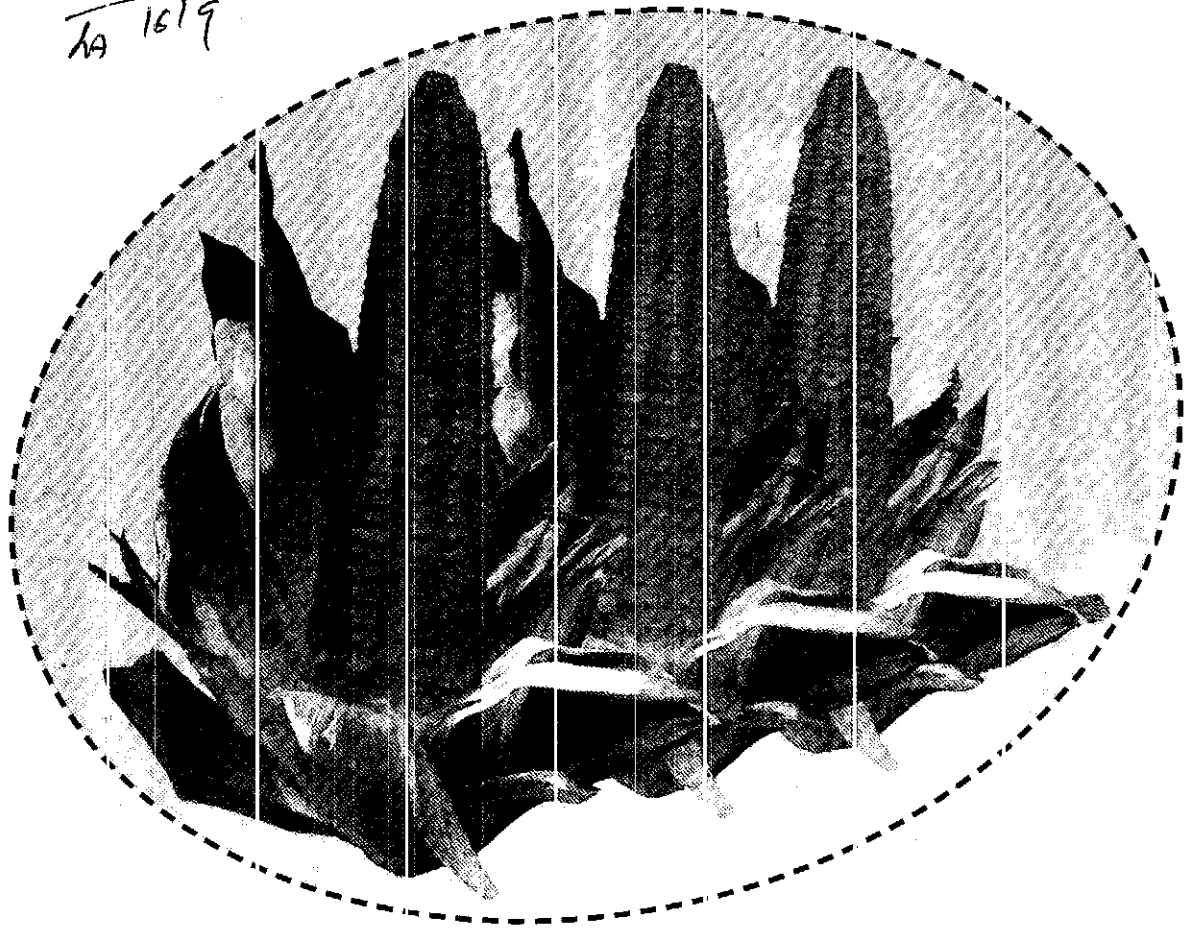




37th Annual Report

2009-2010

2009/10
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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. DEVPRAKASH YADAVA

SHRI. R. T. BANDODKAR

SHRI. BINDU MADHAVAN

SHR. G. K. VISHWANATH

SHR. VIKRANT J. RAWAL

SHRI. DASHARATH AMRIT PATIL

SHRI. SARVADAMANSINGH. R VAGHELA (From 2-8-10)

