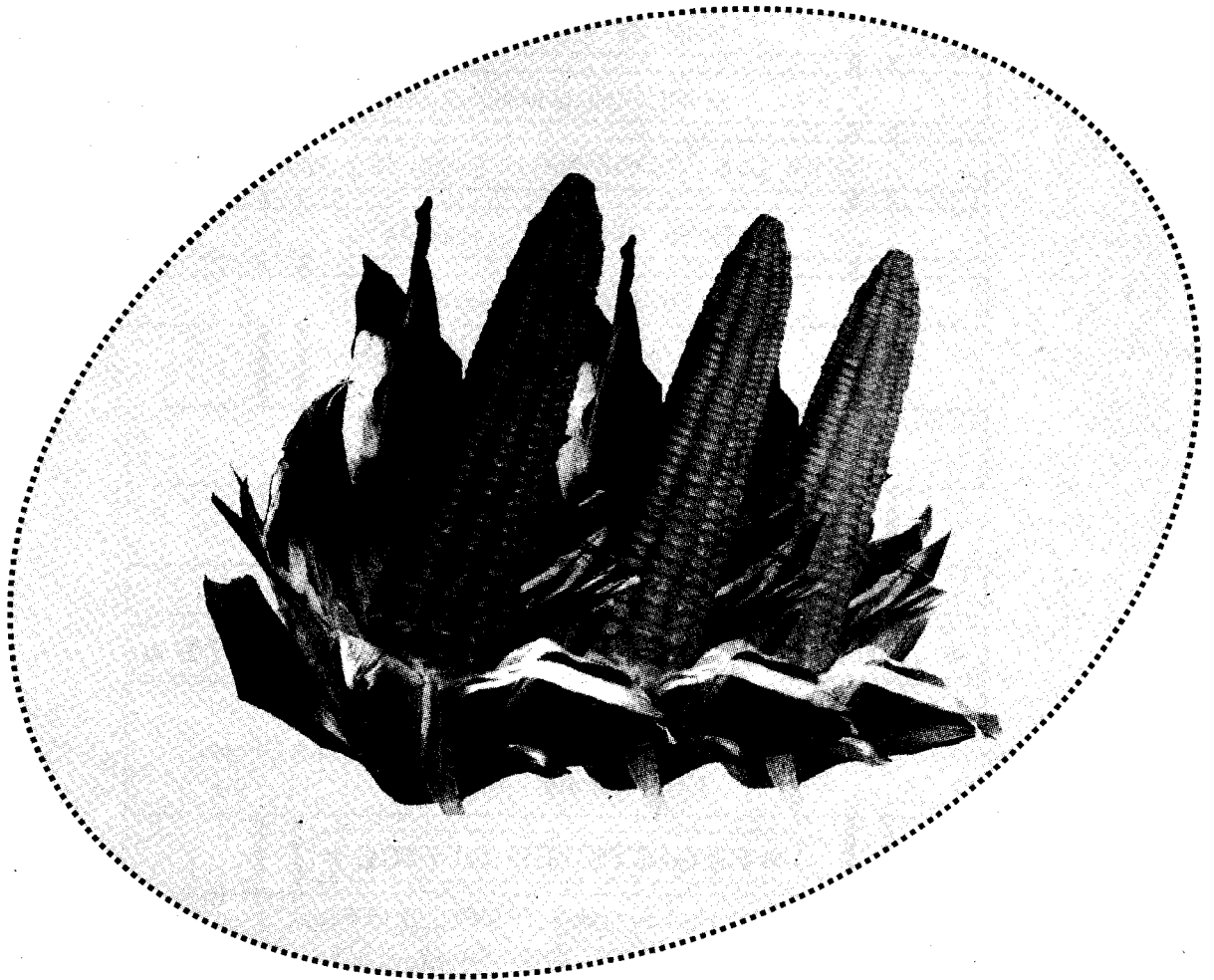




36th Annual Report

2008-2009



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

SHRI. ASHOK KOTHARY

SHRI. G. VISHWANATH (Upto 30-1-2009)

SHRI. DEV PRAKASH YADAVA

SHRI. R. T. BANDODKAR

SHRI. BINDU MADHAVAN

SHRI. G. K. VISHWANATH (From 30-7-2009)

SHRI. VIKRANT J. RAWAL

SHRI. DASHARATH AMRIT PATIL

■ AUDITORS ■

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

■ BANKERS ■

THE SHAMRAO VITHAL CO.OP. BANK LTD., MUMBAI

■ REGISTRARS & TRANSFER AGENTS ■

SHAREX DYNAMIC (INDIA) PVT. LTD.
17/B, Dena Bank Building, 2nd Floor, Horniman Circle,
Fort, Mumbai - 400 001.

■ 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 SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE UNIVERSAL STARCH - CHEM ALLIED LIMITED** WILL BE HELD ON **FRIDAY 25th SEPTEMBER 2009 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 Account for the year ended 31st March 2009 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 Jaydeosinh J. Rawal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Ashok Kothary who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Devprakash Yadava who retires by rotation and being eligible offers himself for re-appointment.
5. 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 :

6. APPOINTMENT OF SHRI G. K. VISHWANATH AS A DIRECTOR. To consider and if thought fit, to pass with or without modification (s), the following Resolution as an Ordinary Resolution :

"RESOLVED that Shri G. K. Vishwanath who was appointed as an additional Director and holds office up to the date of this Annual General Meeting, is eligible for appointment and in respect of whom the company has received a Notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director".

7. 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 an Ordinary 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. 4,70,254/- paid to Shri. Jitendrasinh J. Rawal - Chairman & Managing Director of the Company during the period from 1st April 2008 to 31st March 2009 in excess of the remuneration as permissible vide schedule XIII of the Companies Act 1956.

RESOLVED further then 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. Sindhawd the Company Secretary of the Company be and is hereby authorized to take necessary action in this regard."

8. RE-APPOINTMENT OF MR. JITENDRASINH J. RAWAL AS CHAIRMAN & MANAGING DIRECTOR FOR A FURTHER PERIOD OF THREE YEARS W.E.F. 1ST OCTOBER 2009.

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 2009 on the following terms and conditions.

Remuneration :

- 1) **Salary** : Upto Rs. 2,50,000/- 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 : 30th July 2009

Y. L. Sindhawd
Company Secretary

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

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

Item No. 6

Mr. G. K. Vishwanath was appointed on 30th July 2009 as an Additional Director, pursuant to the provisions of the Section 260 of the Companies Act 1956, Mr. G. K. Vishwanath will hold the office of a Director upto the date of the forthcoming Annual General Meeting. The Company has received Notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr. G. K. Vishwanath for the office of a Director. Except Mr. G. K. Vishwanath none of the other Directors are concerned or interested in the Resolution.

Item No. 7

Shri Jitendrasinh J. Rawal - Managing Director of the Company who was appointed for a period of Five years w.e.f. 1st October 2004 by members on 30th Sept. 2004 at the remuneration prescribed therein. During the year 2008-09 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. 4,70,254/-. The said extra remuneration was incurred as per the industry norms and for re-imbursement of Medical expenses. Hence Board of Directors has waived the excess recovery subject to approval of members and Central Government. The Board recommends the members approval. No Director 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. 8

Shareholders are aware that Shri Jitendrasinh J. Rawal the Chairman & Managing Director of the Company is currently holding the office for a period of 5 years from 1st October 2004 and the terms of appointment were approved by the shareholders at the Annual General Meeting held on 30th September 2004.

