoter Executive Directors	Shri Jitendrasinh J. Rawal, Executive Chairman & Managing Director	1	1	-
	Shri Jaykumar J. Rawal Executive Director	2	1	-
Other Executive Director	Shri Gulabsingh P. Chaudhary	1	-	-
Promoter Non Executive Director	Shri .Jaydeosinh J. Rawal	1	-	-
Promoter Non Executive Director	Shri. Vikrant J. Rawal	-	-	-
Independent Non-executive Directors	Shri. Dev Prakash Yadava	5	2	2
	Shri Ashok Kothary	5	1	-
	Shri. Sarvadamansingh R. Vaghela	-	1	-
	Shri Bindu Madhavan	1	1	-
	Shri G.K. Vishwanath	-	-	-

The Executive Directors of the Company & their remuneration package which comprises of salary and other allowances, perquisites and commission as approved by the shareholders at the Annual General meetings. Annual increments are linked to performance and are decided by the Board of Directors. During the year, the managerial remuneration payable to them aggregated to Rs. 80,93,021/-.

There is no remuneration package for the Non-executive directors of the Company. However sitting fees of Rs.1,01,000/- has been paid to the directors for the meetings attended.

During the year under review the Board of Directors met Four times at the registered Office of the Company. These were held on:

Sr. No.	Date of Meeting	No. of Directors Present
1	04.05.2011	9
2	23.07.2011	9
3	26.09.2011	9
4	12.11.2012	8
5	12.02.2012	9

The attendance recorded for each of the Directors at the Board Meetings during the year ended 31st March 2012 and of the last Annual General Meeting is given below.

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM
Shri. Jitendrasinh J. Rawal Wholetime Director	5	Yes
Shri. Jaykumar J. Rawal Wholetime Director	4	No.
Shri. G.P. Choudhary Wholetime Director	4	No.
Shri Jaydeosinh J. Rawal	5	Yes
Shri Jagdish Varshneya	1	Yes
Shri Ashok Kothary	4	No
Shri Dev Prakash Yadava	5	Yes
Shri Sarvadamansingh R. Vaghela	1	Yes
Shri Bindu Madhavan	3	Yes
Shri Vikrant J. Rawal	3	Yes
Shri G.K. Vishwanath	5	Yes

AUDIT COMMITTEE :

The Company's Audit Committee comprises of Three independent Directors.

During the year Audit Committee was reconstituted in view of the death of Shri. Jagdish Varshneya (Chairman of the Audit Committee). Shri. Dev Prakash Yadava (Independent Director) was appointed as a Chairman of the Audit Committee, who has also a wide experience in finance, etc. with two other independent directors of Shri. Ashok Kothary and Shri. Bindu Madhavan.

The board terms of reference of the Audit Committee are as under:

- To review the quarterly, half-yearly and annual financial statements of the Company.
- To review the Company's financial reporting systems.
- To review the internal control and Audit Systems.
- To review the Company's financial and risk management policies.

The Audit committee invites the Statutory Auditors, the internal Auditors, the financial advisor and also representatives from various departments of the Company wherever necessary to attend the Audit Committee meetings and to clarify queries raised by the Committee members.

4 (Four) Audit Committee meetings were held during the year 2011 – 12. The dates on which the said meetings were held on 4th May, 2011, 23rd July, 2011, 12th November, 2011 & 12th February, 2012.

39th Annual Report 2011-2012

The attendance of each Audit Committee member is given below :

Name of the Audit Committee Member	No. of meetings attended
Shri. Jagdish Varshneya	1
Shri Ashok Kothary	3
Shri Dev Prakash Yadava	4
Shri Bindu Madhavan	3

SHAREHOLDER / INVESTOR GRIEVANCE COMMITTEE:

The Company has a Share Transfer and Shareholder / Investor grievance Committee of which Shri. .Dev prakash Yadava a Non-Executive Director is the Chairman. Formalities relating to transfer of shares are attended to at least once in a fortnight. During the year, the Company received fifteen complaints from the Shareholders. These complaints were resolved immediately. There are no pending complaints.

GENERAL MEETINGS :

Location and time where the last 3 Annual General Meetings were held:

Year	Date	Time	Location
2010-2011	26th September-2011	11.00 A.M.	B-wing, Mhatre pen Building, Senapati Bapat Marg, Dadar (West) Mumbai – 28
2009-2010	29th September-2010	11.00 A.M.	B-wing, Mhatre pen Building, Senapati Bapat Marg, Dadar (West) Mumbai – 28
2008-2009	25th September-2009	11.00 A.M.	B-wing, Mhatre pen Building, Senapati Bapat Marg, Dadar (West) Mumbai – 28

SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETING:

Meeting	Subject matter of Special Resolution
38th Annual General Meeting	(i) Re-appointment of Jaykumar J. Rawal for 3 years
	(ii) Increase in remuneration of Shri. Jitendrasinh J. Rawal – Chairman and Managing Director.
37th Annual General Meeting	NIL
36th Annual General Meeting	Re-appointment of Mr. Jitendrasinh J. Rawal for 3 years.

The Company has not passed any resolution through Postal ballot during the financial year 2011 -12 & no special resolution is proposed to be passed in the forthcoming AGM through postal ballot.

DISCLOSURES :

There are no materially significant transactions of the Company with related parties i.e., Promoters, Directors or the Management, their subsidiaries or relatives, which may have potential, conflict with the interests of the Company at large. However, the Company has annexed to the accounts, a list of related parties as per the Accounting Standard 18 and the transactions entered into with them.

No penalties or strictures have been imposed on the company by the Stock Exchanges or SEBI or any statutory authority on any matter related to Capital markets during the last three years.

The Company has complied with all the mandatory requirements of clause 49 of the listing Agreement, the Company may also take up the non mandatory requirements of clause 49 in due course of time.

MEANS OF COMMUNICATION:

(i)	Half - yearly report sent to each household of shareholder	No
(ii)	Quarterly results – Which newspapers normally published in	Free Press Journal, Mumbai, Navshakti, Mumbai
(iii)	Any website, where displayed	www.universalstarch.com
(iv)	Whether it also displays official News releases and presentations made to institutional investors or analysts.	No.
(v)	Whether MD & A is a part of the Annual Report or not	Yes.
(vi)	Whether Shareholder information forms part of the Annual Report	Yes.

GENERAL SHAREHOLDER INFORMATION :

Annual General Meeting	28th September 2012 at 11.00 A.M. at B-Wing, Mhatre Pen Building, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028.
Financial Calendar :	Quarters ending – 30th June, 30th September, 31st December & 31st March, Year Ending – March 31st AGM – September.
Dates of Book Closure :	20th September 2012 to 28th September 2012 (both days inclusive)
Dividend Payment	NIL
The Equity Shares of the Company are listed on :	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
Stock Code :	Stock Exchange, Mumbai – 524408 ISIN No. INE113E01015
Registrar and Transfer Agents :	M/s Sharex Dynamic (India) Pvt.Ltd. Unit-1, Luthra Ind.Premises, Safed Pool, Andheri Kurla Road, Andheri (E) Mumbai-400072. Phone : 2851 5606 ,28515644.

DISTRIBUTION SCHEDULE OF EQUITY SHARES – AS ON 31ST MARCH 2012.

No. of Shares	Shareholders		No. of Shares	
	Number of Holders	% of holders	Number	%
Upto - 100	1305	52.79	119019	2.83
101 - 200	429	17.35	84239	2.01
201 - 500	391	15.82	148031	3.52
501 - 1000	132	5.34	116418	2.77
1001 - 5000	122	4.94	303261	7.22
5001 - 10000	32	1.30	228950	5.45
10001 - 100000	51	2.06	1809216	43.08
100001 to above	10	0.40	1390866	33.12
Total	2472	100.00	4200000	100.00

PATTERN OF SHAREHOLDING AS ON 31.03.2012.

Sr. No.	Category	Percentage
A	Promoters Holding	
	Indian Promoters	53.54
	Foreign Promoters	
	Persons acting in concert	00.98
	Sub Total	54.52
B	Non Promoters Holding	
	Private Corporate Bodies	2.24
	Indian Public	42.77
	NRI'S	.36
	Others	.11
	Sub Total	45.48
	Grand Total	100.00



Universal Starch-Chem Allied Ltd.

