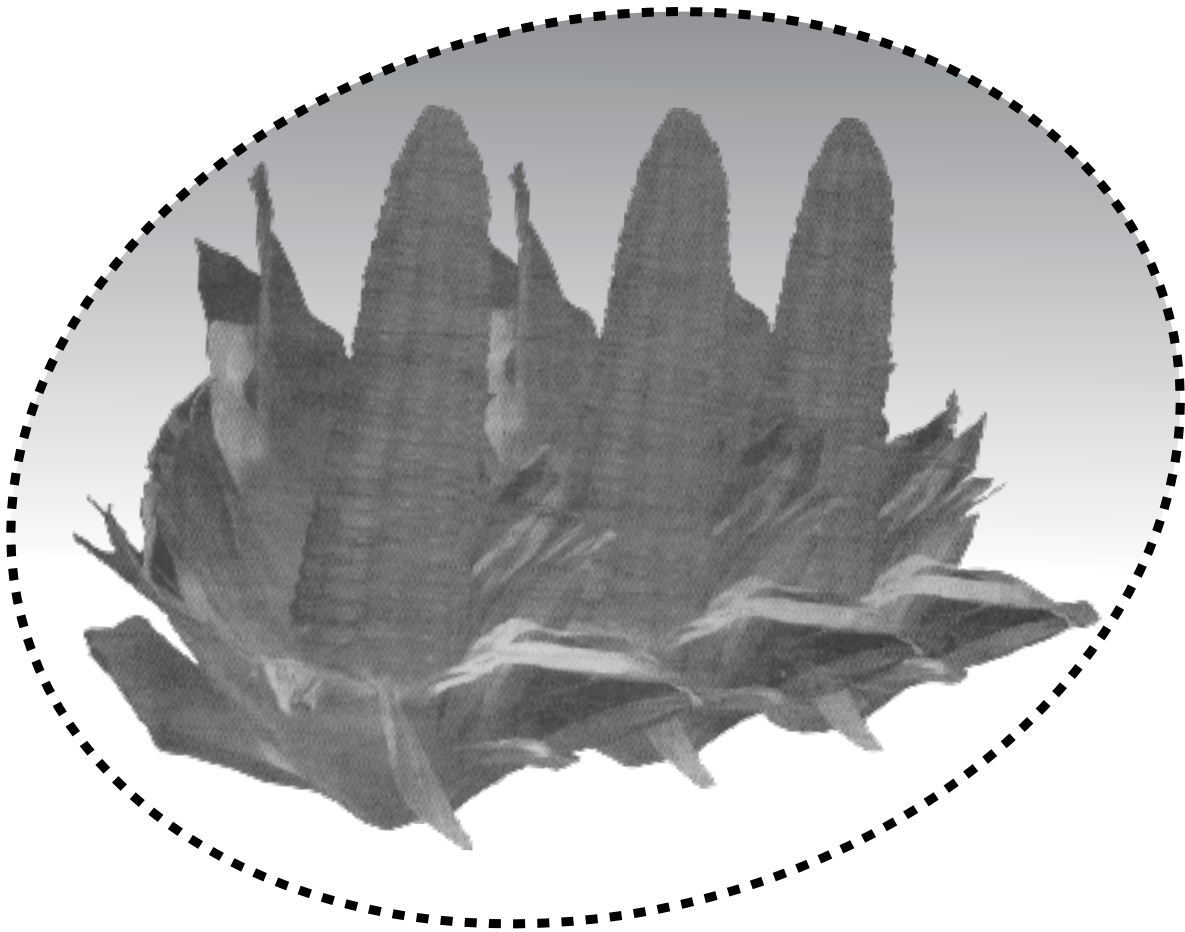




40th ANNUAL REPORT

2012 - 2013



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. 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 - India.

■ FACTORY ■

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 40TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE **UNIVERSAL STARCH - CHEM ALLIED LIMITED** WILL BE HELD ON TUESDAY, 17TH SEPTEMBER 2013 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 statement of Profit and Loss Account for the year ended 31st March 2013 and the Balance Sheet and Cash Flow Statement as on that date together with the Directors' Report and Auditors' Report attached there to.
2. To appoint a Director in place of Shri. Vikrant J. Rawal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. Bindu Madhavan 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 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 modifications, the following Resolutions as a **Special Resolutions** :-

"RESOLVED that subject to the Approval of the Central Government, consent of the company be and hereby given for waiving the recovery of a sum of Rs. 20.73 Lacs paid to Shri. Jitendrasinh J. Rawal - Chairman & Managing Director of the Company during the period from 1st April 2012 to 31st March 2013 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. G. P. Chaudhary - whole time director and/ or Mr. Y. L. Sindhwad the Company Secretary of the Company be and are hereby authorized to take necessary action in this regard"

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

Place : Mumbai.

Y.L.Sindhwad

Date: 29th May, 2013

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 07.09.2013 to 17.09.2013 (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 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 205 of the Companies Act, 1956, dividend for the financial year ended 31st March 2006 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 2006 are requested to approach the company immediately. The due date for transfer unpaid / unclaimed amount to the IEPF is 14th November 2013. 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 Vikrant J. Rawal** - Age 28 was appointed as a Non - Executive Director of the Company on 18.08.2007. He is a B. Com Graduate & his having 8 Yrs of Managerial Experience in Marketing, Production etc.

Shri Vikrant J. Rawal hold 3000 shares of the company in his name as on 31st March 2013 and he is related to Shri Jaydeosinh J. Rawal.
 - b. **Shri Bindu Madhavan** - Age 60 was appointed as a Non - Executive Independent Director of the Company on 18.08.2007. He is a Graduate in Engineering & Masters in Management from I.I.T. Kharagpur. He is having 38 Yrs of professional / Managerial experience in India & abroad of Mfg / trading organizations



**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, 2012 by members on 28th September, 2012 at the remuneration prescribed therein. During the year 2012-13 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. 20.73 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.

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

Place : Mumbai.