Under the Management of Shri Jitendrasinh J. Rawal the company has shown commendable progress as evident from the Annual Reports that have been adopted by the shareholders from year to year barring some few exceptional years. The said re-appointment was made by Board of Directors of the Company at its meeting held

on 30th July 2007. The terms of appointment has been specified in the said resolution No. 8. 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 interest 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 remained almost the same, however profitability was affected due to increased competition from existing (due to increase in the capacities inclusive of setting up of new plants) & new players which affected the margins, however during the current year remedial measures including expansion of crushing capacity coupled with 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 2007-08.

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. 1,74,000/- 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 of all fronts and as a major step in this direction, has 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
Date : 30th July 2009

Y. L. Sindhwad
Company Secretary

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 Tuesday, 22nd September to Wednesday, 30th September 2009 (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 2002 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 2002 are requested to approach the company immediately. The due date for transfer unpaid / unclaimed amount to the IEPF is 14th November 2009. 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.

ANNEXTURE TO THE NOTICE

The information required to be given under clause 49 (VI) (A) of the listing Agreement in respect of appointment / re-appointment of Directors are given below :

- 1) **Shri Jaydeosinh J. Rawal**, Age 60, was appointed as a Promotor-Non-Executive Director of the company on 30.07.1992. He is a B.Com Graduate. Well versed in Maize and other plantation business and active in Banking & other co-operative movement. His other Directorship Details - Chairman & Managing Director - Unique Sugars Ltd. He is also a member of Audit Committee of Universal Starch Chem Allied Ltd.
- 2) **Shri Devprakash Hemraj Yadava**, Age 63, was appointed a Non-Executive Director of the company on 29.01.2004. 42 years' of Rich experiences in Engineering and Pharma Industries, both in Indian and Multinational Companies, his other Directorship Details - Tonira Pharma Ltd. - Non Executive Director, Sharda Chem International Pvt. Ltd. - Managing Director - Promoter Director, Unique Sugars Ltd.-Director, Foreign Companies - Alchymars ICmsm Pvt. Ltd. He is also a member of Audit Committee of Universal Starch Chem Allied Ltd.
- 3) **Shri Ashok Natwarlal Kothary** Age 59, was appointed as a Non-Executive Director of the Company on 28.10.1999. He is a B.Com / F.C.A. Expert in Finance & Accounts. His other Directorship Details - Concord Marketing & Financers Pvt. Ltd., Four Development Tools (India) Pvt. Ltd., Nichrome India Ltd., Quaestor Consultancy Pvt. Ltd. He is also a member of Audit Committee of Universal Starch Chem Allied Ltd.
- 4) **Shri. Jitendrasinh J. Rawal** - Age 61, 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.
- 5) **Shri. G. K. Vishwanath** - Age 52, was appointed as an Additional Director of the company w.e.f. 30.07.2009. He is a practicing Advocate specialised in Company Law, Shipping & Banking.

For Universal Starch-Chem Allied Ltd.

Place : Mumbai
Date : 30th July 2009

Y. L. Sindhwad
Company Secretary

■ DIRECTORS' REPORT ■

Your Directors have pleasure in presenting the Thirty Sixth Annual Report of the Company along with audited statements of accounts for the year ended 31st March 2009. The summarized financial results are given below : (Rs. in Lakhs)

Particulars	2008 - 2009	2007 - 2008
Total Income (Gross)	8126	8931
(Loss) / Profit before depreciation	(70)	292
Depreciation	301	287
(Loss) / Profit before tax	(371)	5
Provision for taxation (Including Deferred & FBT)	(98)	(19)
(Loss) / Profit after tax	(273)	24
Balance brought forward	810	816
Profit available for appropriations	537	840
Appropriations :		
Proposed Equity Dividend	-	21
Corporate Dividend Tax	-	4
Transfer to General Reserve	-	5
Balance Carried forward	537	810

DIVIDEND :

The Loss after tax stands at Rs. 273 Lacs as compared to Profit of Rs. 24 Lacs last year. Your Directors in view of the losses do not recommend any dividend during this year.

OPERATIONAL RESULTS :

Your Company's Net Sales for the year amounted to Rs.7404 Lacs as compared to Rs.7652 lacs of last year. The result for the year shows net Loss after tax of Rs.273 Lacs as compared to net profit of Rs. 24 Lacs in the Previous Year. The operational loss was due to increased cost of production & other costs of Raw Materials which could not be passed on to customers coupled with lower realization of our principal products. 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 Leena Agrawal & Co., 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 Jaydeosinh J. Rawal, Shri Ashok Kothary and Shri Devprakash Yadava retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Shri G. Vishwanath resigned as a Director with effect from 30.01.2009. The Board places on record its Sincere appreciation for the valuable guidance given during his tenure.

Shri. G. K. Vishwanath was appointed as an Additional Director of the company on 30th July 2009 to hold the office till the conclusion of this Annual General Meeting. The company has received a notice proposing his candidature for the office of a Director and an Ordinary resolution has been proposed for appointment of Shri. G.K. Vishwanath as a Director retiring by rotation.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2A) of the Companies Act, 1956

The Directors 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 2009 and of the (loss) of the company for the year ended 31st March 2009.
- 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.

FIXED DEPOSITS :

Fixed Deposits from the public and the shareholders as on 31st March 2009 aggregated to Rs.115.17 lacs as against Rs.130.17 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 2009 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 Jeejeebhoy 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 2009 - 2010.

ACKNOWLEDGEMENT :

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

For and on behalf of the Board,

Place : Mumbai
Date : 30th July 2009

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 ensures 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 2009. 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	
			Membership	Chairmanship
Promoter Executive Directors	Shri Jitendra sinh J. Rawal, Executive Chairman & Managing Director	1	1	-
	Shri Jaykumar J. Rawal Executive Director	4	1	-
Other Executive Director	Shri Dashrath A. Patil	1	-	-
Promoter Non Executive Director	Shri Jaydeosinh J. Rawal	1	2	1
Promoter Non Executive Director	Shri Vikrant J. Rawal	-	-	-
Independent Non-Executive Directors	Shri. Jagdish Varshneya	12	4	4
	Shri Ashok Kothary	4	1	-
	Shri Dev Prakash Yadava	4	1	-
	Shri R.T. Bandodkar	2	-	-
	Shri Bindu Madhavan	1	-	-

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.40,01,770/-

There is no remuneration package for the Non-executive directors of the Company. However sitting fees of Rs.55,000/- has been paid to the directors for the meetings attended. During the year under review the Board of Directors met Five times at the registered office of the Company. These were held on :

Sr.No.	Date of Meeting	No. of Directors present
1.	26.04.2008	8
2.	30.07.2008	7
3.	14.08.2008	6
4.	24.10.2008	7
5.	30.01.2009	8

The attendance recorded for each of the Directors at the Board Meetings during the year ended 31st March 2009 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	5	No
Shri. Dashrath A. Patil Wholetime Director	5	No
Shri Jaydeosinh J. Rawal	5	Yes
Shri Jagdish Varshneya	5	Yes
Shri Ashok Kothary	3	No
Shri Dev Prakash Yadava	5	No
Shri R.T. Bandodkar	NIL	No
Shri Bindu Madhavan	4	No
Shri Vikrant J. Rawal	4	Yes

AUDIT COMMITTEE :

The Company's Audit Committee comprises of one Non-Executive Director and Three independent Directors. The Present members of the Committee are Shri Jagdish Varshneya, Shri Jaydeosinh J. Rawal, Shri Devprakash Yadava, Shri Ashok Kothary. The Chairman of the Committee is Shri Jagdish Varshneya who has a wide experience in Finance etc. The broad 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.