Dematerializations of Equity Shares as on 31.03.2012.

1) Dematerialization Form	No. of Shareholders	No. of Shares	%
NSDL	505	452544	10.775
CDSL	<u>281</u>	<u>320491</u>	<u>7.631</u>
	786	773035	18.406
2) Physical Form	<u>1709</u>	<u>3426965</u>	<u>81.594</u>
	<u>2495</u>	<u>4200000</u>	<u>100.00</u>

Market price data:

The details of monthly highest and lowest closing quotations of the equity shares of the company at the Stock Exchange – Mumbai during the financial year 2011 – 2012 are as under :

Month	Quotations at Mumbai Stock Exchange	
	High (Rs.)	Low (Rs.)
April- 2011	29.35	26.70
May – 2011	30.20	25.70
June- 2011	27.95	23.00
July- 2011	28.70	21.50
August- 2011	26.95	20.00
September- 2011	25.45	21.25
October- 2011	25.45	21.05
November- 2011	25.25	18.15
December- 2011	22.00	18.35
January- 2012	21.45	17.05
February -2012	20.70	18.10
March – 2012	19.95	14.05

Plant Location : Rawal Industrial Estate,
Dada Nagar, Dondaicha,
Dhule District, Maharashtra – 425 408.

Address for Correspondence : Universal Starch – Chem Allied Limited
Mhatre Pen Building, 'B' – Wing, 2nd Floor,
Senapati Bapat Marg, Dadar (West)
Mumbai – 400 028
Tel : (022) 24362210
Fax : (022) 24305969
e-mail : usaltd@vsnl.in
Website : www.universalstarch.com

Adoption of Non-Mandatory Requirements of Clause 49

The Company has complied with all the mandatory requirements of Clause 49.

Status of compliance with non-mandatory requirements stipulated under Clause 49:

Remuneration Committee

The Company has three whole time directors on the Board whose appointment and remuneration have been fixed by the Board in terms of resolution passed by the members. In view of this, no remuneration committee is required to be constituted.

Training of Board Members

As regards training of Board members, the Directors on the Board are seasoned professionals having wide range of expertise in diverse fields and no separate training program is given.

The Board members are provided with the necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic updates are also made at the Board and Committee Meetings, on business and performance updates of the Company, business strategy and risks involved.

Whistle Blower Policy

The Company does not have any formal whistle Blower Policy as of now but no personnel are being denied access to the Audit Committee.

CEO and CFO Certification

The CEO and the CFO of the Company gives certification on financial reporting and internal controls to the Board in terms of Clause 49.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identification No. of the Company –

U24110MH1973PLC016247 Nominal Capital: Rs.6 Crores

To,

The Members,

UNIVERSAL STARCH-CHEM ALLIED LTD.

MUMBAI

We have examined all relevant records of Universal Starch Chem Allied Ltd. for the purpose of certifying compliance of conditions of Corporate Governance under the revised clause 49 of the Listing Agreement with the Stock Exchange(s) for the financial year ended March 31st 2012. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

On the basis of our examination of the records produced explanations and information furnished we certify that the Company has complied with all the mandatory and non mandatory conditions of Clause 49 of the Listing Agreement. We further state that, such compliance is neither an assurance as to the future viability of the company, nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

Mrs. Leena Agrawal

Proprietress

Leena Agrawal & Co

Place : Mumbai

Practising Company Secretaries

Date: 9th August, 2012

Certificate of Practice No. 7030

Membership No. 19600

DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause 1 (D), of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to their respective codes of Conduct, as applicable to them for the Financial year ended 31st March 2012.

Place : Mumbai

JITENDRASINH J. RAWAL

Date: 9th August, 2012

Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE AND DEVELOPMENT :

Your Company has entered 39th year of operation and is a leading Producer of Starch based Products in India and having a plant at Rawal Industrial Estate, Dada Nagar, Dondaicha, Dist. Dhule. Our Products find application in various industry segments like Food, Paper, Textiles, Pharmaceuticals and confectionary. The day to day management of the Company is looked after by Executive Chairman & Managing Director along with other whole Time Executive Directors assisted by team of competent, Technical and Commercial Professionals. Further details of the company can be obtained by visiting the website www.universalstarch.com.

B) OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

Starch Industry has a very bright future and with national G.D.P. rising it offers an immense opportunity for development in its application in various user industry, however raw material availability at reasonable prices due to export of corn and also due to drought will have an impact on the profitability of the industry.

However, your company is likely to face competition from other competitors; there can be risks inherent in meeting unforeseen situations, not uncommon in the industry. Your company is fully aware of these challenges and is geared to meet them.

C) INTERNAL CONTROL SYSTEM :

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These systems and procedures provide reasonable assurance of maintenance of proper accounting records, reliability of financial information, protection of resources and safeguarding of assets against unauthorized use.

The internal auditors conduct audits of various departments based on an annual audit plan. The planning and conduct of internal audits are oriented towards the review of controls in management of the company's activities. The internal auditors report significant audit observations to the Audit Committee of the Board of Directors.

The committee meets at regular intervals during the year to review audit observations and follow-up implementation of corrective actions. The committee also discusses with the company's statutory Auditors to ascertain their views of adequacy of internal control systems in the Company. The Committee submits its observations to the Board of Directors.

D) HUMAN RESOURCE & DEVELOPMENT.

It is your company's belief that the competence and commitment of its people are key drivers of competitive advantage enabling your company to deliver unique customer value and complete successfully in the market place.

Your company's human resources management systems and processes aim to create a responsive, market focused, customer centric culture and enhance organizational vitality, so that each business is made more competitive and equipped to seize emerging market opportunities. The staff and executives of the company are sponsored for attending various seminars to upgrade their knowledge bank. The company's continuing focus on human resources will help it to create and retain critical skills and scale up to meet the market demand. During the year under review the industrial relations with the workman at various units of the company were by and large peaceful and cordial.

E) FINANCIAL PERFORMANCE

The Gross sales for the year under review i.e. 2011 – 2012 stood at Rs. 16526 Lacs as compared to Rs.12354 lacs in 2010–2011. The Profit/(loss) before tax for the year under review stood at Rs. (324) Lacs as compared to Rs. 411 lacs in 2010– 2011.

F) BUSINESS OUTLOOK :

The year 2012–2013 offers reasonably improved picture in terms of the growth in starch industry in comparison with previous years. Your company has already identified some export market which will increase the turnover.

G) CAUTIONARY STATEMENT :

Statements in this respect of Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. Actual result could differ materially from those expressed or implied, depending upon economic conditions, changes in Government regulations and policies, demand, supply and price conditions, political and economic developments within and outside the country and various incidental factors.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.



Universal Starch-Chem Allied Ltd.

STATEMENT UNDER SECTION 217(1) (E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH'2012

■ FORM - A ■

A. ENERGY CONSERVATION

Important and feasible suggestions for saving of precious energy have been implemented on a continuous basis. Several devices are being used to reduce consumption of Steam and Electrical Energy. Steps are being taken to recover maximum quantity of condensate for the recycling back to Boiler feed water.

This in turn will enable saving on fuel.

1 Electricity		PROCESS	ETP
a) Purchased Units	(KWH)	4516287 (4519460)	3674008 (3674008)
Total Amount	(Rs.)	30,319,794 (27,377,286)	24,601,057 (24,601,057)
Rate per Unit	(Rs.)	6.71 (6.06)	6.70 (6.70)
b) Own Generation		2011-2012	2010-2011
Through D.G. Set Units	(KWH)	7686	20747
Diesel	(Ltrs.)	3448	8395
Output per Ltrs	(KWH)	2.23	2.47
c) Own Co-Generation	(KWH)	16584882	17088240
(Includes Captive Consumption 3317869 units)			
2 Coal			
Quantity	(M.T.)	27778	20866
Total Cost	(Rs.)	119,293,767	98,451,963
Average Rate (per MT)	(Rs.)	4,295	4,718
3 Fuel			
Quantity	(Ltrs.)	19000	11691
Total Amount	(Rs.)	829,619	479,337
Average Rate	(Rs.)	43.66	41.00
4 Biogas units generated and consumed (M 3)		3826606	4784114
Rate per M3 Generated (Rs.)		2.00	1.43
5 Consumption per M. Ton of Production			
Production (including Job Work)		101698	105844
Electricity - Ton.KWH		243.69	221.66
Production (including Job Work)		84057	90196
Coal - Ton/Kgs.		0.330	0.231

■ FORM - B ■

RESEARCH AND DEVELOPMENT DEPARTMENT

The Company has established R & D Department, which plays the important role in the Product & Process Development activities of the Company.