Y.L.Sindhwad

Date: 29th May, 2013

Company secretary

Registered Office

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

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.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 40th Annual Report of the Company along with audited statements of accounts for the year ended 31st March 2013. The summarized financial results are given below:

(₹ in Lacs)

Particulars	2012 - 2013	2011 - 2012
Sales (Gross) and Other Income	18223	17429
Profit before depreciation	130	88
Depreciation	468	412
Loss before tax	338	324
Provision for taxation Including Deferred and FBT	(102)	(42)
Loss after tax	236	282
Less Short Provision for Taxation of Previous Years	13	--
Balance brought forward	383	665
Balance Carried forward to Balance Sheet	134	383

DIVIDEND :

In view of loss during the year under review the Board of Directors do not recommend any dividend for the Financial year ended 31st March 2013.

OPERATIONAL RESULTS :

Your Company's Net Sales for the year amounting to Rs 16458 Lacs as compared to Rs. 15708 Lacs of last year. The result for the year shows Profit before Depreciation of Rs. 130 Lacs as against Rs. 88 Lacs in the previous year, however net Loss before tax is of Rs.338 Lacs as compared to Rs. 324 Lacs in the Previous Year. The increase in operational Profit was due to increase in Sales however net Loss was increased mainly on account of Depreciation.

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 Leena Agrawal & Company, Practising Company Secretaries is set out as part of the Annual Report. A Management Discussion and Analysis Report also accompanies this report.

DIRECTORS :

The Directors Shri. Vikrant J. Rawal and Shri. Bindu Madhavan retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 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 2013 and of the (loss) of the company for the year ended 31st March 2013.

- 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.
- 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 Accountants, retire at the ensuing Annual General meeting. The retiring Auditors have confirmed eligibility for reappointment. The Audit Committee recommends their reappointment.

COST AUDITOR :

Pursuant to Section 233 B of the Companies Act, 1956, the Central Government has prescribed cost audit of the company to the products produced by the company. The Board of Directors have appointed the cost auditor for the year 2012-13.

FIXED DEPOSITS :

Fixed Deposits from the public and the shareholders as on 31st March 2013 aggregated to Rs.289.35 lacs as against Rs.168.20 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 Director's Report for the year ended 31st March 2013 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,
Jitendrasinh J. Rawal
 Chairman & Managing Director

Place : Mumbai.

Date: 29th May, 2013

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 2013. 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	
			Members-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. 102.16 Lacs.

There is no remuneration package for the Non-executive directors of the Company. However sitting fees of Rs. 0.78 Lac 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	05.05.2012	7
2	09.08.2012	8
3	05.11.2012	9
4	09.02.2013	7

The attendance recorded for each of the Directors at the Board Meetings during the year ended 31st March 2013 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	4	Yes
Shri. Jaykumar J. Rawal Wholetime Director	3	No
Shri. G.P. Choudhary	4	No
Shri Jaydeosinh J. Rawal	3	No
Shri Ashok Kothary	2	No
Shri Dev Prakash Yadava	4	Yes
Shri Sarvadamansingh R. Vaghela	1	No
Shri Bindu Madhavan	4	Yes
Shri Vikrant J. Rawal	3	Yes
Shri G.K. Vishwanath	4	Yes

AUDIT COMMITTEE :

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

The present members of the committee are Shri. Dev Prakash Yadava (Independent Director), Shri. Ashok Kothary and Shri. Bindu Madhavan. The chairman of the committee is Shri. Dev Prakash Yadava who has a wide experience in finance etc.

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 2012 - 13. The dates on which the said meetings were held on 5th May, 2012, 9th August, 2012, 5th November, 2012 & 9th February, 2013. The attendance of each Audit Committee member is given below :

Name of the Audit Committee Member	No. of meetings attended
Shri Ashok Kothary	2
Shri Dev Prakash Yadava	4
Shri Bindu Madhavan	4

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 twelve 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
2011-2012	28th September, 2012	11.00 A.M.	B-wing, Mhatre pen Building, Senapati Bapat Marg, Dadar (West) Mumbai - 28
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

SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETING:

Meeting	Subject matter of Special Resolution
39th Annual General Meeting	(I) Waiver Of Excess Managerial Remuneration to Shri Jitendrasinh J. Rawal, Chairman & Managing Director. (ii) Re-Appointment of Mr. Jitendrasinh J. Rawal as Chairman & Managing Director For A Further Period of Three Years W.E.F. 1st October 2012
38th Annual General Meeting	(i) Re-appointment of Jaykumar J. Rawal for 3 years (ii) Increase in remuneraton of Shri Jitendrasinh J. Rawal - Chairman and Managing Director.
37th Annual General Meeting	NIL

The Company has not passed any resolution through Postal ballot during the financial year 2012 - 13 & 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	17th September 2013 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 :	07th September 2013 on 17th September 2013 (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. INE1 3E01015
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 2013.

No. of Shares	Shareholders		No. of Shares	
	Number of Holders	% of holders	Number	%
Upto - 100	1272	52.84	116614	2.78
101 - 200	414	17.20	81161	1.93
201 - 500	386	16.03	145909	3.47
501 - 1000	128	5.32	111646	2.66
1001 - 5000	115	4.78	282370	6.72
5001 - 10000	32	1.33	227683	5.42
10001 - 100000	50	2.08	1843751	43.90
100001 to above	10	0.42	1390866	33.12
Total	2407	100.00	4200000	100.00

PATTERN OF SHAREHOLDING AS ON 31.03.2013

Sr.No.	Category	Percentage
A	Promoters Holding	
	Indian Promoters	53.64
	Foreign Promoters	
	Persons acting in concert	00.98
	Sub Total	54.62
B	Non Promoters Holding	
	Private Corporate Bodies	3.69
	Indian Public	41.34
	NRI'S	0.35
	Others	0
	Sub Total	45.38
	Grand Total	100.00

Dematerializations of Equity Shares as on 31.03.2013

1) Dematerialization Form No. of	No. of Shareholders	No. of Shares	%
NSDL	470	447748	10.661
CSDL	261	326448	7.772
	731	774196	18.433
2) Physical Form	1694	3425804	81.567
	2425	4200000	100.00

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 2012 –2013 are as under :