■ AUDITORS ■

For M. B. AGRAWAL & CO.
Chartered Accountants, Mumbai

■ BANKERS ■

THE SHAMRAO VITHAL CO-OP. BANK LTD. MUMBAI

■ REGISTRARS AND TRANSFER AGENTS ■

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

■ REGISTERED OFFICE ■

Mhatre Per 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 SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE UNIVERSAL STARCH - CHEM ALLIED LIMITED WILL BE HELD ON WEDNESDAY, 29TH SEPTEMBER 2010 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 :

- To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March 2010 and the Balance Sheet as on that date together with the Directors' Report and Auditors' Report attached thereto.
- To appoint a Director in place of Shri Vikrant J. Rawal who retires by rotation and being eligible offers himself for re-appointment.
- To appoint a Director in place of Shri Bindu Madhavan who retires by rotation and being eligible offers himself for re-appointment.
- To consider and if thought fit, to pass with or without modification(s) following resolution as an ORDINARY RESOLUTION:
"RESOLVED that Mr. Shri R.T. Bandodkar, a Director liable to retire by rotation, who does not seek re-election, be not re-appointed a director of the company."
"RESOLVED FURTHER that the vacancy, so created on the Board of Directors of the company, be not filled."
- 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 SARVADAMANSINGH R.VAGHELA AS A DIRECTOR

To consider and if thought fit, to pass with or without modification(s) following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Shri. Sarvadamsingh R. Vaghela 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".

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

Place : Mumbai
Date : 12th August 2010

Y. L. Sindhwad
Company secretary

Registered Office

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

NOTES :

- 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.
- Proxies, in order to be effective, must be received by the company not less than 48 hours before the meeting.
- The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September to 30th September 2010 (both days inclusive).
- 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.
- 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.

- Members / Proxies are requested to bring the attendance slip duly filled in for attending the meeting.
- Pursuant to the provisions of Section 205C of the Companies Act, 1956, as amended dividend for the financial year ended 31st March 2003 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 2003 are requested to approach the company immediately. The due date for transfer unpaid / unclaimed amount to the IEPF is 14th November 2010. 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.

ANNEXURE 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 Vikrant J. Rawal:** Age 25, was appointed as a Non - Executive Director of the Company on 18.08.2007. He is a B. Com. Graduate & having 5 Yrs of Managerial Experience in Marketing, Production etc. Shri Vikrant J. Rawal hold 3000 equity shares of the company in his name as on March 2010, and he is related to Shri Jaydevisinh J. Rawal.

2) **Shri Bindu Madhavan:** Age 57, was appointed as a Non - Executive Independent Director of the Company on 18.08.2007. He is a Graduate in Engineering & Masters in Management from I.I.T. Kharapur. He is having 35 Yrs of professional / Managerial experience in India & abroad of Mfg / trading organizations

3) **Shri Sarvadamsingh R. Vaghela:** Age 43, was appointed as an Additional Director of the company w.e.f. 12.08.2010. He is a B. A. graduate & having more than 15 years of experience in Manufacturing/Trade & construction etc. Mr. Sarvadamsingh R. Vaghela: hold 70,000 equity shares of the company in his name as on March 2010, and he is not related to any other director.

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

Place : Mumbai
Date : 12th August 2010

Y. L. Sindhwad
Company secretary

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

Item No.4

In accordance with the provisions of sec 256 of the Act & the Article of Association of the Company, Mr. R.T. Bandodkar retires by rotation. Mr. R.T. Bandodkar has not sought re-election & it has been decided by the Board that the vacancy so created on the Board of Directors of the company should not be filled.

Mr. R.T. Bandodkar is a director of the company since 29.1.2004 & the board has placed on record it's appreciation of the contribution made by Mr. R.T. Bandodkar to the Company. Members' attention is invited to the Directors' Report.