The role played by the R & D during the year:-

- 1 Development of New Modified Starches and their bulk production as per SOP.
- 2 Close Studies of the production parameters of all the products for improvement in quality, cost reduction and energy saving.
- 3 Close interaction with the quality auditors of our Food & Pharmaceutical Customers to demonstrate the compliance on quality standers.
- 4 In depth study of Biomethanation Process to achieve the higher efficiency of the treatment process of industrial effluents through the implementation and completion of performance up gradation of ETP and there by getting the treated effluents conforming to Maharashtra Pollution Control Board norms.

THE ACHIEVEMENTS

- 1 The Company's R & D Laboratory is recognized as in - house R & D unit by the D.S.I.R., Govt. of India upto 31st March, 2015 as per the letter Ref.No.TU/IV-RD/2370/2012, dated 02.04.2012.
- 2 R & D has developed innovative process of manufacturing of spray grade and Paper Grade Starches for Paper Industry
- 3 R & D studied the bottleneaking parameters for production and quality of Modified Starches and also R & D Fixed the parameters for Maize steeping.
- 4 R & D has developed innovative process of manufacturing of one shot sizing for textile industry.
- 5 Company has obtained the halal certificate from M/S Halal India Certificate on dated 21st November 2011 up to 20th November 2012.
- 6 The over all quality of finished products supplied to the Company's customers during the year was quite satisfactory.
- 7 R & D staff had active participation in the proposed accreditation of HACCP. In- house training programme for skill development of Chemists, Supervisors & Engineers was conducted.
- 8 Efforts are in technology development for the commercial production of ZEIN from Corn Gluten. The Product has applications in Pharmaceutical industry.

EXPENDITURE DETAILS OF R & D DEPARTMENT

- 1 The R & D Department is well equipped with sophisticated instruments like Spectrophotometer, Lovibind Photometer, HPLC, Glucose Analyzer, Brookfield Viscometer, Karl Fisher, Polarimeter, R.I.Meter and other miscellaneous instruments to carry out the analysis of regular commercial finished products, in - process semifinished products, Newly developed or experimental products.
- 2 The R & D Executives and Technicians regularly attended Seminars, Conferences and Exhibitions organized at State or National Level to gather information on Production Technology, Carbohydrate Research, Environment Protection, Energy Saving and Safety.

- 3 The Company has most modern Effluent Treatment Plant for the treatment of industrial effluents, which consists of a Waste to Energy Biodigester Project based on UASB Technology. The Company implemented and completed performance up - gradation project of ETP.

The Company received MCCIA's Dr. R.J. Rath Award 2003, for Environmental protection.

- 4 The Company incurred an expenditure of Rs. 26.87 Lacs during the year for R & D.

TECHNICAL ABSORPTION AND INNOVATION

- 1 The Company has successfully implemented the procedures to improve the productivity, quality, energy saving, GMP and GHP. The R & D Department is active in upgrading the technology of production of value added products through finely tuning the SOP. The range of value added products have been widened to satisfy the specific applications in pharmaceutical, food and paper industry. The Company received GMP licence from FDA (MS).
- 2 The Company implemented Pest Control schedules in the premises by M/s Pest Control (India) P.Ltd.Jalgaon. This is mandatory to maintain the hygiene Standards in the manufacturing and storage of products. The Pest control schedules resulted control on Total bacterial Count (TBC) and Total Fungal Count (TFC) along with control of pathogens in finished products.
- 3 The Company established Air Handling Unit (AHU) at Microbiology Laboratory as the compliance of the mandatory requirements by FDA.
- 4 The Company has already established the following Projects: Biomethanation Project, Co-Generation Power Plant, Wind Mill at Brahmanwel & Fly Ash Brick Making Project.

SAFETY COMMITTEE

- 1 Regular meetings on Safety, Health and Environment (SHE) were conducted for Production Managers, Maintenance Engineers, Q.C. Chemists and Workers on Shop Floor. Safety Training on Fire Control was given through practical demonstration. Safety guards, railings and covers where ever necessary were provided to machines. Fire control points were created at necessary locations in the Plant. SOP on Safety precautions prepared.
- 2 The Safety Department arranged a programme in the Company on 4th March 2012 for Safety Awareness and organized the poster exhibition. The participant staff and workers were recognized for their best suggestion and poster presentation on Safety.

WELFARE COMMITTEE

Regular Medical Check up of the Company employees by the Doctors were conducted and the record is maintained. The necessary medical aid was provided to the concern employees. The employees were advised to perform regular Exercise and Yoga to improve their physical and mental health through the HRD Training Programme. The workers were given incentives for their achievement of production target and attendance.

FOREIGN EXCHANGE

The information in this report is provided in Note No.18 O to 18 Q of schedule 'L' to the accounts.



AUDITORS' REPORT

The Members of
Universal Starch-Chem Allied Limited
Mumbai

1. We have audited the attached Balance Sheet of Universal Starch-Chem Allied Limited, as at 31st March, 2012, the Profit & Loss statement and the Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditors Report) amendment Order issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies act, 1956, and on the basis of such checks of the books and records of the company as we consider appropriate and according to the information and explanation given to us, we give in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Profit and Loss statement and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Profit and Loss statement and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and

according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
- b) In the case of the Profit and Loss statement, of loss for the year ended on that date; and
- c) In the case of the Cash Flow statement, of the Cash Flows for the year ended on that date.

For **M. B. Agrawal & Co.**
Chartered Accountants
ICAI FRN 100137W

Harshal Agrawal
Partner

Place : Mumbai

Date : 9th August, 2012

Membership No.: 109438

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our paragraph 3 of our Auditors' Report of even date)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details of fixed assets. The Company is in the process of compiling the details regarding the situation of the fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company has not disposed off any substantial part of the fixed Assets.
- ii) (a) The inventory has been physically verified during the year by the management in our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory, The discrepancies noticed on verification between the physical inventory and the book records were not material.
- iii) (a) The Company has not granted loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of Companies Act, 1956. Accordingly, clauses (b), (c) and (d) are not applicable to the Company.
- (b) The Company has not taken any loans, secured to and from companies, firms or other parties covered in the register maintained under Section 301 of Companies Act, 1956. However the company has taken unsecured loans

in the form of fixed deposits from 9 parties covered in the register maintained under section 301 of the Companies act, 1956. The maximum amount involved during the year was Rs. 206.05 and the year end balance of loans taken from such parties Rs. 206.05 lacs.