Month	Quotations at Mumbai Stock Exchange	
	High (Rs.)	Low (Rs.)
April – 2012	16.65	14.40
May – 2012	16.50	13.40
June – 2012	15.43	13.10
July – 2012	17.72	13.33
August – 2012	17.35	15.80
September – 2012	21.25	15.50
October – 2012	24.75	19.20
November – 2012	27.70	15.40
December – 2012	33.25	28.50
January – 2013	30.00	24.75
February – 2013	26.00	19.05
March – 2013	30.70	25.35

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

Address for Correspondance : 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 2013. 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

Practising Company Secretaries

Place : Mumbai

Date: 29th May, 2013

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 Exchange, 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 2013

Place : Mumbai

JITENDRASINH J. RAWAL

Date: 29th May, 2013

Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE AND DEVELOPMENT :

Your Company has entered 40th 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 it and offers an immense opportunity for development in its application in various user industry, however raw material availability at reasonable prices 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. 2012 - 2013 stood at Rs17466 Lacs as compared to Rs. 16526 lacs in 2011- 2012. The (loss) before tax for the year under review stood at Rs.(338) Lacs as compared to Rs. (324) lacs in 2011- 2012.

F) BUSINESS OUTLOOK :

The year 2013-2014 offers reasonably improved picture in terms of the growth in starch industry in comparison with previous years. Your company has identified 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 publicity amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.



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'2013

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)	3537665	4064367
			(4,516,287)	(3,674,008)
	Total Amount	(Rs.)	29304663	28565147
			(30,319,794)	(24,601,057)
	Rate per Unit	(Rs.)	8.28	7.03
			(6.71)	(6.70)
	b) Own Generation		2012-2013	2011-2012
	Through D.G. Set Units	(KWH)	105	7686
	Diesel	(LTRS)	62	3448
	Output per Ltrs	(KWH)	1.69	2.23
	c) Own Co-Generation	(KWH)	13586340	16584882
	(Includes Captive Consumption 2488401 units)			
2	Coal			
	Quantity	(M.T)	33809	27778
	Total Cost	(Rs.)	135703647	119293767
	Average Rate (per MT)	(Rs.)	4014	4295
3	Fuel			
	Quantity	(Ltrs.)	32087	19000
	Total Amount	(Rs.)	1403708	829619
	Average Rate	(Rs.)	43.75	43.66
4	Biogas units generated and consumed (M 3)		3050258	3826606
	Rate per M3 Generated (Rs.)		3.01	2.00
5	Consumption per M. Ton of Production			
	Production (including Job Work)		103314	101698
	Electricity – Ton.KWH		229.44	243.69
	Production (including Job Work)		86099	84057
	Coal – Ton/Kgs.		0.393	0.330

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 standards.
- 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 improved manufacturing process parameter in Unisol-B160 (Oxidised Starch) for M/s BILT and other parties to continue the business.
- 3 R & D studied the bottleneaking parameters to reduce the Steeping hours From 65-70 to 40 hrs to improve the production and quality of Maize Starches.
- 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 on 21st November 2011 up to 20th November 2013.
- 6 The overall quality of finished products supplied to the Company's customers during the year was quite satisfactory.
- 7 Company has obtain Food Safety License from Food Safety & Standard Authority of India for Maize Starch-Best Quality & Liquid Glucose upto December 2014

EXPENDITURE DETAILS OF R & D DEPARTMENT

- 1 The R & D Department is well equipped with sophisticated instruments like UV-Visible Spectrophotometer, Lovibond Photometer, HPLC, Glucose Analyzer, Brookfield Viscometer, Karl Fisher, Polarimeter, RI meter and other miscellaneous instruments to carry out the analysis of regular commercial finished products, in-process, Semi finished products, newly developed and experimental product.
- 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 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. Rathi Award 2003, for Environmental protection.

- 4 The Company incurred an expenditure of Rs. 23.74 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 Development is active in upgrading the technology of production of value added products through finely tuning the SOP. The range of value added products has been widened to satisfy the specific applications in pharmaceutical, food and paper industry. The Company received GMP license 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 hygienic 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 has 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, railing and covers wherever 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 program in the Company on 4th March 2013 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 targets and attendance.

FOREIGN EXCHANGE

The information in this report is provided in Note No. 43 to 45 to the accounts.

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Universal Starch-Chem Allied Limited
Mumbai

Report on the Financial Statements

We have audited the attached Balance Sheet of M/s Universal Starch-Chem Allied Limited ("the company") as at 31st March 2013 and also the Statement of Profit and Loss and Cash Flow statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flow of the company in accordance with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of the internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Auditing Standards issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's presentation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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, 2013;
- b. In the case of Statement of Profit and Loss of the 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.

Report on other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by the law have been kept by the company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report, are in agreement with the books of accounts of the company;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash flow statement comply with the Accounting Standards to the extent applicable, referred to in subsection (3C) of section 211 of the Act.
 - e. On the basis of written representations received from the directors as on March 31, 2013, taken on record by the Board of directors, none of the directors of the company are disqualified u/s 274 (1)(g) of the Companies Act, 1956 from being appointed as a director as on March 31, 2013.

For M. B. AGRAWAL & Co.
CHARTERED ACCOUNTANTS
(Reg No.: 100137W)

SANJAY LUNKAD
PARTNER
M. No. 48229

Place: Mumbai
Date: 29th May, 2013

**Annexure to Independent Auditors' Report
(Referred to in Paragraph 1 under the heading of "Report on Other Legal and regulatory requirements" of our Report of even date)**