Item No.6

Shri. Sarvadamsingh R. Vaghela was appointed on 12th August 2010 as an Additional Director. Pursuant to the provisions of the Section 260 of the Companies Act 1956 Shri. Sarvadamsingh R. Vaghela will hold the office of a Director up to 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 Shri. Sarvadamsingh R. Vaghela for the office of a Director. Except Shri. Sarvadamsingh R. Vaghela none of the other directors are concerned or interested in the Resolution.

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

Place : Mumbai
Date : 12th August 2010

Y. L. Sindhwad
Company secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty Seventh Annual Report of the Company along with audited statements of accounts for the year ended 31st March 2010. The summarized financial results are given below : (Rs. In Lacs.)

Particulars	2009- 2010	2008 - 2009
Total Income (Gross)	9212	8126
Profit / (Loss) before depreciation	519	(70)
Depreciation	314	301
Profit / (Loss) before tax	205	(371)
Provision for taxation (Including Deferred & FBT)	180	(98)
Profit / (Loss) after tax	25	(273)
Balance brought forward	537	810
Profit available for appropriations	563	537
Appropriations :		
Proposed Equity Dividend	21	-
Corporate Dividend Tax	4	-
Transfer to General Reserve	-	-
Balance Carried forward	538	537

DIVIDEND :

The Profit after tax stands at Rs 25 Lacs as compared to Loss of Rs.(273) Lacs last year. The Board of Directors recommend payment of Rs.0.50 per equity share of Rs.10/- each (i.e. @ 5%) for the year ended 31st March 2010.

OPERATIONAL RESULTS :

Your Company's Net Sales for the year amounted to Rs. 8445 Lacs as compared to Rs.7404 lacs of last year. The result for the year shows net Profit after tax of Rs. 25 Lacs as compared to net Loss after tax of Rs. (273) Lacs in the Previous Year. The operational Profit was due to higher sales as well as of better realizations as compared to last year. Further details of operation are given in the management discussion and analysis report which form part of this report.

CORPORATE GOVERNANCE :

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

DIRECTORS :

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

Mr.R.T.Bandodkar, a director of the company since January 2004, who retires by rotation at the ensuing Annual General Meeting has conveyed his decision not to offer himself for appointment. The Directors place on record their appreciation of the contribution made by Mr. R.T.Bandodkar during his tenure as Director of the Company.

Shri Sarvada nansingh R.Vaghela was appointed as an additional director during the year and he holds the position till this Annual General Meeting. At Sr.No. 6 of the notice, resolution appointing him as a director is put for member's approval. The Board recommends his appointment.

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 2010 and of the profit of the company for the year ended 31st March 2010.
- 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 2010 aggregated to Rs.₹3.47 lacs as against Rs.115.17 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 Directors' Report for the year ended 31st March 2010 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, Firoze 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 2010 - 2011.

ACKNOWLEDGEMENT :

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

For on behalf of the Board,

Place : Mumbai
Date : 12th August 2010

Jitendra Singh J. Rawal
Chairman & Managing Director

■ CORPORATE GOVERNANCE ■

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

BOARD OF DIRECTORS :

The Board of Directors comprised of 11 members as on 31st March 2010. 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 Jitendrasinh J. Rawal, Executive Chairman & Managing Director	1	1	-
	Shri Jaykumar J. Rawal Executive Director	3	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	-	-
	Shri R.T. Bandodkar	2	-	-
	Shri Bindu Madhavan	1	-	-
	Shri G.K. Vishwanath	-	-	-

The Executive Directors of the Company & their remuneration package which comprises of salary and other allowances, perquisites and commission as approved by the shareholders at the Annual General meetings. Annual increments are linked to performance and are decided by the Board of Directors. During the year, the managerial remuneration payable to them aggregated to Rs. 49,97,049/-.

There is no remuneration package for the Non-executive directors of the Company. However sitting fees of Rs. 58,750/- 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	28.04.2009	9
2	30.07.2009	8
3	30.10.2009	9
4	30.11.2009	8
5	29.01.2010	10

The attendance recorded for each of the Directors at the Board Meetings during the year ended 31st March 2010 and of the last Annual General Meeting is given below.