- (c) In our opinion the rate of interest and other terms and conditions of advance are not prima facie prejudicial to the interest of the company.
- (d) The payment of the principal and interest are regular,
- (e) There are no amounts due over Rs. One lac.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed nor have been informed of any continuing failure to correct major weaknesses in internal controls.
- v) (a) According to the information and explanations given to us and in our opinion, the parties and the transactions that need to be entered into the register to be maintained under section 301 of the Companies Act have been entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements with the parties identified as above and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regards to prevailing market prices at the relevant time. However, in respect of certain transactions including for purchases and sale of goods, prevailing market prices at the relevant time are not available as these transactions are of special nature.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations provided to us, no order has been passed by the Company Law Board or National Company law Tribunal or Reserve Bank of India or any other court or tribunal in respect of the aforesaid deposits.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of the products were, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) (a) As per the information and explanations given to us and as per the records of the Company examined, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident

fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, there are no dues which are not deposited on account of dispute in respect of, wealth tax, Sales tax, excise, service tax, customs duty and cess were in arrears, as at March 31, 2012 for period of more than six months from the date they became payable.
- x) The Company does not have accumulated cash losses at the end of the financial year. The company has not incurred cash losses during the financial year under audit or during the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to Chit Fund/ Nidhi/mutual benefits fund/societies are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) As per the information and explanations offered to us and the records examined by us, guarantee is given by the Company to HDFC Bank on behalf of its employees. The terms and conditions are not prejudicial to the interest of the company.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) The Company has not issued any debentures during the year under audit.
- xx) The Company has not raised any money through public issue during the year under audit.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **M. B. Agrawal & Co.**
Chartered Accountants
ICAI FRN 100137W

Harshal Agrawal
Partner

Place : Mumbai
Date : 9th August, 2012

Membership No.: 109438



Universal Starch-Chem Allied Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2012

			Amount in Rs.	
Particulars	Note No	As at 31.03.2012	As at 31.03.2011	
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Share Capital	2	42,000,000	42,000,000	
(b) Reserves and Surplus	3	68,032,141	96,238,681	
(2) Non-Current Liabilities				
(a) Long-term borrowings	4	284,704,482	266,472,136	
(b) Deferred tax liabilities (Net)	5	65,428,654	69,673,491	
(3) Current Liabilities				
(a) Short-term borrowings	6	117,130,937	108,210,125	
(b) Trade payables	7	304,100,848	174,736,905	
(c) Other current liabilities	8	36,552,941	24,864,198	
(d) Short-term provisions	9	27,072,389	29,479,423	
Total		945,022,392	811,674,959	
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets	10			
(i) Tangible assets		479,142,604	434,676,267	
(ii) Intangible assets		2,155,082	-	
(iii) Capital work-in-progress		48,649,509	7,065,241	
(b) Non-current investments	11	1,314,160	1,314,160	
(c) Long term loans and advances	12	13,219,951	13,214,951	
(2) Current assets				
(a) Inventories	13	155,022,755	126,231,178	
(b) Trade receivables	14	140,729,843	123,954,442	
(c) Cash and cash equivalents	15	24,673,909	21,415,550	
(d) Short-term loans and advances	16	79,682,603	83,050,105	
(e) Other current assets	17	431,976	753,065	
Total		945,022,392	811,674,959	
Significant Accounting Policies				
Notes on Financial Statements				
1 to 46				

As per our report of even date attached

For M.B. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
FRN 100137 W

HARSHAL AGRAWAL
PARTNER
Membership No. 109438

PLACE : MUMBAI
DATE : 09th August, 2012

FOR AND ON BEHALF OF THE BOARD

CHAIRMAN & MANAGING DIRECTOR : JITENDRASINH J. RAWAL

WHOLE TIME DIRECTORS : JAYKUMAR J. RAWAL
G.P.CHAUDHARY

COMPANY SECRETARY : Y.L.SINDHWAD

PLACE : MUMBAI
DATE : 09th August, 2012

39th Annual Report 2011-2012

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

			Amount in Rs.
Particulars	Note No	Year Ended 31.03.2012	Year Ended 31.03.2011
I. Revenue from operations	18	1,633,195,578	1,226,200,649
II. Other Income	19	13,816,100	8,091,298
III. Total Revenue (I +II)		1,647,011,678	1,234,291,947
IV. Expenses:			
Cost of materials consumed	20	1,370,790,859	964,677,175
Changes in inventories of finished goods	21	(41,869,589)	(33,363,407)
Employee benefit expense	22	65,676,263	54,851,436
Financial costs	23	41,173,541	20,389,588
Depreciation and amortization expense		41,223,823	32,941,982
Sale Of fixed Assets (Net)		—	707,752
Other expenses	24	202,462,978	152,967,676
Total Expenses		1,679,457,875	1,193,172,202
V. Profit before tax	(III - IV)	(32,446,197)	41,119,745
VI. Tax expenses:			
(1) Current tax		5,180	8,385,962
(2) Deferred tax		(4,244,837)	12,617,137
VII. Profit(Loss) from the period	(V - VI)	(28,206,540)	20,116,646
VIII. Earning per equity share:			
Basic & Diluted (in Rs.)		(6.72)	4.79
Significant Accounting Policies	1 to 46		
Notes on Financial Statements			

As per our report of even date attached

For M.B. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
FRN 100137 W

HARSHAL AGRAWAL
PARTNER
Membership No. 109438

PLACE : MUMBAI
DATE : 09th August, 2012

FOR AND ON BEHALF OF THE BOARD

**CHAIRMAN &
MANAGING DIRECTOR** : JITENDRASINH J. RAWAL

WHOLE TIME DIRECTORS : JAYKUMAR J. RAWAL
G.P.CHAUDHARY

COMPANY SECRETARY : Y.L.SINDHWAD

PLACE : MUMBAI
DATE : 09th August, 2012



Universal Starch-Chem Allied Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH'2012

		Amount in Rs.	
		Year Ended 31.03.2012	Year Ended 31.03.2011
A	NET PROFIT BEFORE TAX	(32,446,197)	41,119,745
	Depreciation	41,223,823	32,941,982
	Interest (Net)	40,277,902	17,385,936
	Dividend Income	(68,635)	(63,500)
	Fixed Assets Sold - Net	-	707,752
	Provision for Leave Encashment	3,041,409	2,182,127
		84,474,499	53,154,297
	Operating Profit before working Capital Changes	52,028,302	94,274,042
	ADJUSTMENT FOR :		
	Trade and Other Receivable	(13,091,810)	(34,113,615)
	Inventories	(28,791,577)	(30,884,146)
	Trade Payable Creditors	128,791,665	16,528,679
		86,908,278	(48,469,082)
		138,936,580	45,804,960
	CASH GENERATED FROM OPERATIONS		
	Dividend Received	68,635	63,500
	Interest Received	895,639	1,275,370
	Interest Paid	(41,173,541)	(18,661,306)
	Direct Taxes Paid	(681,345)	(421,833)
		(40,890,612)	(17,744,269)
	NET CASH FROM OPERATIONS ACTIVITIES (A)	98,045,968	28,060,691
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(129,429,509)	(56,999,079)
	Sale/Adj. of Fixed Assets	-	-
	Purchase / Sale of Investment	-	622,222
	NET CASH USED IN INVESTING ACTIVITIES (B)	(129,429,509)	(56,376,857)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Long Term Borrowing	38,841,900	23,042,083
	Dividend Paid	(4,200,000)	(2,100,000)
	NET CASH USED FINANCING ACTIVITIES (C)	34,641,900	20,942,083
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	3,258,359	(7,374,083)
	OPENING CASH AND CASH EQUIVALENTS	21,415,550	28,789,633
	CLOSING CASH AND CASH EQUIVALENTS	24,673,909	21,415,550
	NET INCREASE IN CASH AND CASH EQUIVALENTS	3,258,359	(7,374,083)

For and on behalf of the Board

PLACE : MUMBAI
DATE : 09 th August, 2012

JITENDRASINH J. RAWAL
(CHAIRMAN & MANAGING DIRECTOR)

■ AUDITORS CERTIFICATE ■

The Board of Directors,
UNIVERSAL STARCH-CHEM ALLIED LTD.

We have examined the attached Cash Flow Statement of UNIVERSAL STARCH-CHEM ALLIED LTD. For the year ended 31st March'2012. The Statement has been prepared by the Company in accordance with the requirements of Clause No. 32 of the Company's Listing Agreement with the Mumbai Stock Exchange. The Statement is based on and is derived from the Profit and Loss Statement and the Balance Sheet of the Company for the year ended 31st March'2012 covered by our report of even date to the Members of the Company.