- i) In respect of its Fixed Assets
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the assets have been physically verified by the management in a phased periodical manner; 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) The Company has not disposed off any substantial part of the fixed assets during the year and the going concern status of the company is not affected.
- ii) In respect of its Inventories
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, 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 has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- iii) In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (a) The Company has not granted loans, secured or unsecured to 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 secured loans 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/unsecured loans 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.286.88 lacs and the year end balance of loans taken from such parties Rs.286.88 lacs.
- (c) In our opinion and according to the information given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company.
- (d) The payment of the principle and interest are regular;
- (e) In respect of the said deposits/unsecured loans and interest thereon, 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 and services. During the course of our audit, we have not observed of any continuing failure to correct major weaknesses in internal control system.
- v) In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956.
 - (a) According to the information and explanations given to us and in our opinion, the transactions made in pursuance of contracts or arrangements that need to be entered into the register to be maintained under section 301 of the Companies Act have been so 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 lakhs in respect of any party during the year have been made at prices which appear reasonable as per the information available with the company.
- 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 cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government of India, the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act, 1956 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 cost records with a view to determine whether they are accurate or complete.
- ix) In respect of Statutory dues
 - (a) As per the information and explanations given to us and as per the records of the Company, 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 income tax, wealth tax, Sales tax, excise, service tax, customs duty and cess were in arrears, as at March 31, 2013 for a 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) In our opinion, the Company is not a Chit Fund/ Nidhi/ mutual benefit fund/society Therefore, the provisions of clause (xiii) of paragraph 4 of the order 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 prima facie prejudicial to the interest of the company.
- xvi) The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year 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 Firm No. 100137W

SANJAY LUNKAD
Partner
M. No. 48229

Place: Mumbai
Date: 29th May, 2013



BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No	Amount in Rs.	
		As At 31.03.2013	As At 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	42,000,000	42,000,000
(b) Reserves and Surplus	3	43,114,275	68,032,141
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	345,480,488	285,485,196
(b) Deferred tax liabilities (Net)	5	55,192,399	65,428,654
(3) Current Liabilities			
(a) Short-term borrowings	6	144,481,859	117,130,937
(b) Trade Payables	7	219,075,791	303,320,134
(c) Other current liabilities	8	49,623,113	36,552,941
(d) Short-term provisions	9	29,769,166	27,072,389
Total		928,737,091	945,022,392
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		512,039,916	479,142,604
(ii) Intangible assets		1,664,208	2,155,082
(iii) Capital work-in-progress		554,219	48,649,509
(b) Non-current investments	11	1,316,160	1,314,160
(c) Long term loans and advances	12	13,219,041	13,219,951
(2) Current assets			
(a) Inventories	13	177,847,711	155,022,755
(b) Trade receivables	14	123,175,205	140,729,843
(c) Cash and cash equivalents	15	23,161,397	24,673,909
(d) Short-term loans and advances	16	74,712,044	79,682,603
(e) Other current assets	17	1,047,190	431,976
Total		928,737,091	945,022,392
Significant Accounting Policies			
Notes on Financial Statements	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

SANJAY LUNKAD

PARTNER

Membership No. 48229

CHAIRMAN &

MANAGING DIRECTOR : JITENDRASINH J. RAWAL

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

COMPANY SECRETARY : Y.L.SINDHWAD

PLACE : MUMBAI

DATE : 29th May, 2013

PLACE : MUMBAI

DATE : 29th May, 2013

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

Particulars	Note No	Year Ended 31.03.2013	Year Ended 31.03.2012
Income:			
I. Revenue from operations	18	1,698,537,458	1,633,195,578
II. Other Income	19	23,024,443	27,990,470
III. Total Revenue (I +II)		<u>1,721,561,901</u>	<u>1,661,186,048</u>
IV. Expenses:			
Cost of materials consumed	20	1,392,848,393	1,372,371,975
Changes in inventories of finished goods and Stock in Process	21	(8,723,118)	(41,869,589)
Employee benefit expense	22	63,978,527	65,676,263
Financial costs	23	53,076,888	41,173,541
Depreciation and amortization expense	10	46,805,386	41,223,823
Other expenses	24	207,410,365	215,056,232
Total Expenses		<u>1,755,396,441</u>	<u>1,693,632,245</u>
V. Profit Before Tax	(III - IV)	(33,834,540)	(32,446,197)
VI. Tax Expense:			
(1) Current Tax		-	5,180
(2) Deferred Tax		(10,236,255)	(4,244,837)
VII. Profit(Loss) from the period	(V - VI)	(23,598,285)	(28,206,540)
VIII. Earning per equity share:			
Basic & Diluted (in Rs.)		(5.62)	(6.72)
Significant Accounting Policies	1 to 46		
Notes on Financial Statements			

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

SANJAY LUNKAD
PARTNER
Membership No. 48229

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

COMPANY SECRETARY : Y.L.SINDHWAD

PLACE : MUMBAI
DATE : 29th May, 2013

PLACE : MUMBAI
DATE : 29th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH'2013

Amount in Rs.

		Year Ended 31.03.2013	Year Ended 31.03.2012
A	NET PROFIT BEFORE TAX	(33,834,540)	(32,446,197)
	Depreciation	46,805,386	41,223,823
	Interest (Net)	50,550,192	40,277,902
	Dividend Income	(70,275)	(68,635)
	Provision for Leave Encashment	3,058,670	3,041,409
		100,343,973	84,474,499
	Operating Profit before working Capital Changes	66,509,433	52,028,302
	ADJUSTMENT FOR :		
	Trade and Other Receivable	21,910,891	(13,091,810)
	Inventories	(22,824,956)	(28,791,577)
	Trade Payable Creditors	(84,601,055)	128,791,665
		(85,515,120)	86,908,278
		(19,005,687)	138,936,580
	CASH GENERATED FROM OPERATIONS		
	Dividend Received	70,275	68,635
	Interest Received	2,526,696	895,639
	Interest Paid	(53,076,888)	(41,173,541)
	Direct Taxes Paid	(1,324,761)	-
		(51,804,678)	(40,209,267)
	NET CASH FROM OPERATIONS ACTIVITIES (A)	(70,810,365)	98,727,313
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(31,116,534)	(129,429,509)
	Sale/Adj. of Fixed Assets	-	-
	Purchase / Sale of Investment	(2,000)	-
	NET CASH USED IN INVESTING ACTIVITIES (B)	(31,118,534)	(129,429,509)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Long Term Borrowing	100,416,387	38,841,900
	Dividend Paid	-	(4,881,345)
	NET CASH USED FINANCING ACTIVITIES (C)	100,416,387	33,960,555
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,512,512)	3,258,359
	OPENING CASH AND CASH EQUIVALENTS	24,673,909	21,415,550
	CLOSING CASH AND CASH EQUIVALENTS	23,161,397	24,673,909
	NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,512,512)	3,258,359