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM
Shri. Jitendrasinh J. Rawal Wholetime Director	5	Yes
Shri. Jaykumar J. Rawal Wholetime Director	4	No
Shri. Dashrath A. Patil Wholetime Director	5	No
Shri Jaydeosinh J. Rawal	5	Yes
Shri Jagdish Varshneya	5	Yes
Shri Ashok Kothary	5	No
Shri Dev Prakash Yadava	5	Yes
Shri R.T. Bandodkar	NIL	No
Shri Bindu Madhavan	4	Yes
Shri Vikrant J. Rawal	4	No
Shri G.K. Vishwanath	2	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 board terms of reference of the Audit Committee are as under :

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

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

4 (Four) Audit Committee meetings were held during the year 2009 - 10. The dates on which the said meetings were held on 28th April 2009, 30th July 2009, 30th October 2009 & 29th January 2010. The attendance of each Audit Committee member is given below :

Name of the Audit Committee Member	No. of meetings attended
Shri. Jagdish Varshneya	4
Shri Jaydeosinh J. Rawal	4
Shri Ashok Kothary	4
Shri Dev Prakash Yadava	4

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
2008-2009	25th September 2009	11.00 A.M.	B-wing, Mhatre pen Building, Senapati Bapat Marg, Dadar (West) Mumbai - 28
2007 - 2008	24th September 2008	11.00 A.M.	B-wing, Mhatre pen Building, Senapati Bapat Marg, Dadar (West) Mumbai - 28
2006 - 2007	29th September 2007	11.00 A.M.	B-wing, Mhatre pen Building, Senapati Bapat Marg, Dadar (West) Mumbai - 28

SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:

Meeting	Subject matter of Special Resolution
36th Annual General Meeting	Re-appointment of Mr. Jitendrasinh J. Rawal for 3 years.
35th Annual General Meeting	NIL
34th 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 2009-10 & 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 Exchange or SEBI or any statutory authority on any matter related to Capital markets during the last three years.

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

MEANS OF COMMUNICATION:

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

GENERAL SHAREHOLDER INFORMATION :

Annual General Meeting	29th September 2010 at 11.00 A.M. at E-Wing, Mhatre Pen Building, Senapati Epat Marg, Dadar (West), Mumbai - 400 028.
Financial Calendar :	Quarters ending - 30th June, 30th September, 31st December & 31st March, Year Ending - March 31st AGM - September.
Dates of Book Closure :	22nd September 2010 to 30th September 2010 (both days inclusive)
Dividend Payment	5%
The Equity Shares of the Company are listed on :	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
Stock Code :	Stock Exchange, Mumbai - 524408 ISIN No. INE113E01015
Registrar and Transfer Agents :	M/s Sharex Dynamic (India) Pvt Ltd. 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 31ST MARCH 2010.

No. of Shares	Shareholders		No. of Shares	
	Number of Holders	% of holders	Number	%
Upto 100	1284	51.22	121385	2.89
101 - 200	444	17.71	87476	2.08
201 - 500	414	16.51	158070	3.76
501 - 1000	134	5.35	119330	2.84
1001 - 5000	141	5.62	354304	8.44
5001 - 10000	29	1.16	212410	5.06
10001 - 100000	53	2.11	1925225	45.84
100001 to above	8	0.32	1221800	29.09
Total	2507	100.00	4200000	100.00

PATTERN OF SHAREHOLDING AS ON 31.03.2010.

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	3.52
	Indian Public	40.23
	NRI'S	0.22
	Others	0.00
	Sub Total	43.97
Grand Total		100.00

DEMATERIALIZED OF EQUITY SHARES AS ON 31.03.2010

1) Dematerialization Form	No. of Shareholders	No. of Shares	%
NSDL	482	359179	8.552
CSDL	234	264206	6.291
	716	623385	14.843
2) Physical Form	1791	3576615	85.157
	2507	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 2009 - 2010 are as under.