For and on behalf of
M.B. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
FRN 100137 W

HARSHAL AGRAWAL
PARTNER
Membership No. 109438

PLACE : MUMBAI
DATE : 09 th August, 2012

NOTE 1

1) SIGNIFICANT ACCOUNTING POLICIES

- The Company follows the accrual system of accounting. Financial Statements are prepared under historical cost convention, in accordance with the Accounting Standard as specified in the Companies (Accounting Standard) Rules 2006.
- The preparation of financial statements requires the company to make estimates and assumptions relating to contingent liabilities, provisions for doubtful debts and advances, employee retirement benefit obligations, provision for income tax, impairment of assets and useful lives of fixed assets.
- Fixed Assets are stated at Historical Cost less accumulated depreciation. Cost includes the purchase price and all other attributable cost incurred for bringing the assets to its working condition for intended use.
- Depreciation in Fixed Assets has been provided on straight line method in the manner and at the rates prescribed in Scheduled XIV of the Companies Act, 1956. Assets individually costing less than Rs.5,000/- are fully depreciated in the year of acquisition.
- The Investments are valued at cost.
- Sales are recognized when goods are dispatched in accordance with the terms of sale. Sales are recorded net of trade discount, rebates and Sales Tax Collected. Sales includes trading sales also. Insurance Claims, Subsidy and Govt. Grants are recognized when there is a reasonable assurance that the same shall be received.
- Interest income is recognized on a time proportion basis, taking into account the amount outstanding and rate applicable.
- Inventory Valuation: Raw materials, stores and spares and trading goods are valued at cost. The cost of Inventories comprise of all cost of purchase and other cost incurred in bringing inventories to their present location. Stock in process are valued on the basis of cost of raw material plus conversion and other cost incurred. Finished goods are valued at lower of cost or net realizable value. Cost of inventories are worked out using FIFO method. The cost of stock in process and finished goods are determined on absorption costing method based on average cost of production.
- Foreign currency transaction are accounted for at the rates prevailing on the date of transaction. Monetary items denominated in foreign Currency at the end of the year are restated at the year end rates.
- Revenue expenditure pertaining to Research and Development is charged to Profit and Loss Statement. Capital expenditure on Research & Development is Capitalized and depreciation is provided thereon as per the Company's policy.
- Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.
- Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets till the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.
- At each balance sheet date where there is an indication that an asset/ cash generating unit is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount.
- Government Grants : Government and other grants received relating to depreciable fixed assets are adjusted with the cost of the fixed assets in the year of receipts. Grants relating to non depreciable assets in the capital nature are credited to Capital Reserve. Revenue grants are shown as "Income" in the Profit & Loss Statement.
- Income from Windmill:
Units generated from windmills are adjusted against the consumption of power at our plant. The monetary value of the units so adjusted, calculated at the prevailing EB rates net of wheeling charges, have been included in power and fuel. The value of unadjusted units as on the Balance-sheet date has been included under loans and advances.

NOTE 2 A

SHARE CAPITAL

	As at 31 March 2012		As at 31 March 2011	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares Of Rs. 10/- Each	6,000,000	60,000,000	6,000,000	60,000,000
Issued, Subscribed & Paid up				
Equity Shares of Rs. 10/- each fully Paid	4,200,000	42,000,000	4,200,000	42,000,000
Total	4,200,000	42,000,000	4,200,000	42,000,000

NOTE 2 B

PARTICULARS

	As at 31 March 2012		As at 31 March 2011	
	Equity Shares Number	Rs.	Equity Shares Number	Rs.
Shares outstanding at the beginning of the year	4,200,000	42,000,000	4,200,000	42,000,000
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	4,200,000	42,000,000	4,200,000	42,000,000

NOTE 2 C

NAME OF SHAREHOLDER	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jitendrasinh J.Rawal	595,667	14.18	564,500	13.44
Jaydeosinh J.Rawal	388,567	9.25	357,400	8.51
Nayankumar J.Rawal	323,300	7.70	289,700	6.90
Pancharatna J.Rawal	238,700	5.68	227,700	5.42



NOTE 3

RESERVES & SURPLUS	As at 31 March 2012 Rs.	As at 31 March 2011 Rs.
Capital Reserves	74,000	74,000
Share Premium Account	16,000,000	16,000,000
General Reserve		
Opening Balance	13,681,400	11,181,400
(+) Current Year Transfer	—	2,500,000
Closing Balance	13,681,400	13,681,400
Profit and loss Account		
Opening balance	66,483,281	53,812,978
(-)/ (+) Net Loss /(Net Profit) For the current year	(28,206,540)	12,735,303
(-) Excess Provision of Income Tax	—	65,000
Closing Balance	38,276,741	66,483,281
Total	68,032,141	96,238,681

NOTE 4

LONG TERM BORROWINGS

Secured

Loans from Banks

Term Loan

The Shamrao Vitthal Co-op Bank Ltd. *

Union Bank Of India Dondaicha **

Hire Purchase Loan

H.D.F.C. Bank Ltd.

(Hypothication of respective Car)

Unsecured

Fixed Deposits

From Directors

From Others

Interest Accrued and Due

Deferred Payment Liabilities - Sales tax

Advances / Deposit From Agents

Loans and advances from related parties

Loan From Director

162,481,315	154,805,269
503,617	635,687
2,252,788	—
165,237,720	155,440,956
2,690,000	969,000
6,629,000	1,247,000
77,531	10,061
93,223,603	102,483,820
7,293,299	6,321,299
9,553,329	—
119,466,762	111,031,180
Total	284,704,482

The Shamrao Vitthal Co-op Bank Ltd:- Term Loan *

Secured by First pari-pasu charge on the company's fixed assets, other movable and all other similar assets acquired and installed and irrevocable joint and several personal guarantees of some of the Directors.

Union Bank of India, Dondaicha :- Term Loan **

Secured against Horticulture Machinery only .

	(Rs.in Lacs)	
Maturity Profile of Fixed Deposits and Sales Tax Defferal are as follows:	Fixed Deposit	Sales Tax
2012-13	75.01	92.60
2013-14	19.99	73.79
2014-15	73.20	85.78

NOTE 5

DEFERRED TAX LIABILITY

Opening Balance	69,673,491	57,056,354
Add: Current Deferred Tax Liability	(4,244,837)	12,617,137
Closing Balance	65,428,654	69,673,491

NOTE 6

SHORT TERM BORROWINGS

	As at 31 March 2012 Rs.	As at 31 March 2011 Rs.
Secured		
Loans Repayable On Demand		
Cash Credit Loan **		
The Shamrao Vitthal Co-op Bank Ltd.	92,718,319	55,718,952
Pledge Loan against Maize Purchase		
The Shamrao Vitthal Co-op Bank Ltd.	14,546,703	15,717,943
H.D.F.C. Bank Ltd.	—	16,903,757
The Jalana People Co-op Bank Ltd.	—	10,152,723
	<u>107,265,022</u>	<u>98,493,375</u>
Unsecured		
Loans Repayable On Demand		
Deferred Payment Liabilities - Sales Tax	9,260,217	9,428,474
Temporary Book Over Draft	605,698	288,276
	<u>9,865,915</u>	<u>9,716,750</u>
Total	<u>117,130,937</u>	<u>108,210,125</u>

The Shamrao Vitthal Co-op Bank Ltd:- Cash Credit **

Secured by hypothecation of raw materials, work-in-progress, finished goods, book debts, stores and spare parts and irrevocable joint and several personal guarantees of some of the Directors, and second charge on fixed assets of the company.