For and on behalf of the Board

PLACE : MUMBAI
DATE : 29th May, 2013

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'2013. 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 statement of Profit and Loss and the Balance Sheet of the Company for the year ended 31st March'2013 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

PLACE : MUMBAI
DATE : 29th May, 2013

SANJAY LUNKAD
PARTNER
Membership No. 48229

Note 1

1) SIGNIFICANT ACCOUNTING POLICIES

- a) 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.
- b) The preparation of financial statements requires the company to make estimates and assumptions to be made that affect the reported amount of assets and liabilities and the reported amount of revenues and expenses during the reporting period. The difference between the actuals and estimates are recognised in the period in which the results are known / materialised .
- c) Fixed Assets including intangible 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.
- d) 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.
- e) The Investments are valued at cost.
- f) 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.
- g) Interest income is recognized on a time proportion basis, taking into account the amount outstanding and rate applicable.
- h) 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.
- i) 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.
- j) Revenue expenditure pertaining to Research and Development is charged to Profit and Loss Account. Capital expenditure on Research & Development is Capitalized and depreciation is provided thereon as per the Company's policy.
- k) 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.
- l) Sales Tax / Value added Tax is charged to Profit and Loss Account.
- m) 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.
- n) 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.
- o) 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 Account.
- p) 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 2013		As at 31 March 2012	
	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 2013		As at 31 March 2012	
	Number	Rs.	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 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jitendrasinh J.Rawal	595,667	14.18	595,667	14.18
Jaydeosinh J.Rawal	388,567	9.25	388,567	9.25
Nayankuwar J.Rawal	323,300	7.70	323,300	7.70
Pancharatna J.Rawal	239,700	5.71	238,700	5.68

NOTE 3

RESERVES & SURPLUS	As at 31 March 2013 Rs.	As at 31 March 2012 Rs.
Capital Reserves	74,000	74,000
Share Premium Account	16,000,000	16,000,000
General Reserve		
Opening Balance	13,681,400	13,681,400
(+) Current Year Transfer	-	-
Closing Balance	<u>13,681,400</u>	<u>13,681,400</u>
Profit and loss Account		
Opening balance	38,276,741	66,483,281
(-) Net Loss for the current year	(23,598,285)	(28,206,540)
(-) Income Tax Adjustment	1,319,581	-
Closing Balance	<u>13,358,875</u>	<u>38,276,741</u>
Total	<u>43,114,275</u>	<u>68,032,141</u>

NOTE 4

LONG TERM BORROWINGS		
Secured		
Loans from Banks		
Term Loan		
The Shamrao Vitthal Co-op Bank Ltd. *	228,616,323	162,481,315
Union Bank Of India Dondaicha **	428,492	503,617
Hire Purchase Loan		
H.D.F.C. Bank Ltd. (Hypothication of respective Car)	1,583,211	2,252,788
	<u>230,628,026</u>	<u>165,237,720</u>
Unsecured		
Fixed Deposits		
From Directors	2,690,000	2,690,000
From Others	15,432,500	6,629,000
Interest Accrued and Due	41,345	77,531
Deferred Payment Liabilities – Sales Tax	85,073,709	93,223,603
Advances / Deposit From Agents	8,087,013	8,074,013
Loans and advances from related parties		
Loan From Director	3,527,895	9,553,329
	<u>114,852,462</u>	<u>120,247,476</u>
Total	<u>345,480,488</u>	<u>285,485,196</u>

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
2013-14	108.13	73.79
2014-15	74.20	85.78
2015-16	107.03	116.51

NOTE 5

DEFERRED TAX LIABILITY		
Opening Balance	65,428,654	69,673,491
Add: Current Deferred Tax Liability	(10,236,255)	(4,244,837)
Closing Balance	<u>55,192,399</u>	<u>65,428,654</u>

NOTE 6

SHORT TERM BORROWINGS	As at 31 March 2013 Rs.	As at 31 March 2012 Rs.
Secured		
Loans Repayable On Demand		
Cash Credit Loan **		
The Shamrao Vitthal Co-op Bank Ltd.	91,224,165	92,718,319
Pledge Loan against Maize Purchase		
The Shamrao Vitthal Co-op Bank Ltd.	38,448,069	14,546,703
	<u>129,672,234</u>	<u>107,265,022</u>
Unsecured		
Loans Repayable On Demand		
Deferred Payment Liabilities – Sales Tax	7,379,000	9,260,217
Loan From Director	6,000,000	-
Temporary Book Over Draft	1,430,625	605,698
	<u>14,809,625</u>	<u>9,865,915</u>
The Shamrao Vitthal Co-op Bank Ltd: – Cash Credit **	Total	117,130,937
	<u>144,481,859</u>	<u>117,130,937</u>

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	189,085,741	225,846,667
Sundry Creditors for Fixed Assets – Against Accepted L.C.	-	21,699,875
Sundry Creditors for Fixed Assets	8,238,688	24,437,661
Sundry Creditors for Expenses	17,724,833	22,280,887
Advances from Customers	4,026,529	9,055,044
	<u>219,075,791</u>	<u>303,320,134</u>
	Total	303,320,134

NOTE 8

OTHER CURRENT LIABILITIES

Current Maturities of long-term debt		
Term Loan – The Shamrao Vitthal Co-Op Bank Ltd.	23,054,380	18,049,638
Term Loan – Union Bank Of India Dondaicha	75,125	75,125
Hire Purchases – H.D.F.C. Bank Ltd.	645,520	557,328
Other Liabilities	8,711,446	5,521,050
Salary & Reimbursements	3,905,215	3,719,573
Interest Accrued But Not Due on Fixed Deposits	2,041,483	647,642
Fixed Deposits (Others)	10,813,000	7,500,800
Unclaimed Dividend	376,944	481,785
	<u>49,623,113</u>	<u>36,552,941</u>
	Total	36,552,941