5 (five) Audit Committee meetings were held during the year 2008 - 09. The dates on which the said meetings were held on 26th April 2008, 30th July 2008, 14th August 2008, 24th October 2008 & 30th January 2009. The attendance of each Audit Committee member is given below :

Name of the Audit Committee Member	No. of meetings attended
Shri. Jagdish Varshneya	5
Shri Jaydeosinh J. Rawal	5
Shri Ashok Kothary	3
Shri G. Vishwanath (upto 30.1.09)	-

SHAREHOLDER / INVESTOR GRIEVANCE COMMITTEE :

The Company has a Share Transfer and Shareholder / Investor grievance Committee of which Shri. Jaydeosinh J. Rawal, 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
2007-2008	24th September 2008	11.00 A.M.	B-wing, Mhatre Pen Building, Senapati Bapat Marg, Dadar (W) Mumbai - 400 028
2006 - 2007	29th September 2007	11.00 A.M.	B-wing, Mhatre Pen Building, Senapati Bapat Marg, Dadar (W) Mumbai - 400 028
2005 - 2006	30th September 2006	11.00 A.M.	B-wing, Mhatre Pen Building, Senapati Bapat Marg, Dadar (W) Mumbai - 400 028

SPECIAL RESOLUTIONS PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:

Meeting	Subject matter of Special Resolution
35th Annual General Meeting	NIL
34th Annual General Meeting	Increase in Authorised Share Capital from Rs.6.00 Cr. To Rs. 10.00 Cr.
33rd Annual General Meeting	Increase in Authorised Share Capital from Rs.6.00 Cr. To Rs. 10.00 Cr.

The company has not passed any resolution through postal ballot during the financial year 2008-2009 and 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 release 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 :	25.09.2009 at 11.00 A.M. at B-Wing, Mhatre Pen Building, Senapati Bapat Marg, Dadar (W), 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 :	Tuesday, 22nd September 2009 to Wednesday, 30th September 2009 (both days inclusive)
The Equity Shares of the Company are listed on :	The Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001.
Stock Code :	Stock Exchange, Mumbai - 524408 ISIN No. INE113E01015
Registrar and Transfer Agents :	M/s Sharex Dynamic (India) Pvt.Ltd. 17B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai - 400 001. Phone : 22702485 / 22641376
Share Transfer Systems :	Share Transfer in physical form can be lodged with our Registrar and Transfer Agents at the above mentioned address. The Transfer forms received are registered within an average period of 30 days

DISTRIBUTION SCHEDULE OF EQUITY SHARES AS ON 31.03.2009.

No. of Shares	Shareholders		No. of Shares	
	Number	%	Number	%
Upto 100	1289	51.05	121864	2.90
101-200	452	17.90	89275	2.12
201-500	419	16.59	160306	3.82
501-1000	139	5.50	123366	2.94
1001-5000	136	5.39	346808	8.26
5001-10000	29	1.15	212410	5.06
10001-100000	53	2.10	1924171	45.81
100001 to above	8	0.32	1221800	29.09
Total	2525	100.00	4200000	100.00

PATTERN OF SHAREHOLDING AS ON 31.03.2009.

Sr. No.	Category	Percentage
A	Promoters Holding :	
	Indian Promoters	35.58
	Foreign Promoters	-
	Persons acting in concert	20.45
	Sub Total	56.03
B	Non Promoters Holding :	
	Private Corporate Bodies	3.57
	Indian Public	40.17
	NRI'S	0.23
	Others	-
	Sub Total	43.97
	Grand Total	100.00

Dematerializations of Equity Shares as on 31.03.2009

1) Dematerialization Form	No. of Shareholders	No. of Shares	%
NSDL	216	264283	6.29
CSDL	502	355402	8.46
	718	619685	14.75
2) Physical Form	1807	3580315	85.25
	2525	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 2008 - 2009 are as under :

Month	Quotations at Mumbai Stock Exchange	
	High (Rs.)	Low (Rs.)
April 2008	21.00	14.90
May 2008	20.00	16.85
June 2008	18.75	14.35
July 2008	15.22	14.40
August 2008	18.50	15.30
September 2008	18.95	15.25
October 2008	16.75	13.90
November 2008	15.06	13.70
December 2008	13.02	9.70
January 2009	10.80	8.56
February 2009	8.14	7.30
March 2009	7.95	7.25

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 has 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 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 has been 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 -

U24110MH 1973PLC016247 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 2009. 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 the 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 or effectiveness with which the management has conducted the affairs of the Company.

Mrs. Leena Agrawal
Proprietress

Place : Mumbai
Date: 30th July 2009

Leena Agrawal & Co.
Practising Company Secretaries
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 2009.

Place : Mumbai
Date : 30th July 2009

JITENDRASINH J. RAWAL

Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE AND DEVELOPMENT :

Your Company has entered 36th 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 immense opportunity for development in its application in various user industry, however raw material

availability at reasonable prices which depends on adequate monsoon 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 reports of 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 compete 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. 2008 - 2009 stood at Rs. 7729 Lacs as compared to Rs. 8051 lacs in 2007-08. The (Loss)/profit before tax for the year under review stood at Rs.(371.14) Lacs as compared to Rs.4.99 lacs in 2007 - 2008.

F) BUSINESS OUTLOOK :

The year 2009- 2010 offers reasonably positive picture in terms of the growth in starch industry in comparison with previous years. Your company has also identified and is focusing on some of its specialty products that would add to its application areas and 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.

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 DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2009

■ 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)	4358249 (2698680)	2044824 (822828)
Total Amount	(Rs.)	21329344 (14805755)	11067376 (5607800)
Rate Per Unit	(Rs.)	4.89 (5.49)	5.41 (6.82)
		2008-2009	2007 -2008
b) Own Generation			
Through D.G.Set Units	(KWH)	26168	85714
Diesel	(Ltrs.)	8633	28156
Output per	(Ltrs.)	3.03	3.04
c) Own Steam Turbine Generation (Includes Captive Consumption 9791115 units)	(KWH)	10805600	15928120
2. Coal			
Quantity	(M.T.)	19057	26171
Total Cost	(Rs.)	80961017	86770480
Average Rate (Per MT)	(Rs.)	4248	3316
3. Fuel			
Quantity	(Ltrs.)	12340	60469
Total amount	(Rs.)	464624	2124772
Average Rate	(Rs.)	37.65	35.14
4. Biogas units generated and consumed			
	(M3)	3277608	2969995
Rate per M3 Generated	(Rs.)	2.23	2.11
5. Consumption per M.Ton of Production			
Production (including job work)		81833	88200
Electricity - Ton. KWH		198.21	203.31
Production (including job work)		67091	72695
Coal - Ton / Kgs.		0.284	0.360

■ FORM - B ■

RESEARCH AND DEVELOPMENT DEPARTMENT

The company has established R & D Department, which plays the important role in the crucial activities of the company. The role played by 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 and thereby getting the treated effluents conforming to M.P.C. 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, 2012 as per the letter Ref. No. TU/IV-RD/2370/2009, dated 07.07.2009.
2. R & D has developed innovative process of manufacturing of spray grade starches.
3. R & D studied the bottleneaking parameters for production and quality of modified starches.
4. The overall quality of the finished products supplied to the company's customers during the year was quite satisfactory.
5. 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.
6. A programme of Arbory-culture (Plantation) was exercised around the premises of the Company as a part of Green Belt Development activity.