Month	Quotations at Mumbai Stock Exchange	
	High (Rs.)	Low (Rs.)
April- 2009	10.35	8.34
May - 2009	11.24	7.52
June- 2009	12.60	9.32
July- 2009	11.80	8.86
August- 2009	14.00	11.00
September- 2009	13.95	10.05
October- 2009	13.00	10.00
November- 2009	11.63	10.00
December- 2009	13.33	11.00
January- 2010	18.50	12.01
February -2010	16.00	12.30
March - 2010	13.50	9.75

Plant Location : Rawal Industrial Estate, Dada Nagar, Dondaich, 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 : usald@vsnl.in
Website : www.universalstarch.com

Adoption of Non-Mandatory Requirements of Clause 49

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

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

Remuneration Committee

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

Training of Board Members

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

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

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

Whistle Blower Policy.

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

CEO and CFO Certification

The CEO and the CFO of the Company give 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 2010. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

Mrs. Leena Agrawal

Proprietress

Leena Agrawal & Co

Practising Company Secretaries

Certificate of Practice No. 7030

Membership No. 19600

Place : Mumbai

Date: 12th August 2010

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 (C), 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 2010.

Place : Mumbai

Date : 12th August 2010

JITENDRASINH J. RAWAL

Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE AND DEVELOPMENT :

Your Company has entered 37th year of operation and is a leading Producer of Starch based Products in India and having a plant at Rawal Industrial Estate, Dada Nagar, Dandaicha, Dist. Chule. 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 rational G.D.P. rising it offers an immense opportunity for development in its application in various user industry, however raw material availability at reasonable prices and cheaper imports of starch and its derivatives from the neighboring countries 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 to 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 complete successfully in the market place.

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

E) FINANCIAL PERFORMANCE

The Gross sales for the year under review i.e. 2009 - 2010 stood at Rs. 8612 Lacs as compared to Rs. 7729 Lacs in 2008-09. The Profit / (Loss) before tax for the year under review stood at Rs. 205 Lacs as compared to Rs. (371.14) lacs in 2008-2009.

F) BUSINESS OUTLOOK :

The year 2010-2011 offers reasonably improved picture in terms of the growth in starch industry in comparison with previous years. Your company has already identified some specialty products which will increase the turnover.

G) CAUTIONARY STATEMENT :

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

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

STATEMENT UNDER SECTION 217(1) (E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES
(DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND
FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2010

■ 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.

		PROCESS	ETP
1 Electricity			
a) Purchased Units	(KWH)	2833966 (4358249)	988654 (2044824)
Total Amount	(Rs.)	17375643 (21329344)	6579631 (11067376)
Rate per Unit	(Rs.)	6.13 (4.89)	6.66 (5.41)
		2009-2010	2008-2009
b) Own Generation			
Through D.G Set Units	(KWH)	25872	26168
Diesel	(Ltrs.)	9953	8633
Output per	(Ltrs.)	2.60	3.03
c) Own Steam Turbine Generation (Includes Captive Consumption 15247463 units)	(KWH)	1692320	10805600
2 Coal			
Quantity	(M.T.)	23913	19057
Total Cost	(Rs.)	92063835	80961017
Average Rate (per MT)	(Rs.)	3850	4248
3 Fuel			
Quantity	(Ltrs.)	11948	12340
Total Amount	(Rs.)	557538	464624
Average Rate	(Rs.)	34.96	37.65
4 Biogas units generated and consumed	(M3)	4424290	3277608
Rate per M3 Generated	(Rs.)	1.55	2.23
5 Consumption per M. Ton of Production			
Production (including Job Work)		79770	84134
Electricity - Ton.KWH		239.43	192.79
Production (including Job Work)		65386	69392
Coal - Ton/Kgs.		0.366	0.275

■ FORM B ■

RESEARCH & DEVELOPMENT DEPARTMENT

The company has established R & D Department, which plays the important role in the Product & Process Development activities of the company. The role played by R & D during the year:-