NOTE 9

SHORT TERM PROVISIONS

Provision for		
Provision for Taxation \$\$	17,235,192	17,240,372
Leave Encashment Payable	12,533,974	9,832,017
	<u>29,769,166</u>	<u>27,072,389</u>
	Total	27,072,389

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

NOTE 10

SR NO.	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
		Balance as at 1 April 2012	Additions / (Deletions)	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation for the year	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
A	Tangible Assets								
	Land	4,684,785	-	4,684,785	-	-	-	4,684,785	4,684,785
	Buildings	57,484,550	16,379,385	73,863,935	20,632,304	1,925,032	22,557,336	51,306,599	36,852,246
	Plant and Equipment	727,658,859	61,645,711	789,304,570	305,499,530	42,042,410	347,541,940	441,762,630	422,159,329
	Furniture and Fixtures	2,405,378	322,606	2,727,984	1,770,928	99,338	1,870,266	857,718	634,450
	Vehicles	12,330,287	205,900	12,536,187	5,850,687	736,504	6,587,191	5,948,996	6,479,600
	Office equipment	5,279,047	109,115	5,388,162	2,494,902	218,253	2,713,155	2,675,007	2,784,145
	Computers	10,852,073	549,107	11,401,180	5,333,574	1,291,060	6,624,634	4,776,546	5,518,499
	Paddle Boat	57,326	-	57,326	27,776	1,915	29,691	27,635	29,550
	Total	820,752,305	79,211,824	899,964,129	341,609,701	46,314,512	387,924,213	512,039,916	479,142,604
B	Intangible Assets								
	SAP Software & Licence	3,028,217	-	3,028,217	873,135	490,874	1,364,009	1,664,208	2,155,082
	Total	3,028,217	-	3,028,217	873,135	490,874	1,364,009	1,664,208	2,155,082
C	Capital Work In Progress								
	Building Under Construction	7,913,115	(7,913,115)	-	-	-	-	-	7,913,115
	Plant & Machinery Under Installation	40,736,394	(40,182,175)	554,219	-	-	-	554,219	40,736,394
	Total	48,649,509	(48,095,290)	554,219	-	-	-	554,219	48,649,509
	Grand Total	872,430,031	31,116,534	903,546,565	342,482,836	46,805,386	389,288,222	514,258,343	529,947,195
	Previous Year's Total	735,935,281	136,494,750	872,430,031	301,259,013	41,223,823	342,482,836	529,947,195	

NOTE 11
NON CURRENT INVESTMENT

As at 31 March
2013
Rs.

As at 31 March
2012
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
40 Shares of Rs.100 each in The Nashik Merchants Co-op Bank Ltd., BR. Dondaicha	4,000	-
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

Quoted
Non Trade

120 Equity shares of Rs.10/ - each including 60 Bonus Shares Glaxo SmithKline Pharma Limited (M.V. Rs. 266286/-) (Previous year Rs.274896/-)	1,400	1,400
1300 Equity Shares of Rs.30/ - each in Dena Bank (M.V. Rs. 119405/-) (Previous year Rs.117000/-)	39,000	39,000
Total	1,316,160	1,314,160

Particulars

	2012-13 Rs.	2011-12 Rs.
Aggregate amount of quoted investments	40,400	40,400
Market value of quoted Investments	385,691	391,896
Aggregate amount of unquoted investments	1,275,760	1,273,760

NOTE 12

LONG TERM LOANS AND ADVANCES	As at 31 March 2013 Rs.	As at 31 March 2012 Rs.
Security Deposits		
Unsecured, considered good Deposits	13,219,041	13,219,951
Total	13,219,041	13,219,951

NOTE 13

Inventories		
Raw Materials and components (Valued at cost)	59,996,793	29,714,973
Finished goods (Valued at Cost)	93,122,108	82,177,767
Process Stock (Valued at Cost)	11,223,833	13,445,055
Stores and spares (Valued at Cost)	13,021,235	28,695,186
Trading Goods	483,742	989,774
Total	177,847,711	155,022,755

NOTE 14

TRADE RECEIVABLES

Sundry Debtors (Unsecured, considered good)		
Debt outstanding for the period exceeding Six Months	15,285,554	12,491,309
Other Debts	110,212,237	130,561,119
	125,497,791	143,052,428
Less:-Provision For Doubtful Debts	2,322,586	2,322,585
Total	123,175,205	140,729,843

NOTE 15

CASH AND CASH EQUIVALENT

Cash & Cash Equivalent		
i) Cash in hand	340,467	724,665
ii) Balance with Banks		
Current account with Scheduled Bank *	6,358,500	6,354,681
Current account with Other Bank	604,011	604,011
	7,302,978	7,683,357
Fixed Deposits		
With Scheduled Banks **	13,255,024	14,719,247
With Other Banks	1,296,585	1,296,585
Accrued Interest on FDR	1,306,810	974,720
	15,858,419	16,990,552
Total	23,161,397	24,673,909

* Balance with Banks includes Unclaimed Dividend of Rs. 3.77 Lacs (Previous year Rs.4.82 Lacs)

** Fixed deposits with Banks includes Deposits of Rs. 26.59 Lacs (Previous year Rs.45.05 Lacs) With Maturity of more than 12 Months.