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 and other miscellaneous instruments to carry out analysis of 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 also consists of a Waste to Energy, Biodigester Project based on UASB Technology. The Company received MCCA's Dr. R.J. Rathi Award 2003, for Environmental protection.
4. The Company incurred an expenditure of Rs. 9.04 Lakhs 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's Technical Cell headed by Dy. General Manager - Utility, studied the Feasibility Report of Carbon Credit under CDM, with the consultancy charges of Rs. 1.47 lacs and obtained a Carbon Credit worth of Rs. 2.35 lacs.
3. The Company implemented Pest Control schedules in the premises by M/s NBHC, Aurangabad. This is the part of GMP to control Total Bacterial Count (TBC) and Total Fungal Count (TFC) in finished products.
4. The Company established Air Handling Unit (AHU) at Microbiology Laboratory as the compliance of the Mandatory requirements by FDA.
5. The Company has already established the following Projects :
Biomethanation Project, Co-Generation Power Plant, Wind Mill at Brahmanwel, Fly Ash Brick Making Project. Further upgradation of ETP is in progress.

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 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 programme in the Company on 4th March, 2009 for Safety Awareness and organized the poster exhibition. The participant staff and workers were recognized for their best suggestions 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 concerned employees. The employees were advised to perform regular Exercise and Yoga to improve their physical & 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. 19 O to 19 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 2009, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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 (Auditor's Report) amendment Order issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 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 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 account 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 account 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 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2009 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 2009;
 - b) In the case of Profit and Loss Account, 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
Harshal Agrawal
Partner
Membership No. 109438

Place : Mumbai
Date : 30th July 2009

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, clause (b), (c) and (d) are not applicable to the Company.
 - b) The Company has not taken any 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, clause (f) and (g) is not applicable to the Company.

employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

- 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 in to 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 explanation 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 if any party during the year have been made at prices which are reasonable having regard 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) According to the information and the explanations given to us, the Central Government has not prescribed maintenance of cost records for the regular business of the Company. However in respect of activity of generation of electricity from Wind energy, co-generation. We 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 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, employee's 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, 2009 for a period of more than six months from the date they became payable.
- x) The Company has no accumulated cash losses as at March 31st, 2009. It has incurred cash loss in the financial year ended on March 31, 2009. There was no cash loss in 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 benefit 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, no guarantee is given on behalf of any other party to any banks or financial institutions.
- 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 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
Harshal Agrawal
Partner
Membership No. 109438

Place : Mumbai
Date : 30th July 2009

36th Annual Report 2008-2009

BALANCE SHEET AS AT 31ST MARCH 2009

	SCHEDULE	RUPEES	AS	AT	AS	AT
			31-3-2009	31-3-2008	31-3-2009	31-3-2008
			RUPEES	RUPEES	RUPEES	RUPEES
I) SOURCES OF FUNDS						
1) Shareholders Funds						
a) Capital	A		42000000		42000000	
b) Reserves and Surplus	B		81013145		108242982	
2) Loan Funds						
a) Secured Loans	C		170942363		224430314	
b) Unsecured Loans	D		143284420		143575779	
3) Deferred Tax Liabilities (Net) (Ref. Note No. 11 in Schedule 'L')			42271220		52552186	
TOTAL			479511148		570801261	
II) APPLICATION OF FUNDS						
1) Fixed Assets :						
a) Gross Block	E	576659142			550690053	
b) Less : Depreciation		<u>237462475</u>			<u>209277159</u>	
c) Net Block		339196667			341412894	
d) Capital Work in progress		<u>28768313</u>			<u>14039374</u>	
			367964980		355452268	
2) Investments	F		1314160		864160	
3) Current Assets, Loans and Advances						
i) Inventories	G	58248592			149519226	
ii) Sundry Debtors		73917087			87926979	
iii) Cash and Bank Balances		36834733			52069059	
iv) Loans and Advances		<u>58696311</u>			<u>59051856</u>	
			227696723		348567120	
Less : Current Liabilities and Provisions	H					
a) Liabilities		108108339			123190172	
b) Provisions		<u>9356376</u>			<u>10892115</u>	
			117464715		134082287	
Net Current Assets			110232008		214484833	
TOTAL			479511148		570801261	
Notes forming part of the Accounts						
L						

Signature to Schedule A to L
As per our report of even date attached

For: **M. B. Agrawal & Co.**
CHARTERED ACCOUNTANTS

HARSHAL AGRAWAL
PARTNER
Membership No. 109438

Place : MUMBAI
Date : 30th July 2009

FOR & ON BEHALF OF THE BOARD

**CHAIRMAN &
MANAGING DIRECTOR :** JITENDRASINH J. RAWAL
DIRECTORS : JAYDEOSINH J. RAWAL
JAYKUMAR J. RAWAL
JAGDISH VARSHNEYA
VIKRANT J. RAWAL
D. A. PATIL

COMPANY SECRETARY : Y. L. SINDHWAD

Place : MUMBAI
Date : 30th July 2009



Universal Starch-Chem Allied Ltd.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	SCHEDULE	RUPEES	FOR THE YEAR ENDED 31-3-2009 RUPEES	FOR THE YEAR ENDED 31-3-2008 RUPEES
I) INCOME				
Sales (Gross)		772893244		805140229
Less : Excise Duty		<u>32458340</u>		<u>39950150</u>
			740434904	765190079
Other Income	I		15419893	34978589
Processing Charges (TDS Rs. 817746/-) (Previous year Rs. 880247/-)			36076274	38887224
Increase / (Decrease) in Stock	J		(11810128)	14100896
	TOTAL		780120943	853156788
II) EXPENDITURE				
Raw Material Consumed				105484298
Opening Stock		82164065		443607346
Purchases		<u>376862871</u>		<u>549091644</u>
				82164065
Less : Closing Stock		<u>11513249</u>		
			447513687	466927579
Purchases (Trading)			36861770	54451087
Manufacturing & Other Expenses	K		273797491	266756190
Interest on Loans				
Fixed Term Loan		6308410		9997931
Others Loan		<u>22485444</u>		<u>25470198</u>
Sale of Fixed Assets (Net)			28793854	35468129
Depreciation			115933	339610
			<u>30131087</u>	<u>28715152</u>
			817213822	852657747
PROFIT BEFORE TAX			(37092879)	499041
PROVISION FOR TAXATION				
CURRENT			-	14219
DEFERRED (Ref. Note No. 11 in Schedule 'L')			(10280967)	(2832401)
Income Tax Adjustment			-	518804
Fringe Benefit Tax			417925	423886
PROFIT AFTER TAX			(27229837)	2374533
Balance brought forward from last year			80987582	81569944
Profit available for Balance Sheet			53757745	83944477
Amount transferred to General Reserve			-	500000
Proposed Dividend			-	2100000
Corporate Tax on Dividend			-	356895
Balance carried forward to Balance Sheet	TOTAL		53757745	80987582
Earning per share basic and diluted			(8.83)	0.12
Notes forming part of the Accounts	L			