NOTE 7

TRADE PAYABLES

Sundry Creditors		
Sundry Creditors for goods-Direct	225,846,667	141,867,563
Sundry Creditors for Fixed Assets -Against Accepted L.C.	21,699,875	—
Sundry Creditors for Fixed Assets	24,437,661	4,774,176
Sundry Creditors for Expenses	22,280,887	10,518,337
Advances from Customers	9,835,758	17,576,829
Total	<u>304,100,848</u>	<u>174,736,905</u>

NOTE 8

OTHER CURRENT LIABILITIES

Current Maturities of long-term debt		
Term Loan - The Shamrao Vitthal Co-Op Bank Ltd.	18,049,638	7,232,992
Term Loan - Union Bank Of India Dondaicha	75,125	—
Hire Purchases - H.D.F.C. Bank Ltd.	557,328	—
Other Liabilities	5,521,050	8,716,755
Salary & Reimbursements	3,719,573	2,815,154
Interest Accrued But Not Due on Fixed Deposits	647,642	935,567
Fixed Deposits (Others)	7,500,800	4,451,000
Unclaimed Dividend	481,785	712,730
Total	<u>36,552,941</u>	<u>24,864,198</u>

NOTE 9

SHORT TERM PROVISIONS

Provision for		
Taxation \$\$	17,240,372	17,235,192
Leave Encashment Payable	9,832,017	7,362,886
Corporate Tax On Dividend	—	681,345
Proposed Dividend	—	4,200,000
Total	<u>27,072,389</u>	<u>29,479,423</u>

\$\$ Includes Provisions for Wealth Tax Rs.0.05 Lacs (previous year 0.24 Lacs)



NOTE 10

Sr. No.	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
		Balance as at 1 April 2011	Additions / (Deletions)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation for the year	Balance as at 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011
A	Tangible Assets								
	Land	4,684,785	-	4,684,785	-	-	-	4,684,785	4,684,785
	Buildings	52,418,106	5,066,444	57,484,550	19,159,923	1,472,381	20,632,304	36,852,246	33,258,182
	Plant and Equipment	652,789,880	74,868,979	727,658,859	268,136,310	37,363,220	305,499,530	422,159,329	384,653,610
	Furniture and Fixtures	2,308,591	96,787	2,405,378	1,687,186	83,742	1,770,928	634,450	621,425
	Vehicles	7,881,356	4,448,931	12,330,287	5,173,504	677,183	5,850,687	6,479,600	2,707,850
	Office equipment	5,106,597	172,450	5,279,047	2,267,411	227,491	2,494,902	2,784,145	2,839,185
	Computers	10,688,640	163,433	10,852,073	4,808,818	524,756	5,333,574	5,518,499	5,879,766
	Paddle Boat	57,326	-	57,326	25,861	1,915	27,776	29,550	31,464
	Total	735,935,281	84,817,024	820,752,305	301,259,069	40,350,688	341,609,701	479,142,604	434,676,267
B	Intangible Assets								
	SAP Software & Licence	-	3,028,217	3,028,217	-	873,135	873,135	2,155,082	-
	Total	-	3,028,217	3,028,217	-	873,135	873,135	2,155,082	-
C	Capital Work In Progress								
	Building Under Construction	-	7,913,115	7,913,115	-	-	-	7,913,115	233,017
	Plant & Machinery Under Instalation	-	40,736,394	40,736,394	-	-	-	40,736,394	6,832,224
	Total	-	48,649,509	48,649,509	-	-	-	48,649,509	7,065,241
	Total	735,935,281	136,494,750	872,430,031	301,259,069	41,223,823	342,482,836	529,947,195	441,741,508
	Previous Year's Total	586,087,204	149,848,076	735,935,280	268,317,031	32,941,982	301,259,013	441,741,508	

NOTE 11

NON CURRENT INVESTMENT

	As at 31 March 2012 Rs.	As at 31 March 2011 Rs.
Long term trade Investments (unquoted, At cost, fully paid up)		
Trade Investment		
Investment In Equity Shares		
1,000 Shares of Rs.50 each in The Dadasaheb Rawal Co-op Bank of Dondaicha Ltd., Dondaicha	50,000	50,000
10 Shares of Rs.50 each in Indira Sahakari Bank Ltd., Dhule	500	500
20,000 Shares of Rs.25 each in The Shamrao Vithal Co-op Bank Ltd., Mumbai	500,000	500,000
25 Shares of Rs.10 each in Cidco Limited	260	260
86,400 Shares of Rs.10 each in Unique Sugars Limited (including 14400 Bonus Shares)	720,000	720,000
1 Secured Redeemable Non Convertible Bond 14% (Taxable) of Rs. 1000/-each fully paid up of (first series 1986) Maharashtra Telephone Nigam Ltd.	1,000	1,000
Non Trade Investment		
2 National Saving Certificate	2,000	2,000
Quoted Non-Trade		
60 Equity shares of Rs.10/- each in 60 Equity shares of Rs.10/- each (Bonus) in Glaxo SmithKline Pharma Limited (M.V. Rs. 274896/-) (Previous year Rs.251334/-)	1,400	1,400
1300 Equity Shares of Rs.13/- each in Dena Bank (M.V. Rs. 117000/-) (Previous year Rs.135525/-)	39,000	39,000
Total	1,314,160	1,314,160
Particulars	2011-2012 Rs.	2010-2011 Rs.
Aggregate amount of quoted investments	391,896	386,859
Aggregate amount of unquoted investments	1,273,760	1,273,760

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NOTE 12

LONG TERM LOANS AND ADVANCES

	As at 31 March 2012 Rs.	As at 31 March 2011 Rs.
Security Deposits		
Unsecured, considered good Deposits	13,219,951	13,214,951
Total	13,219,951	13,214,951

NOTE 13

INVENTORIES

Raw Materials and components (Valued at cost)	29,714,973	56,261,955
Finished goods (Valued at Cost)	82,177,767	40,194,520
Process Stock (Valued at Cost)	13,445,055	13,558,714
Stores and spares (Valued at Cost)	28,695,186	15,598,205
Trading Goods	989,774	617,784
Total	155,022,755	126,231,178

NOTE 14

TRADE RECEIVABLES

Sundry Debtors

(Unsecured, considered good)		
Debt outstanding for the period exceeding Six Months	12,491,309	11,846,651
Other Debts	130,561,119	114,430,377
	143,052,428	126,277,028
Less:-Provision For Doubtful Debts	2,322,585	2,322,586
Total	140,729,843	123,954,442

NOTE 15

CASH AND CASH EQUIVALENT

Cash and Cash Equivalent

i) Cash in hand	724,665	649,598
ii) Balance with Banks		
- Current account with Scheduled Bank *	6,354,681	5,721,185
- Current account with Other Bank	604,011	604,011
	7,683,357	6,974,794
Fixed Deposits		
- With Scheduled Banks **	14,719,247	11,765,905
- With Other Banks	1,296,585	1,296,585
- Accrued Interest on FDR	974,720	1,378,266
	16,990,552	14,440,756
Total	24,673,909	21,415,550

* Balance with Banks includes Unclaimed Dividend of Rs. 4.82 Lacs (Previous year Rs.7.13 Lacs)

** Fixed deposits with Banks includes Deposits of Rs. 45.05 Lacs (Previous year Rs.71.09 Lacs) With Maturity of more than 12 Month.

NOTE 16

SHORT TERM LOANS AND ADVANCES

Other loans and advances

Unsecured, Considered Good		
Capital Advances	4,605,281	9,031,054
Advances to Suppliers	53,561,813	58,281,611
Advances to Workmen	146,756	126,714
Prepaid Expenses	2,654,967	1,954,506
TDS Payments Includes Advance Tax	18,713,786	13,656,220
Total	79,682,603	83,050,105

NOTE 17

OTHER CURRENT ASSETS

Balance with Customs, Excise & Service Tax Etc.	431,976	753,065
Total	431,976	753,065



NOTE 18

REVENUE FROM OPERATION	Year Ended 31.03.2012 Rs.	Year Ended 31.03.2011 Rs.
Income from Sale of Goods	1,652,580,027	1,235,421,634
Job Work Charges	62,336,405	47,401,575
Less : Excise Duty	81,720,854	56,622,560
Total	1,633,195,578	1,226,200,649

NOTE 19

OTHER INCOME

Interest	895,639	1,275,370
Dividends (Gross)	68,635	63,500
Rent	330,368	419,353
Exchange Gain	1,390,791	—
Other Income	11,130,667	6,333,075
Total	13,816,100	8,091,298

NOTE 20

COST OF MATERIAL CONSUMED

Raw Material	1,191,294,663	812,762,256
Stores	38,054,554	37,183,679
Chemical	21,912,243	15,799,940
Coal and Fuel	119,529,399	98,931,300
Total	1,370,790,859	964,677,175

NOTE 21

CHANGES IN INVENTORIES

Closing Stock		
Finished goods	82,177,768	40,194,520
Process Stock	13,445,055	13,558,714
	95,622,823	53,753,234
Less : Opening Stock		
Finished goods	40,194,520	12,454,023
Process Stock	13,558,714	7,935,804
	53,753,234	20,389,827
Total	(41,869,589)	(33,363,407)