NOTE 16

SHORT TERM LOANS AND ADVANCES

Other loans and advances (Unsecured, Considered Good)		
Capital Advances	3,640,627	4,605,281
Advances to Suppliers	47,722,685	53,561,813
Advances to Workmen	77,440	146,756
Prepaid Expenses	3,325,990	2,654,967
TDS and Advance Tax	19,945,302	18,713,786
Total	74,712,044	79,682,603

NOTE 17

OTHER CURRENT ASSETS

Balance with Excise Authorities	1,047,190	431,976
Total	1,047,190	431,976

NOTE 18

REVENUE FROM OPERATION	Year Ended 31.03.2013 Rs.	Year Ended 31.03.2012 Rs.
Income from Sale of Goods	1,746,589,395	1,652,580,027
Job Work Charges	52,716,100	62,336,405
Less : Excise Duty	100,768,037	81,720,854
Total	1,698,537,458	1,633,195,578

NOTE 19

OTHER INCOME		
Interest	2,526,696	895,639
Dividends (Gross)	70,275	68,635
Rent	323,434	330,368
Exchange Gain	-	1,390,791
Wind Mill Unit Receipt	5,710,908	6,006,887
Electricity Co-Generation Unit Sales	9,522,420	12,593,254
Other Income	4,870,710	6,704,896
Total	23,024,443	27,990,470

NOTE 20

COST OF MATERIAL CONSUMED		
Raw Material	1,198,203,370	1,191,294,663
Stores	26,427,803	38,054,554
Chemical	29,588,569	21,912,243
Coal and Fuel	138,628,651	121,110,515
Total	1,392,848,393	1,372,371,975

NOTE 21

CHANGES IN INVENTORIES		
Opening Stock		
Finished goods	82,177,768	40,194,520
Process Stock	13,445,055	13,558,714
	<u>95,622,823</u>	<u>53,753,234</u>
Less : Closing Stock		
Finished goods	93,122,108	82,177,768
Process Stock	11,223,833	13,445,055
	<u>104,345,941</u>	<u>95,622,823</u>
Total	(8,723,118)	(41,869,589)

NOTE 22

EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages		
Wages to Workers	36,810,721	38,375,310
Salary to Staff	19,418,252	19,067,719
Bonus	1,986,889	1,784,007
Gratuity	1,067,192	2,903,280
Employer's Contribution to P.F.	2,630,141	2,480,605
Staff & Labour Welfare & Medical Benefit	2,065,332	1,065,342
Total	63,978,527	65,676,263

NOTE 23

FINANCIAL COST		
Bank Interest		
Interest to Bank	19,537,016	14,262,539
Interest – Term Loan	29,308,572	23,563,643
Interest On Car Loan	267,867	267,597
Interest On Fixed Deposits	2,880,492	1,197,038
Bank Charges	1,082,941	1,882,724
Total	53,076,888	41,173,541

NOTE 24

OTHER EXPENSES	Year Ended 31.03.2013 Rs.	Year Ended 31.03.2012 Rs.
A. Manufacturing & Operating Expenses		
Repair & Maintenance		
Factory Building	1,603,230	1,317,119
Plant and Machinery	3,720,914	4,497,253
Other Assets	73,902	274,266
	5,398,046	6,088,638
Trading Purchases	22,002,849	26,939,307
Power & Water Charges	61,019,682	69,676,715
Total Manufacturing & Operating Expenses	88,420,577	102,704,660
B. Administration Expenses		
Membership & Subscription	730,860	535,851
Telephone	1,051,326	1,060,690
Printing & Stationery	427,010	286,703
Conveyance & Travelling	3,444,565	4,454,585
Legal, Professional Charges	360,435	689,584
Insurance	3,717,115	3,584,186
Vehicle Expenses	5,707,752	6,805,686
Rent, Rates & Taxes	3,031,446	4,466,304
Research & Development Expenses	2,374,012	2,686,502
Audit Remuneration	252,633	286,637
Director's Remuneration	10,104,194	8,078,771
Director's Meeting Fees	78,250	101,000
Donation	99,301	1,112,073
Books & Periodicals	71,179	95,362
Service Charges	5,410,633	3,220,983
Wheeling Charges	948,690	873,233
Postage & Telegram	185,575	230,051
General Expenses	6,067,875	6,958,330
Total Administrative Expenses	44,062,851	45,526,531
C. Selling & Distribution Expenses		
Advertisement	250,926	471,706
Commission & Brokerage	2,574,490	1,024,290
Sales Tax & Excise Duty Paid	1,747,723	2,037,639
Packing Expenses	50,408,997	45,797,699
Transport Outward	19,932,295	17,485,737
Octroi Duty	12,506	7,970
Total Selling Expenses	74,926,937	66,825,041
Total Other Expenses	207,410,365	215,056,232

NOTE 25

CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

- i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 12.68 Lacs (Previous year Rs.34.46 Lacs).
- ii) Bills Discounted with Bankers are Rs. Nil (Previous year Rs.2.08 Lacs).
- iii) Company has given guarantee to H.D.F.C. Ltd. for Rs.50.00 Lacs (Previous year Rs.50.00 Lacs) on behalf of employees of the Company, for Construction of their residential flats.

NOTE 26

- a) The Sales Tax Assessment has been completed upto financial year 2005-2006 The Company does not expect any substantial demand in respect of subsequent years.
- b) The Income Tax Assessment has been completed upto the Assessment year 2010-2011. The Company does not expect any substantial liability for the subsequent years.

NOTE 27

REMUNERATION TO THE EXECUTIVE DIRECTORS	2012-2013 Rs.	2011-2012 Rs.
a) Salary	9,132,542	7,308,719
b) P.F. Contribution	971,652	770,052
c) Perquisites	112,335	14,250
	10,216,529	8,093,021

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

The company is in the process of making an application to the Central Government for waiver of excess managerial remuneration paid to the Directors.

NOTE 28

Traveling Expenses include Rs. 6.89 Lacs (Previous year Rs.8.23 Lacs).incurred on traveling by the Directors. Above amount includes expenses for foreign travel amounting to Rs. Nil (Previous year Rs.2.27 Lacs).

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 have 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 Mill 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 31.03.2012 Rs.	Arising during the year Rs.	Balance carried AS AT 31.03.2013 Rs.
Deferred Tax Liabilities			
on account of timing difference in Depreciation	78,780,255	3,234,214	82,014,469
Total	78,780,255	3,234,214	82,014,469
Deferred Tax Assets			
on account of timing difference in			
(a) Unabsorbed Depreciation	10,073,278	12,692,005	22,765,283
(b) Provision for doubtful debts	995,570	-	995,570
(c) Leave encashment (Net)	2,126,926	876,785	3,003,711
(d) Inventory Valuation (Net)	155,827	(98,323)	57,504
Total	13,351,601	13,470,467	26,822,068
Net Deferred Tax Liability / (Assets)	65,428,654	(10,236,253)	55,192,401

NOTE 35

EARNING PER SHARE (EPS)	2012-2013	2011-2012
The basic and Diluted EPS is calculated as under :		
Profit attributed to Equity Shareholders (After Tax)	(23,598,285)	(28,206,540)
No. of equity shares (of Rs.10 each)	4,200,000	4,200,000
Earning per Share	(5.62)	(6.72)

NOTE 36

PAYMENT TO AUDITORS

	2012-2013	2011-2012
Audit Fees	111,124	109,270
Tax Audit Fees	16,854	16,545
Certification Fees	8,325	4,964
Others	116,330	155,858

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.