Signature to Schedule A to L
As per our report of even date attached

For : **M. B. Agrawal & Co.**
CHARTERED ACCOUNTANTS

HARSHAL AGRAWAL
PARTNER
Membership No. 109438

Place : MUMBAI
Date : 30th July 2009

FOR & ON BEHALF OF THE BOARD

CHAIRMAN &
MANAGING DIRECTOR : **JITENDRASINH J. RAWAL**
DIRECTORS : **JAYDEOSINH J. RAWAL**
JAYKUMAR J. RAWAL
JAGDISH VARSHNEYA
VIKRANT J. RAWAL
D. A. PATIL

COMPANY SECRETARY : **Y. L. SINDHWAD**

Place : MUMBAI
Date : 30th July 2009

	RUPEES	AS 31-3-2009 RUPEES	AT 31-3-2008 RUPEES
SCHEDULE 'A'			
SHARE CAPITAL			
AUTHORISED			
60,00,000 Equity Shares of Rs. 10/- each		60000000	60000000
ISSUED, SUBSCRIBED AND PAID UP			
42,00,000 Equity Shares of Rs. 10/- each Fully Paid up		42000000	42000000
TOTAL		42000000	42000000
 SCHEDULE 'B'			
RESERVES AND SURPLUS			
Share Premium		16000000	16000000
Capital Reserve		74000	74000
General Reserve			
Opening Balance	11181400		10681400
Add : Amount transferred from Profit and Loss Account during the year	-		500000
Surplus in Profit and Loss Account		11181400	11181400
TOTAL		53757745	80987582
		81013145	108242982
 SCHEDULE 'C'			
SECURED LOANS			
From Bank			
The Shamrao Vithal Co-op Bank Ltd.			
Cash Credit Account	52061188		124517955
Term Loan	80065753		-
		132126941	124517955
HDFC Bank Ltd. & Dena Bank			
Pledge Loan	-		40159788
Interest Accrued & due on above	-		82283
			40242071
From Others			
1. Hire Purchases (Hypothecation on respective Cars)		1315422	2170288
2. SICOM Ltd. Term Loan - Co-Generation		27500000	57500000
3. Overdraft Against F.D. Union Bank of India		10000000	-
TOTAL		170942363	224430314



Notes :

a) The Shamrao Vithal 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.

b) The Shamrao Vithal 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

c) SICOM LIMITED

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 and second charge (Floating) on all current assets and other liquid assets of the company.

	AS 31-3-2009 RUPEES	AT 31-3-2009 RUPEES	AS 31-3-2008 RUPEES	AT 31-3-2008 RUPEES
SCHEDULE 'D'				
UNSECURED LOANS				
Fixed Deposits				
From Directors	5655000			6402000
From Others	5862000			6615416
Interest accrued and due	390457			143418
		11907457		13160834
Sales Tax Deferral Scheme		124499066		123653035
Advances / Deposit from Agents	6415948			6299961
Interest accrued and due	461949			461949
		6877897		6761910
TOTAL		143284420		143575779

SCHEDULE 'E'

FIXED ASSETS

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2008	Additions	Sales / Adjustments	As at 31.03.2009	As at 01.04.2008	Sales / Adjustments	For the Year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Land	1706965	-	-	1706965	-	-	-	-	1706965	1706965	
Building	47325471	3579958	-	50905429	14968246	-	1339018	16307264	34598165	32357225	
Plant & Machinery	480545298	22793078	-	503338376	182633587	-	27221472	209855059	293483317	297911711	
Furniture & Fixture	2047957	248991	-	2296948	1374675	-	120882	1495557	801391	673282	
Office Equipment	3965882	628705	-	4594587	1609276	-	221476	1830752	2763835	2356606	
Computers	3645706	1854505	-	5500211	2546900	-	417268	2964168	2536043	1098806	
Vehicles	11395448	50000	3186148	8259300	6124358	1945771	809056	4987643	3271657	5271090	
Paddle Boat	57326	-	-	57326	20117	-	1915	22032	35294	37209	
TOTAL	550690053	29155237	3186148	576659142	209277159	1945771	30131087	237462475	339196667	341412894	
Previous Year	531554261	24215867	5080075	550690053	180804056	242049	28715152	209277159			
ADD : CAPITAL WORK IN PROGRESS :									28768313	14039374	
									TOTAL	367964980	355452268

NOTE :

Excise Modvat received on Plant & Machinery amounting to Rs.56137/- (Previous Year Rs. 74785/-) have been reduced from the cost of assets.

	RUPEES	AS 31-3-2009 RUPEES	AT 31-3-2008 RUPEES
SCHEDULE 'F'			
INVESTMENTS (At Cost)			
Quoted			
Non - Trade			
120 Equity Shares of Rs. 10/- each in Glaxo SmithKline Pharma Ltd. (M. V. Rs. 84294/-) (Previous year Rs. 67721/-)		1400	1400
1300 Equity Shares of Rs. 10/- each in Dena Bank (M. V. Rs. 41990/-) (Previous year Rs. 66105/-)		39000	39000
Unquoted			
Trade			
1000 Shares of Rs. 50/- each in The Dadasaheb Rawal Co-operative Bank of Dondaicha Ltd.		50000	50000
10 Shares of Rs. 50/- each in Indra Sahakari Bank Ltd., Dhule		500	500
20000 Shares of Rs. 25/- each in The Shamrao Vithal Co-op. Bank Ltd. (Previous year 2000 shares)		500000	50000
25 Shares of Rs. 10/- each in Cidco Ltd.		260	260
86400 Equity shares of Rs. 10/- each in Unique Sugars Limited (including 14,400 Bonus Shares)		720000	720000
1 Secured Redeemable Non-Convertible Bond 14% (Taxable) of Rs. 1000/- each fully paid up of (first series 1986) Maharashtra Telephone Nigam Ltd.		1000	1000
Non-Trade			
2 National Savings Certificates NSC No. 2745333,535 maturing on 05.03.2011 maturing amount Rs. 2015/- each		2000	2000
TOTAL		1314160	864160

SCHEDULE 'G'
CURRENT ASSETS, LOANS AND ADVANCES

A) CURRENT ASSETS

1) Inventories (as valued and certified by the management) Refer Note No. 1 (h) in Schedule 'L'			
Stores and spare parts	16087585		24758427
Raw Materials	11513249		82164065
Finished Goods	21048142		30376893
Process Stock	9008707		11490084
Trading Goods	590909		729757
		58248592	149519226
2) Sundry Debtors (unsecured, Considered Good)			
a) Debts outstanding for a period exceeding six months	10680645		15762273
b) Other Debts	65559028		74487292
	76239673		90249565
Less : Provision for Doubtful Debts	2322586		2322586
		73917087	87926979
3) Cash and Bank Balances			
Cash Balance on hand	377441		505715
Bank Balances			
a) With scheduled banks			
Current Account	2751168		1699517
Fixed Deposits (includes accrued interest)	21294596		3241377
b) With others			
Current Account	619087		421224