1. Development of new modified Starches and their bulk production as per SOP.
2. Close studies of the production parameters of all the products for improvement in quality, cost reduction and energy saving.
3. Close interaction with the quality auditors of our Food & Pharmaceutical Customers to demonstrate the compliance on quality standards.
4. In-depth study of Biomethanation process to achieve the higher efficiency of the treatment process of industrial effluents through the implementation and completion of performance up gradation of ETP and 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 spray grade starches for Kraft Paper Industry.
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. The R & D staff had active participations in the proposed accreditation of HACCP. In-house training program for skill development of chemists, Supervisors & Engineers was conducted.
6. Efforts are in-progress in technology development for the commercial production of ZEIN from Corn Gluten. The product has applications in Pharmaceutical Industry.
7. A program 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, Lovibond Photometer, HPLC, Glucose Analyzer, Brookfield Viscometer, Karl Fischer, Polarimeter, R.I. Meter and other miscellaneous instruments to carry out the analysis of regular commercial Finished Products, in-process semifinished products, Newly Developed and 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 implemented and completed performance up-gradation project of ETP. The company received MCCIA's Dr. R. J. Rathi Award 2003, for Environmental protection.

4. The company incurred an expenditure of Rs. 9.39 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 Development is active in upgrading the technology of production of value added products through finely tuning the SOP. The range of value added products has been widened to satisfy the specific applications in pharmaceuticals, food & paper industry. The company received GMP licence from FDA (MS).
2. The company submitted the feasibility report for carbon credit under CDM to M/s. MITCON, Pune with the consultancy charges of Rs. 0.50 Lacs. The follow up is in-progress and sanction is expected by August, 2010.
3. The Company implemented Pest Control Schedules in the premises by M/s. NBHC, Aurangabad & M/s. Gayatri Pest Control, Indore. This is mandatory to maintain the hygiene standards in the manufacturing and storage of products. The pest control schedules resulted control on Total Bacterial Count (TBC) & Total Fungal Count (TFC) along with control of pathogens in finished products.
4. The Company has established Air Handling Unit (AHU) at Microbiology laboratory as the compliance of the mandatory requirements by FCA.
5. The company has already established the following projects: Biomethanation Project, Co-Generation Power plant, Wind mill at Brahmanwel, Fly Ash Brick making Project.

SAFETY COMMITTEE

1. Regular meetings on safety, Health and Environment (SHE) were conducted for production Managers, Maintenance Engineers, Q.C Chemists & Workers on the 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 program in the Company on 4th March, 2010 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 programs. 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. 18 'O' to 18 'Q' of schedule "L" to the accounts.

■ AUDITORS' REPORT ■

The Members of
Universal Starch-Chem Allied Limited
Mumbai

1. We have audited the attached Balance Sheet of Universal Starch-Chem Allied Limited, as at 31st March 2010, 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 as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss 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 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2010 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 2010;

- b) In the case of the Profit and Loss account, 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
Chartered Accountant
ICAI FR 10

Harshal A

Membership No.:

Place: Mumbai

Date: August 12, 2010

ANNEXURE TO THE AUDITORS' REPORT

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

- i) (a) The Company has maintained proper records showing 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 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 inventory followed by the management are reasonable and adequate in relation to the size of the Company and 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 immaterial.
- 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 the Companies Act, 1956. Accordingly, clauses (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 the Companies Act, 1956. Accordingly, clauses (f) and (g) are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed nor have been informed of any continuing failure to correct major weaknesses in internal controls.