Defind Benefit Plan	Rs. in Lacs	
	Current Year Rs.	Previous year Rs.
Change in the present value of obligations :		
Liability at beginning of year	88.13	84.93
Interest Cost	7.05	6.25
Current Service Cost	5.88	6.25
Past Service Cost	-	-
Benefits Paid	(14.17)	(19.19)
Actuarial (Gain) / loss on obligations	8.66	9.89
Liability at the end of the year	95.55	88.13
Fair value of plan assets :		
Fair value of plan assets at the beginning of the year	91.51	49.36
Expected return on plan assets	(8.18)	6.30
Contributions	13.31	55.04
Benefits Paid	(14.17)	(19.19)
Actuarial (Gain) / loss plan assets	8.66	-
Fair value of plant assets at the end of the year	91.13	91.51
Total Actuarial gain / (loss) to be recognized:	-	-
Balance Sheet Recognition :		
Present value of obligation	95.55	88.13
Fair value of plan assets	91.13	91.51
Liability / (Assets)	-	-
Unrecognized past service cost	-	-
Liability / (Assets) recognized in the Balance Sheet	4.42	(3.38)
Expenses recognized in the Profit and Loss account:		
Current service cost	5.72	6.25
Interest Cost	7.05	6.25
Expected return on plan assets	(8.18)	(6.30)
Net actuarial gain / (loss) recognized in the year	8.66	21.11
Past Service Cost	-	-
Expenses recognized in the statement of Profit and Loss	13.41	27.31
Actuarial assumptions:		
Discount rate p.a.	8.00 %	8.00 %
Mortality	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
Future Salary increases p.a.	4.00 %	4.00 %
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. Nayankuwar Jitendrasinh Rawal (Wife)	
Mr. Jaykumar Jitendrasinh Rawal (Son)	Director
2. Mr. Jaydeosinh Jaysinh Rawal	Director
Mrs. Binankuwar Jaydeosinh Rawal (Wife)	
Mr. Rishikesh Jaydeosinh Rawal (Son)	
Mr. Vikrant Jaydeosinh Rawal (Son)	Director
3. Mr. Gulabsing Pauladsing Chaudhary	Director

NOTE 39

DISCLOSURE OF RELATED PARTY TRANSACTIONS :		2012-2013 (Rs.)				2011-2012 (Rs.)
Sr. No.	Nature of relationship / Transactions	Key Management Personnel	Relatives	Associates	Total	Total
1	Purchase of Goods			43,871	43,871	110,559
2	Sales of Goods / Contract revenue			67,463,282	67,463,282	147,146,606
3	Processing Charges Received			52,716,097	52,716,097	62,336,405
4	Interest on Fixed Deposit	2,213,188	1,820,389	-	4,033,577	783,639
5	Rent Paid	323,675		238,000	561,675	561,675
6	Rent Received			10,000	10,000	10,000
7	Trade Receivable			3,954,806	3,954,806	40,149,249
8	Trade Payable			3,847,560	3,847,560	3,149,439
9	Remuneration paid to Directors	10,216,529			10,216,529	8,093,021
	Refer Note No. 27					

NOTE 40

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

Sr. No.	Name of the associates	Current Years	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)

NIL 395.94 Lacs

NOTE 42

CONSUMPTION OF RAW MATERIALS

SPARE PARTS & COMPONENTS

i) Imported

- - - -

ii) Indigenous

100.00 1,443,257,389 100.00 1,418,169,673

100.00 1,443,257,389 100.00 1,418,169,673

NOTE 43

EXPENDITURE IN FOREIGN CURRENCY

for Stores and Spares

3.60 Lacs 2.57 Lacs

NOTE 44

REMITTANCES IN FOREIGN EXCHANGE

for Capital goods

NIL 395.94 Lacs

NOTE 45

EARNINGS IN FOREIGN EXCHANGE (FOB VALUE OF EXPORTS)

431.98 Lacs 36.35 Lacs

NOTE 46

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

Signature to Notes 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
COMPANY SECRETARY : Y.L.SINDHWAD

SANJAY LUNKAD
PARTNER
Membership No. 48229
PLACE : MUMBAI
DATE : 29th May, 2013

PLACE : MUMBAI
DATE : 29th May, 2013

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 **Fortieth** Annual General Meeting of the Members of **Universal Starch-Chem Allied Ltd.** will be held on Tuesday, 17th September 2013 at 11.00 a.m., at Mhatre Pen Building, 'B' Wing, 2nd Floor, Senapati Bapat Marg, Dadar (W), Mumbai - 400 028.

Folio No. _____

Full Name of the Shareholder / Proxy _____
(IN BLOCK LETTERS)

Signature

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

-----TEAR HERE-----

Universal Starch-Chem Allied Ltd.

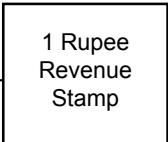
Registered Office: Mhatre Pen Building, 'B' Wing, 2nd Floor, Senapati Bapat Marg, Dadar (W), Mumbai - 400 028.

■ PROXY FORM ■

I/Weof..... in
the district ofbeing a member / members
of **Universal Starch-Chem Allied Ltd.** hereby appoint
of in the District of
failing himofin the
district ofas my/our proxy to vote for me/us on my
behalf at the **Fortieth** Annual General Meeting of the Company to held at 11.00 a.m., on Tuesday, 17th September
2013 and at any adjournment thereof.

Singed this _____ day of _____ 2013.

(Signature) _____



NOTE :

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

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Dadar (W), Mumbai - 400 028.