	RUPEES	AS 31-3-2009 RUPEES	AT 31-3-2008 RUPEES
Fixed Deposits	11792441		46201426
(includes accrued interest) (Refer Note No. 7 in Schedule 'L')		36834733	52069059
4) Loans and Advances (Unsecured and considered good)			
a) Advances recoverable in cash or in kind or for value to be Received	37784489		38486299
b) TDS payments includes Advance Tax	7702555		6745744
c) Loans to staff	146940		208522
	45633984		45440565
d) Deposits			
Excise Duty	461244		921278
Other Deposits	12601083		12690013
	13062327		13611291
		58696311	59051856
TOTAL		227696723	348567120

SCHEDULE 'H'

CURRENT LIABILITIES AND PROVISIONS

A) CURRENT LIABILITIES

Creditors for Capital Goods	3495176		1366133
Trade Creditors			
Due to small Undertaking (Ref. Note No. 8 in Schedule 'L')	3082590		3282928
Due to Other Sundry Creditors	83405176		105157554
Other Liabilities	16726277		11941806
Unclaimed Dividends	857126		779041
Interest accrued but not due	541994		662710
		108108339	123190172

B) PROVISIONS

Provision for Taxation	5065873		5065873
Corporate Tax on Dividend	-		356895
Proposed Dividend	-		2100000
Leave Encashment	4290503		3369347
		9356376	10892115
TOTAL		117464715	134082287

	RUPEES	FOR THE YEAR ENDED 31-3-2009 RUPEES	FOR THE YEAR ENDED 31-3-2008 RUPEES
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SCHEDULE 'I'

OTHER INCOME

Interest on Deposits (TDS Rs. 90432/- Previous year Rs. 97951/-)		4358439	6623013
Dividends (Gross)		5620	11660
Compensation		271676	153976
Sales Tax Refund		1502000	1304987
Interest Subsidy Received		-	52679
Wind Mill Unit Receipt		3823200	3402270
Miscellaneous Receipts		487199	1443752
Provision No Longer Required W/ back		-	1544816
Insurance Claim Received		453548	404999
Carbon Credit Wind Mill		234897	1007940
Electricity Unit Sales (Co-Generation)		4283314	6654450
R.L.Charges Received (Ref. Note No. 14 in Schedule L)		-	12374047
TOTAL		15419893	34978589

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		FOR THE YEAR ENDED 31-3-2009 RUPEES	FOR THE YEAR ENDED 31-3-2008 RUPEES
SCHEDULE 'J'			
INCREASE / (DECREASE) IN STOCKS			
Stock at Close			
Finished Goods	21048142		30376893
Process Stock	9008707		11490084
		30056849	41866977
Less : Stock at Commencement			
Finished Goods	30376893		20288509
Process Stock	11490084		7477572
		41866977	27766081
TOTAL		(11810128)	14100896

SCHEDULE 'K'

MANUFACTURING AND OTHER EXPENSES

Consumption of Stores and Spare Parts		28576255	28828061
Chemicals		16373599	14479123
Power, Fuel and Water Charges		116655648	113007503
Warehouse Charges / Rent		2151659	5731718
Repairs and Maintenance			
Building	513786		538372
Plant & Machinery	2401463		1606535
Others	55268		148043
		2970517	2292950
Remuneration to Employees			
Salaries, Wages and Bonus	38079546		35003758
Contribution to Provident & Other Funds	1885362		1793084
Workmen and Staff Welfare Expenses	1155577		967567
Group Gratuity - LIC	155054		606012
		41275539	38370421
Research & Development Expenses		903623	833006
Insurance		3766612	5081567
Rates and Taxes		879388	642626
Service Charges		3217393	2627985
Director's Meeting Fees		56250	55000
Legal and Professional Fees		549312	401084
Bank Charges		1702888	734114
Travelling Expenses		2249651	1995677
Conveyance		515625	437308
Vehicles Expenses		2710878	2661940
Printing and Stationery		552084	732758
Communication Expenses		1335676	1459988
Octroi Duty		7595	11676
Commission to Selling Agent		1977455	2812853
Advertisement		142269	219700
Packing Material		28641881	26041780
Carriage Outward		11574950	11766412
Guarantee Fees		1800739	2473168
Wheeling Charges		267624	238158
Auditor's Remuneration		87210	88652
Donation		6601	2465
Other Expenses		2848570	2728497
TOTAL		273797491	266756190

SCHEDULE 'L'

Notes forming Part of the Accounts for the year ended 31.03.2009

1) 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 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.
- c) 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.
- d) Depreciation in Fixed Assets has been provided on straight line method in the manner and at the rates prescribed in Schedule 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 recognised when goods are despatched 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 inclusive of Excise Duty. 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.
- j) Revenue expenditure pertaining to Research and Development is charged to Profit and Loss Account. Capital expenditure on Research & Development is Capitalised 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) Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalised 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.

- m) 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.
 - n) 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.
 - o) 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.
- 2) 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.315.33 Lakhs (Previous year Rs.38.99 Lakhs).
 - ii) Bills Discounted with Bankers are Rs. 15.21 Lakhs (Previous year Rs.1.69 Lakhs). Since realised Rs.15.21 Lakhs.
 - iii) Income Tax Department has made certain additions for the assessment year 2004-05 and 2006-07. The Company has contested the same in appeal before CIT (A).
- 3) a) The Sales Tax Assessment has been completed upto financial year 2003-2004. 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 2006-07. The Company does not expect any substantial liability for the subsequent years.

	2008-2009 RUPEES	2007-2008 RUPEES
4) Remuneration to the Executive Directors		
a) Salary	3437986	2786030
b) P.F. Contribution	351324	264924
c) Perquisites	212460	185361
	<u>4001770</u>	<u>3236315</u>

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

The Company has made a payment for the financial year 2008-09 exceeding remuneration payable as per Schedule XIII to Companies Act. The Company is in the process of making an application to the Central Govt. for waiver of excess remuneration paid to the Directors.

- 5) Travelling Expenses include Rs. 9.80 Lakhs (Previous year Rs.8.75 Lakhs).incurred on travelling by the Directors. Above amount includes expenses for foreign travel amounting to Rs. 2.75 Lakhs (Previous year Rs. Nil).
- 6) 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 realised, in the ordinary course of business.

7) 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	542092	10158280
	(360300)	(2389469)
Current Account, Dondaicha (Diesel Pump)	59687	59687
	(19887)	(287608)
Dividend Account, Dondaicha	1000	1000
	(1000)	(1000)
Overdraft Account, Dondaicha	-	1000
Current Account, Dhule	(1000)	(46384)
	9060	22280
Current Account, Navi Mumbai	(31590)	(221690)
	4055	4055
Fixed Deposits	(4055)	(4055)
	11792441	11792441
Indira Sahakari Co-op. Bank Ltd., Dhule	(46201426)	(46201426)
Current Account	3193	3193
	(3193)	(3193)

(Shri Jaydeosinh J. Rawal Director is Chairman of The D.R.Co-op. bank and Shri Jaykumar J. Rawal Director is one of the Director of the above bank. Shri Jitendrasinh J. Rawal is relative of above Directors).