- v) (a) According to the information and explanations given to us and in our opinion, the parties and the transactions that need to be entered into the register to be maintained under section 301 of the Companies Act have been entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements with the parties identified as above and exceeding the value of rupees five lakhs in respect of 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 the activity of generation of electricity from Wind energy and through Co-generation plant, 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 and as per the records of the Company examined, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no dues which are not deposited on account of dispute in respect of, wealth tax, Sales tax, excise, service tax, customs duty and cess were in arrears, as at March 31, 2010 for a period of more than six months from the date they became payable.
- x) The Company does not have accumulated cash losses at the end of the financial year. The company has not incurred cash losses during the financial year under audit. There was a 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 purposes for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) The Company has not issued any debentures during the year under audit.
- xx) The Company has not raised any money through public issue during the year under audit.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Harshal Agrawal
Partner
Membership No.: 109438

Place: Mumbai
Date: August 12, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

	SCHEDULE	RUPEES	AS AT 31.03.2010 RUPEES	AS 31.03. RUPEES
I) SOURCES OF FUNDS				
1) Shareholders Funds				
a) Capital	A		4200000.00	4200000
b) Reserves And Surplus	B		81068377.85	8101314
2) Loan Funds				
a) Secured Loans	C		231041133.10	1709236
b) Unsecured Loans	D		132283036.85	14328442
3) Deferred Tax Liabilities (Net) (Ref. Note No. 11 in Schedule 'L')			57056351.27	4227122
TOTAL			543448902.07	4795111
II) APPLICATION OF FUNDS				
1) Fixed Assets :	E			
a) Gross Block		586087204.00		5766591
b) Less : Depreciation		268857294.48		2374324
c) Net Block		317229909.52		3391366
d) Capital Work in progress		110815590.00		287383
			428045499.52	3679349
2) Investments.	F		1314160.00	13141
3) Current Assets, Loans and Advances	G			
i) Inventories		95347031.67		582485
ii) Sundry Debtors		106529364.52		739170
iii) Cash And Bank Balances		28789632.72		368347
iv) Loans And Advances		71298529.62		586963
		301964558.56		2276967
Less: Current Liabilities and Provisions	H			
a) Liabilities		170798911.22		1081083
b) Provisions		17076404.76		93563
		187875316.01		1174647
Net Current Assets			11408924.255	1102320
TOTAL			543448902.07	4795111
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. 103438

PLACE : MUMBAI
DATE : 12 th August 2010

FOR & ON BEHALF OF THE BOARD

CHAIRMAN &

MANAGING DIRECTOR :

DIRECTORS :

JITENDRASINH J. RAWAL
JAYDEOSINH J. RAWAL
JAYKUMAR J. RAWAL
JAGDISH VARSHNEYA
DEVPRAKASH YADAVA
BINDU MADHAVAN
VIKRANT J. RAWAL
D. A. PATIL