NOTE 22

EMPLOYEE BENEFIT EXPENSES

Salaries & Wages

Wages to Workers	38,375,310	32,534,830
Salary to Staff	19,067,719	14,508,128
Bonus	1,784,007	1,474,170
Gratuity	2,903,280	3,064,298
Employer's Contribution to P.F.	2,480,605	2,022,562
Staff & Labour Welfare & Medical Benefit	1,065,342	1,247,448
Total	65,676,263	54,851,436

NOTE 23

FINANCIAL COST

Bank Interest

Interest to Bank	14,262,539	6,191,831
Interest - Term Loan	23,563,643	11,712,323
Interest On Car Loan	267,597	16,320
Interest On Fixed Deposits	1,197,038	740,832
Bank Charges	1,882,724	1,728,282
Total	41,173,541	20,389,588

NOTE 24

OTHER EXPENSES	Year Ended 31.03.2012 Rs.	Year Ended 31.03.2011 Rs.
A. Manufacturing & Operating Expenses		
Repair & Maintenance		
Factory Building	1,317,119	514,636
Plant and Machinery	4,497,253	2,725,747
Other Assets	274,266	125,828
	6,088,638	3,366,211
Trading Purchases	26,939,307	19,853,979
Power & Water Charges	57,083,461	43,194,989
Total Manufacturing & Operating Expenses	90,111,406	66,415,179
B. Administration Expenses		
Membership & Subscription	535,851	910,497
Telephone	1,060,690	967,726
Printing & Stationery	286,703	308,799
Conveyance & Travelling	4,454,585	5,116,351
Legal, Professional Charges	689,584	699,988
Insurance	3,584,186	3,568,084
Vehicle Expenses	6,805,686	2,529,073
Rent, Rates & Taxes	4,466,304	5,703,572
Research & Development Expenses	2,686,502	1,009,799
Audit Remuneration	286,637	162,778
Director's Remuneration	8,078,771	5,980,874
Director's Meeting Fees	101,000	115,500
Donation	1,112,073	216,300
Books & Periodicals	95,362	108,205
Service Charges	3,220,983	3,931,855
Wheeling Charges	873,233	1,164,016
Guarantee Fees (Director)	—	2,009,809
Advances Written Off	—	795,000
Postage & Telegram	230,051	172,462
General Expenses	6,958,330	5,497,712
Total Administrative Expenses	45,526,531	40,968,400
C. Selling & Distribution Expenses		
Advertisement	471,706	369,567
Commission & Brokerage	1,024,290	1,020,277
Sales Tax & Excise Duty Paid	2,037,639	822,904
Packing Expenses	45,797,699	35,022,764
Transport Outward	17,485,737	8,332,565
Octroi Duty	7,970	16,020
Total Selling Expenses	66,825,041	45,584,097
Total Other Expenses	202,462,978	152,967,676

NOTE 25

CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 34.46 Lakhs (Previous year Rs.169.04 Lakhs).
- Bills Discounted with Bankers are Rs. 2.08 Lakhs (Previous year Rs.5.24 Lakhs). Since realised Rs. 2.08 Lakhs.
- Company has given guarantee to H.D.F.C. Ltd. for Rs.50.00 Lakhs (Previous year Rs.50.00 Lakhs) on behalf of employees of the Company, for Construction of there residential flats.

NOTE 26

- The Sales Tax Assessment has been completed upto financial year 2004-2005. The Company does not expect any substantial demand in respect of subsequent years.
- The Income Tax Assessment has been completed upto the Assessment year 2009-2010. The Company does not expect any substantial liability for the subsequent years.

NOTE 27

REMUNERATION TO THE EXECUTIVE DIRECTORS	2011-2012 Rs.	2010-2011 Rs.
a) Salary	7,308,719	5,422,674
b) P.F. Contribution	770,052	558,200
c) Perquisites	14,250	162,446
	8,093,021	6,143,320

Due to inadequacy of profits no commission is paid to the Directors.



Universal Starch-Chem Allied Ltd.

NOTE 28

Traveling Expenses include Rs.8.23 Lakhs (Previous year Rs.4.85 Lakhs).incurred on traveling by the Directors. Above amount includes expenses for foreign travel amounting to Rs. 2.27 Lakhs (Previous year Rs.Nil).

NOTE 29

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value at least equal to the amount at which they are stated if realized, in the ordinary course of business.

NOTE 30

DETAILS OF BALANCES LYING WITH BANKS OTHER THAN SCHEDULED BANKS.	Balance Outstanding	Maximum Balance
The Dadasaheb Rawal Co-operative Bank of Dondaicha Ltd., Dondaicha Current Account, Dondaicha	586,438 (586,438)	586,438 (586,438)
Current Account, Dondaicha (Diesel Pump)	367 (367)	367 (367)
Dividend Account, Dondaicha	1,000 (1,000)	1,000 (1,000)
Current Account, Dhule	8,959 (8,959)	8,959 (8,959)
Current Account, Navi Mumbai	4,055 (4,055)	4,055 (4,055)
Fixed Deposits	1,588,792 (1,588,792)	1,588,792 (1,588,792)
Indira Sahakari Co-op Bank Ltd., Dhule Current Account	3,193 (3,193)	3,193 (3,193)

(Shri Jaydeosinh J. Rawal Director is Chairman of The D.R.Co-op Bank of Dondaicha Ltd.Dondaicha Shri Jitendrasinh J. Rawal is relative of above Director).

NOTE 31

The identification of suppliers as Micro and Small Enterprises covered under the "Micro, Small and Medium Enterprises Development Act,2006" was not done as no suppliers has provided the required information.

NOTE 32

The Company is primarily engaged in the business of Manufacturing of Maize Products. Since the inherent nature of these activities are governed by the same set of risks and returns, these have been grouped as a single segment in the above disclosures. The said treatment is in accordance with the guiding principle enunciated in the Accounting Standard on "Segment Reporting (As-17)". The other activities (mainly for captive consumption of the Company where risks and returns are not similar to that of the main activity are Diesel Pump and Power Generation. These activities although can be termed as business segments, are not reported separately above as they are not reportable segments as defined under the Accounting Standard (AS-17) for segment reporting.

NOTE 33

Operating Lease : The Company has taken land for Wind under operating lease for a period of 30 years. The lease agreement are normally renewed on expiry.

NOTE 34

MAJOR COMPONENTS OF DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Particulars	Balance AS AT 31.03.2011 Rs.	Arising during the year Rs.	Balance carried AS AT 31.03.2012 Rs.
Deferred Tax Liabilities			
on account of timing difference in Depreciation	77,954,139	826,116	78,780,255
Total	77,954,139	826,116	78,780,255
Deferred Tax Assets			
on account of timing difference in			
(a) Unabsorbed Depreciation	5,957,733	4,115,545	10,073,278
(b) Provision for doubtful debts	995,570	0	995,570
(c) Leave encashment (Net)	1,325,693	801,233	2,126,926
(d) Inventory Valuation (Net)	1,652	154,175	155,827
Total	8,280,648	5,070,953	13,351,601
Net Deferred Tax Liability / (Assets)	69,673,491	(4,244,837)	65,428,654

NOTE 35

EARNING PER SHARE (EPS)

	2011-2012	2010-2011
The basic and Diluted EPS is calculated as under :		
Profit attributed to Equity Shareholders (After Tax)	(28,206,540)	20,116,646
No. of equity shares (of Rs.10 each)	4,200,000	4,200,000
Earning per Share	(6.72)	4.79

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NOTE 36

PAYMENT TO AUDITORS

	2011-2012	2010-2011
Audit Fees	132,360	82,725
Certification Fees	4,964	—
Others	165,858	133,561

NOTE 37

EMPLOYEE BENEFITS

- (a) Defined Contribution Plan Employee Benefits in the form of employee state insurance and provident fund are considered as defined contribution plan and contribution are charged to the Profit and Loss A/c for the year when the contribution to the respective funds are due.
- (b) Defined Benefits Plan:
- (i) Gratuity
The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn) for each completed year of service. The Scheme is funded with Insurance Corporation in the form of qualifying insurance policy with premium determined through actuarial valuation.
- (ii) Leave Wages
The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age. The computation is made on the basis of actual leave outstanding of the employee on the valuation date.