- 8) List of small scale industries the outstanding of whom are for more than 30 days as at 31st March'2009 is as follows : Unique Carbon & Chemicals, Sujata Pharmaceuticals, Time Techno Plast Limited, TPL Plastech Limited, K.T. Plastic Industries and Kris Flexipacks Pvt. Ltd. The above information has been complied to the extent they could be identified as small scale and ancillary undertakings on the basis of information available with the Company. The outstanding are on the basis of terms of the contracts. Information required under Micro, Small & Medium Enterprises Development Acts, 2006 Based on the basis of information available with the Company the amount due to such parties at the year end has been furnished above. The outstanding are on the basis of terms of the contracts and no interest is due / claimed on the same.
- 9) 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 Wind 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.
- 10) Operating Lease : The Company has taken land for Wind under operating lease for the period of 30 years. The lease agreement are normally renewed on expiry.
- 11) Major Components of Deferred Tax Assets and Deferred Tax Liabilities

Particulars	Balance		Arising during the year	Balance carried	
	AS	AT		AS	AT
	31.03.2008			31.03.2009	
	Rupees		Rupees	Rupees	
Deferred Tax Liabilities					
on account of timing difference in Depreciation	73185094		(2362501)		70822593
Total	<u>73185094</u>		<u>(2362501)</u>		<u>70822593</u>
Deferred Tax Assets					
on account of timing difference in					
(a) Unabsorbed Depreciation	18241677		5841848		24083525
(b) Unabsorbed Business Loss	-		1821358		1821358
(c) Provision for doubtful debts	995570		-		995570
(d) Leave encashment (Net)	571564		276347		847911
(e) Inventory Valuation (Net)	19166		(21087)		(1921)
(f) Others	804930		-		804930
Total	<u>20632907</u>		<u>7918466</u>		<u>28561373</u>
Net Deferred Tax Liability / (Assets)	<u>52552187</u>		<u>(10280967)</u>		<u>42271220</u>

12) EARNING PER SHARE (EPS)

The basic and Diluted EPS is calculated as under :

	2008-2009	2007-2008
Profit attributed to Equity Shareholders (before Tax)	(37092879)	499041
No. of equity shares (of Rs.10 each)	4200000	4200000
Earning per Share	(8.83)	0.12

13) Payment to Auditors

	2008-2009	2007-2008
Audit Fees	77210	78652
Certification Fees	14175	16873
Others	10000	10000

- 14) The Company has paid Regulatory Liability Charges (RLC) of Rs.123.74 Lakhs to Maharashtra State Electricity Board Ltd, between December 2003 to September 2006. While determining the Annual Revenue Requirement for the year 2008-2009 to 2009-2010 and its tariff structure, MSEDCL has been directed to refund the money to the consumer categories including the Company. RLC dues of Rs. 123.74 Lakhs which were charged as expenses by the Company in respective years been recognized as Income in the year 2007-2008. The Company has started receiving the said money and has received Rs. 18.96 Lakhs in the current financial year.

15) 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. The Company has contributed Rs. 18.85 lakhs to P.F. Commissioner, Govt. of India, Nasik, which has been recognized in the Profit and Loss A/c.
- 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	104.03	89.29
Interest Cost	5.63	5.81
Current Service Cost	15.61	14.08
Past Service Cost	0.00	0.00
Benefits Paid	(9.97)	(4.90)
Actuarial (Gain) / loss on obligations	4.20	(0.25)
Liability at the end of the year	119.50	104.03

Fair value of plan assets :

Fair value of plant assets at the beginning of the year	72.75	0.00
Expected return on plan assets	5.88	0.00
Contributions	1.19	0.00
Benefits Paid	(7.04)	0.00
Actuarial (Gain) / loss plant assets	0.00	0.00
Fair value of plant assets at the end of the year	72.78	0.00
Total Actuarial gain / (loss) to be recognized:	4.20	(0.25)

Balance Sheet Recognition :

Present value of obligation	119.50	33.69
Fair value of plant assets	72.78	0.00
Liability / (Assets)	39.08	33.69
Unrecognized past service cost	0.00	0.00
Liability / (Assets) recognized in the Balance Sheet	(39.08)	33.69

Expenses recognized in the Profit and Loss account :

Current service cost	15.61	14.08
Interest Cost	5.63	5.81
Expected return on plant assets	5.88	0.00
Net actuarial gain / (loss) recognized in the year	4.20	(0.25)
Past Service Cost	0.00	0.00
Expenses recognized in the statement of Profit and Loss	13.69	14.08

Movement in the net liability recognized in the Balance Sheet

Opening Net Liability	33.69	28.07
Expenses	2.93	8.46
Contribution	12.14	8.02
Closing Net Liability	42.90	33.69

Actuarial assumptions :

Discount rate p.a.	7.50%
Mortality	LIC 1994-96
Future Salary increases p.a.	4.00%
Retirement	58 years

16) 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., Toranmat Hill Resorts Pvt.Ltd., Practical Engg. Pvt.Ltd., Rawal Trading Enterprises Pvt.Ltd., Jaysinha Financing Pvt.Ltd., Toranmat Development 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. Dasharath Amrit Patil	Director

17) Disclosure of Related Party Transactions :

Sr. No	Nature of Relationship / Transactions	Key Management Personnel	Relatives	Associates	Total
1	Purchase of Goods	-	-	24378	24378
2	Sales of Goods / Contract revenue	-	-	78665800	78665800
3	Processing Charges Received	-	-	36076274	36076274
4	Guarantee Charges	1800739	-	-	1800739
5	Interest on Fixed Deposit	324701	192311	-	517012
6	Rent	-	-	330408	330408
7	Rent Received	-	-	10000	10000
8	Service Charges	-	-	4000000	4000000
9	Trade Receivables	-	-	13377987	13377987
10	Trade Payables	-	-	9996977	9996977

Remuneration paid to Directors Refer Note No. 4

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18) 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 Lakhs	35.00 Lakhs
02)	Rawal Trading Enterprises Pvt. Ltd.	18.50 Lakhs	18.50 Lakhs
03)	Jaychandra Agro Industries Pvt. Ltd.	3.00 Lakhs	3.00 Lakhs

19) Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of the Schedule VI of the Companies Act, 1956.

QUANTITY AND VALUE-WISE BREAK UP :

	2008-2009		2007-2008	
	QUANTITY M.T.	AMOUNT RS.	QUANTITY M.T.	AMOUNT RS.
A) RAW MATERIALS CONSUMED (100% INDIGENOUS)				
Maize and Others	54141	447513687	64019	466927579
B) TURNOVER				
Starches	22945	383378548	23208	388275144
Liquid Glucose	11206	202968964	13005	229289185
By-products	28375	146243982	33713	128231732
	<u>62526</u>	<u>732591494</u>	<u>69926</u>	<u>745796061</u>
Biogas Units in (M3)	762622	1441356	723674	1367744
Wind Mill Units	1274400	3823200	1134090	3402270
Co-Generation Units	1014485	4283314	1603482	6654450
C) PURCHASES (TRADING GOODS)				
Diesel and Oil (Liters) (Net) (including evaporation loss)	995520	36722922	858860	29509888
Maize (M.T.)			3416	24739613
D) SALES (TRADING GOODS)				
Diesel and Oil (Liters) (Net)	1000577	38860394	851651	31293110
Maize (M.T.)			3416	26645814
E) OPENING STOCK OF FINISHED GOODS				
Starches	1715	27278065	1157	17742775
Liquid Glucose	159	2561475	164	2545734
By-products	36	537353	-	-
	<u>1910</u>	<u>30376893</u>	<u>1321</u>	<u>20286509</u>
F) OPENING STOCK OF TRADING GOODS				
Diesel and Oil (Liters) (Net)	17191	729757	23635	931343
G) CLOSING STOCK OF FINISHED GOODS				
Starches	1343	19418923	1715	27278065
Liquid Glucose	92	1597326	159	2561475
By-products	5	31893	36	537353
	<u>1440</u>	<u>21048142</u>	<u>1910</u>	<u>30376893</u>
H) CLOSING STOCK (TRADING GOODS)				
Diesel and Oil (Liters) (Net)	12134	590909	17191	729757
I) Wind Mill Electricity (Units)	1274400	3823200	1134090	3402270
J) LICENCED CAPACITY				
The Company is not required to hold any licence under the Industrial Development (Regulations) Act, 1951. However, the Company has obtained the necessary DGTD Registration.				
K) INSTALLED CAPACITY (As Certified by the Management)		M. TONS (PER ANNUM)		M. TONS (PER ANNUM)
		2008-2009		2007-2008
Maize Crushing		163500		163500
Starches and Slurry		74000		74000
Liquid Glucose		26000		26000
By-products		40875		40875
Wind Mill (MW)		0.600		0.600
Co-Generation (MW)		3.000		3.000
L) PRODUCTION				
Starches and Slurry		28015		30316
For others				
Starches		22573		23766
Liquid Glucose		11139		13000
By-products		28344		33749
		<u>62056</u>		<u>70515</u>
Wind Mill Electricity (units)		1274400		1134090
Biogas (units) (M3)		3277608		2969995
Co-Generation Units		10805600		15928120
M) Value of capital goods imported (calculated on CIF basis)		NIL		NIL
N) CONSUMPTION OF RAW MATERIALS - Spare Parts & Components				
i) Imported				
ii) Indigenous	100.00	492463541	100.00	510234763
	<u>100.00</u>	<u>492463541</u>	<u>100.00</u>	<u>510234763</u>
O) Expenditure in Foreign Currency		2.75 Lakhs		NIL
P) Remittances in Foreign Exchange for Capital goods		NIL		NIL
Q) Earnings in Foreign Exchange		0.26 Lakhs		NIL

Signature to Schedule A to L

As per our report of even date attached

For: **M. B. Agrawal & Co.**
CHARTERED ACCOUNTANTS

HARSHAL AGRAWAL
PARTNER
Membership No. 109438

Place: MUMBAI
Date: 30th July 2009

FOR & ON BEHALF OF THE BOARD

CHAIRMAN & MANAGING DIRECTOR : JITENDRASINH J. RAWAL
DIRECTORS : JAYDEOSINH J. RAWAL
JAYKUMAR J. RAWAL
JAGDISH VARSHNEYA
VIKRANT J. RAWAL
D. A. PATIL
COMPANY SECRETARY : Y. L. SINDHWAD

Place: MUMBAI
Date: 30th July 2009



Additional Information as required under Part IV of Schedule VI of the Companies Act, 1956 Balance Sheet Abstract & Company's General Business Profile

1. Registration Details

Registration No. 16247 of 1973	State Code	11
Balance Sheet Date : 31-3-2009		

2. Capital Raised during the year : (Rs. in '000)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

3. Position of mobilisation and deployment of funds : (Rs. in'000)

Total Liabilities	479511	Total Asstets	479511
Sources of Funds :		Application of Funds :	
Paid up Capital	42000	Net Fixed Assets	367965
Reserves & Surplus	81013	Investments	1314
Secured Loans	170942		
Unsecured Loans	143285	Net Current Assets	110232
Deferred Tax Liabilities (Net)	42271		

4. Performance of the Company (Rs. in '000)

Turnover	780121	Total Expenditure	817214
Profit before Tax	(37093)	Profit after Tax	(27230)
Earning per Share in Rs.	(8.83)	Dividend Rate	-

5. Generic Names of three Principal Products / services of the Company (As per Monetary Terms)

Item Code No. (ITC Code)	1103.00	Products Description	Starches
Item Code No. (ITC Code)	3505.20	Products Description	Chem. Starches
Item Code No. (ITC Code)	1702.19	Products Description	Liquid Glucose

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	RUPEES	31-3-2009 (RUPEES)	RUPEES	31-3-2008 (RUPEES)
A) NET PROFIT BEFORE TAX		(37092879)		499041
Depreciation	30131087		28715152	
Interest (Net)	24435415		28792437	
Dividend Income	(5620)		(11660)	
Fixed Assets Sold - Net	115933		339610	
Provision for Leave Encashment	1213939		802182	
Operating Profit before working Capital Changes		55890754		58637721
		18797875		59136762
ADJUSTMENT FOR :				
Trade and Other Receivable	14365437		24368625	
Inventories	91270634		6588412	
Trade Creditors Payable	(15374615)		43321271	
		90261456		74278308
CASH GENERATED FROM OPERATIONS		109059331		133415070
Dividend Received	5620		11660	
Interest Received	4358439		6675692	
Interest Paid	(28793854)		(35468129)	
Direct Taxes Paid	(774820)		(9843573)	
		(25204615)		(38624350)
NET CASH FROM OPERATIONS ACTIVITIES (A)		83854716		94790720
B) CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(43884176)		(23765601)	
Sale / Adj of Fixed Assets	1124444		4498416	
Purchase / Sale of Investment	(450000)		-	
NET CASH USED IN INVESTING ACTIVITIES (B)		(43209732)		(19267185)
C) CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Long Term Borrowing	(53779310)		(78744364)	
Dividend Paid	(2100000)		(2100000)	
NET CASH USED IN FINANCING ACTIVITIES (C)		(55879310)		(80844364)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		(15234326)		(5320829)
OPENING CASH AND CASH EQUIVALENTS	52069059		57389888	
CLOSING CASH AND CASH EQUIVALENTS	36834733		52069059	
NET INCREASE IN CASH AND CASH EQUIVALENTS		(15234326)		(5320829)

FOR AND ON BEHALF OF THE BOARD

Place : MUMBAI
Date : 30th July 2009

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 2009. 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 Account and the Balance sheet of the Company for the year ended 31st March 2009 covered by our report of even date to the Members of the Company.

For M. B. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
HARSHAL AGRAWAL
Partner
Membership No. 109438

Place : MUMBAI
Date : 30th July 2009

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 Sixth 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, 25th September 2009.

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 Sixth Annual General Meeting of the Company to held at 11.00 a.m. on Friday, 25th September 2009.
and at any adjournment thereof.

Signed this _____ day of _____ 2009

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 (West), Mumbai - 400 028.