	Rs. In Lacs	
	Defined Benefit Plan	
	(Unfunded) Current Year (Rs.)	(Unfunded) Previous Year (Rs.)
Change in the present value of obligations :		
Liability at beginning of year	89.41	78.18
Interest Cost	6.25	6.25
Current Service Cost	6.25	4.01
Past Service Cost	—	—
Benefits Paid	(19.19)	(17.16)
Actuarial (Gain) / loss on obligations	9.89	18.13
Liability at the end of the year	92.61	89.41
Fair value of plan assets :		
Fair value of plan assets at the beginning of the year	49.36	61.89
Expected return on plan assets	6.30	4.28
Contributions	55.04	0.35
Benefits Paid	(19.19)	(17.16)
Actuarial (Gain) / loss plan assets	—	—
Fair value of plant assets at the end of the year	91.51	49.36
Total Actuarial gain / (loss) to be recognized:	—	—
Balance Sheet Recognition :		
Present value of obligation	92.61	89.41
Fair value of plan assets	91.51	49.36
Liability / (Assets)	—	—
Unrecognized past service cost	—	—
Liability / (Assets) recognized in the Balance Sheet	1.10	40.05
Expenses recognized in the Profit and Loss account:		
Current service cost	6.25	4.01
Interest Cost	6.25	6.25
Expected return on plan assets	(6.30)	(4.28)
Net actuarial gain / (loss) recognized in the year	21.11	18.13
Past Service Cost	—	—
Expenses recognized in the statement of Profit and Loss	27.31	24.11
Actuarial assumptions:		
Discount rate p.a.	—	—
Expected return on plan assets	—	—
Mortality	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
Future Salary increases p.a.	—	—
Retirement	58 years	58 years

NOTE 38

DISCLOSURE OF RELATED PARTIES / RELATED PARTY TRANSACTIONS

- i) List of Associates
Unique Sugars Ltd., Jaychandra Agro Industries Pvt.Ltd., Rawal Agro Chem Industries Pvt.Ltd., Kreative (Export & Import) Pvt. Ltd., Toranmal Hill Resorts Pvt.Ltd., Rawal Trading Enterprises Pvt.Ltd., Jaysinha Financing Pvt.Ltd., J.J.Agro Farms & Foods and J.J.Agro Farms & Aquaculture.
- ii) Key Management Personnel & their relatives :
- | | |
|--|------------------------------|
| 1. Mr. Jitendrasinh Jaysinh Rawal | Chairman & Managing Director |
| Mrs. Nayankunwar Jitendrasinh Rawal (Wife) | |
| Mr. Jaykumar Jitendrasinh Rawal (Son) | Director |
| 2. Mr. Jaydeosinh Jaysinh Rawal | Director |
| Mrs. Binankunwar Jaydeosinh Rawal (Wife) | |
| Mr. Rishikesh Jaydeosinh Rawal (Son) | |
| Mr. Vikrant Jaydeosinh Rawal (Son) | Director |
| 3. Mr. Gulabsing Pauladsing Chaudhary | Director |



Universal Starch-Chem Allied Ltd.

NOTE 39

DISCLOSURE OF RELATED PARTY TRANSACTIONS :		2011-2012 (Rs.)				2010-2011 (Rs.)
Sr. No.	Nature of relationship / Transactions	Key Management Personnel	Relatives	Associates	Total	Total
1	Purchase of Goods	—	—	110,559	110,559	78,731
2	Sales of Goods / Contract revenue	—	—	147,146,606	147,146,606	88,584,672
3	Processing Charges Received	—	—	62,336,405	62,336,405	47,401,575
4	Guarantee Commission	—	—	—	—	2,009,809
5	Interest on Fixed Deposit	123,722	659,917	—	783,639	543,492
6	Rent	323,675	—	238,000	561,675	496,347
7	Rent Received	—	—	10,000	10,000	20,000
8	Trade Receivable	—	—	40,149,249	40,149,249	10,912,393
9	Trade Payable	—	—	3,149,439	3,149,439	15,850,853
10	Remuneration paid to Directors Refer Note No. 27	8,093,021	—	—	8,093,021	6,143,320
		—	—	—	—	—

NOTE 40

LOANS AND ADVANCES (DEPOSITS) TO ASSOCIATES AS PER CLAUSE 32 OF THE LISTING AGREEMENT.

Sr. No.	Name of the associates	Current Year	Previous Year
01)	Kreative (Export & Import) Pvt.Ltd.	35.00 Lacs	35.00 Lacs
02)	Rawal Trading Enterprises Pvt.Ltd.	18.50 Lacs	18.50 Lacs
03)	Jaychandra Agro Industries Pvt.Ltd.	3.00 Lacs	3.00 Lacs

NOTE 41

VALUE OF CAPITAL GOODS IMPORTED

(calculated on CIF basis)

395.94 Lacs 6.90 Lacs

Note 42

CONSUMPTION OF RAW MATERIALS

Spare Parts & Components

i) Imported	—	—	—	—
ii) Indigenous	100	1,416,588,557	100	999,699,940
	100	1,416,588,557	100	999,699,940

NOTE 43

EXPENDITURE IN FOREIGN CURRENCY

2.57 Lacs 8.07 Lacs

NOTE 44

REMITTANCES IN FOREIGN EXCHANGE

for Capital goods

395.94 Lacs 7.07 Lacs

NOTE 45

EARNINGS IN FOREIGN EXCHANGE

36.35 Lacs 0.71 Lacs

NOTE 46

Figures for the previous year have been regrouped/rearranged wherever necessary.

Signature to Note 1 to 46

As per our report of even date attached

FOR AND ON BEHALF OF THE BOARD

For M.B. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
FRN 100137 W

CHAIRMAN &
MANAGING DIRECTOR : JITENDRASINH J. RAWAL

WHOLE TIME DIRECTORS : JAYKUMAR J. RAWAL
G.P.CHAUDHARY

HARSHAL AGRAWAL
PARTNER
Membership No. 109438

COMPANY SECRETARY : Y.L.SINDHWAD

PLACE: MUMBAI
DATE : 09th August, 2012

PLACE: MUMBAI
DATE : 09th August, 2012

Universal Starch-Chem Allied Ltd.

Registered Office: Mhatre Pen Building, 'B' Wing, 2nd Floor, Senapati Bapat Marg, Dadar (W), Mumbai - 400 028.

■ ATTENDANCE SLIP ■

I hereby record my present at the **Thirty Ninth** Annual General Meeting of the Company being held at Mhatre Pen Building, 'B' Wing, 2nd Floor, Senapati Bapat Marg, Dadar (W), Mumbai - 400 028 at 11.00 a.m. on Friday, 28th September, 2012.

Folio No: _____

Full Name of the Shareholder / Proxy _____

(IN BLOCK LETTERS)

Signature

Please cut here and bring the above attendance slip at the meeting.

Universal Starch-Chem Allied Ltd.

Registered Office: Mhatre Pen Building, 'B' Wing, 2nd Floor, Senapati Bapat Marg, Dadar (W), Mumbai - 400 028.

■ PROXY FORM ■

I / We _____ of _____ in
the district of _____ being a member / members
of **Universal Starch-Chem Allied Limited** hereby appoint _____
of _____ in the District of _____
failing him _____ of _____ in the
district of _____ as my / our proxy to vote for me / us on my
behalf at the **Thirty Ninth** Annual General Meeting of the Company to held at 11.00 a.m. on Friday, 28th
September, 2012 and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Signature

Affix
Re. 1/-
Revenue
Stamp

NOTE:

This Form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

"We are Eco Friendly"

Book-Post
To



If undelivered please return to:

UNIVERSAL STARCH-CHEM ALLIED LIMITED,

Mhatre Pen Building, 'B' Wing, 2nd Floor,
Senapati Bapat Marg,
Dadar (W), Mumbai - 400 028.