COMPANY SECRETARY : Y. L. SINDHWAD

PLACE : MUMBAI

DATE : 12 th August 2010



Universal Starch-Chem Allied Ltd.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	SCHEDULE	RUPEES	FOR THE YEAR ENDED 31.03.2010 RUPEES	FOR THE YEAR ENDED 31.03.2009 RUPEES
I) INCOME				
Sales (Gross)				772893243.57
Less Excise Duty		86,17,50,52.50		32458339.63
		<u>16,68,96,74.00</u>		
Other Income			84,48,53,78.50	74,04,34,903.94
Processing Charges (TDS Rs. 1052422/-)	I		17,09,88,55.37	15,41,98,93.19
(Previous Year Rs. 817746/-)			46,44,40,81.02	36,07,62,74.00
Increase / (Decrease) in Stock	J		(34,97,24,70.00)	(11,81,01,28.00)
	TOTAL		<u>90,45,31,06,78.89</u>	<u>78,01,20,94,3.13</u>
II) EXPENDITURE				
Raw Material Consumed				82,16,40,65.00
Opening Stock		11,13,24,90.00		37,68,62,87.00
Purchases		<u>56,93,21,71,82.22</u>		45,90,26,93,60.00
Less : Closing Stock		<u>58,08,34,96,72.22</u>		11,51,32,49.00
		<u>48,88,74,68.02</u>	53,19,47,49,92.20	44,75,13,68,70.00
Purchases (Trading)			18,24,49,70.46	36,86,17,70.00
Manufacturing & Other Expenses	K		28,35,28,07,3.12	27,37,97,49,98.98
Interest on Loans				63,08,41,00.00
Fixed Term Loan		13,51,06,24.00		22,48,54,43.79
Others Loans		<u>53,19,08,2.98</u>		11,59,33.00
Sale of Fixed Assets (Net)			88,69,70,6.98	28,79,38,53.79
Depreciation				30,13,10,87.00
			31,39,48,18.73	81,72,13,821.77
PROFIT BEFORE TAX			<u>88,39,85,06,8.49</u>	(37,09,28,78.64)
PROVIS ON FOR TAXATION			20,54,59,99.40	
CURRENT				
DEFERRED (Ref. Note No. 11 in Schedule 'L')			37,83,35,7.28	
Income Tax Adjustment			14,78,51,34.27	(10,28,09,67.00)
Fringe Benefit Tax			(5,34,62,00.00)	
PROFIT AFTER TAX				41,79,25.00
Balance brought forward from last Year			35,12,12,7.85	(27,22,98,36.64)
Profit available for Balance Sheet			<u>51,75,77,45.00</u>	80,98,75,82.00
Amount transferred to General Reserve			56,26,98,72.85	53,75,77,45.36
Proposed Dividend				
Corporate Tax on Dividend			21,00,000.00	
Balance carried forward to Balance Sheet			<u>35,68,95.00</u>	
	TOTAL		<u>53,81,29,77.85</u>	<u>53,75,77,45.36</u>
Earning per share basic and diluted			4.89	(8.83)
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 : 12 th August 2010

FOR & ON BEHALF OF THE BOARD

CHAIRMAN &
MANAGING DIRECTOR : JI'ENDRASINH J. RAWAL
DIRECTORS : JAYDEOSINH J. RAWAL
JAYKUMAR J. RAWAL
JAGDISH VARSHINEYA
DEVPRAKASH YADAVA
BINDU MADHAVAN
VIK RANT J. RAWAL
D. A. PATIL

COMPANY SECRETARY : Y. L. SINDHWAD

PLACE : MUMBAI
DATE : 12 th August 2010

		AS 31.03.2010	AT 31.03.2009
	RUPEES	RUPEES	RUPEES
SCHEDULE 'A'			
SHARE CAPITAL			
AUTHORISED			
60,00,000 Equity Shares of Rs.10/- each		60000000.00	60000000.00
ISSUED, SUBSCRIBED AND PAID UP			
42,00,000 Equity Shares of Rs.10/- each Fully paid up		42000000.00	42000000.00
TOTAL		42000000.00	42000000.00
SCHEDULE 'B'			
RESERVES AND SURPLUS			
Share Premium		6000000.00	16000000.00
Capital Reserve		74000.00	74000.00
General Reserve			
Opening Balance	11181400.00		11181400.00
Add: Amount transferred from Profit and Loss Account during the year	-		-
		11181400.00	11181400.00
Surplus in Profit and Loss Account		13812977.85	53757745.00
TOTAL		11068377.85	81013145.00
SCHEDULE 'C'			
SECURED LOANS			
From Banks			
The Shamrao Vithal Co-op Bank Ltd.			
Cash Credit Account	48945759.57		52061187.83
Term Loan -I	80000000.00		80065753.00
Term Loan -II	50000000.00		-
Pledge Loan -HDFC	30076635.53		-
Pledge Loan -Jaina People Co-op Bank	10924571.00		-
		219946966.10	132126940.83
From Others			
1. Hire Purchase (Hypothecation on respective Cars)		548864.00	1315422.00
2. SICOM Term Loan - Co-Generation		-	27500000.00
3. Overdraft Against F.D. Union Bank Of India		10545303.00	10000000.00
TOTAL		231041133.10	170942362.83

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-passu 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) **Pledge Loan: HDFC Bank Ltd., Nasik** - Secured against specified raw material lying in the Godown and irrevocable joint and several personal guarantees of some of the Directors.
- d) **Pledge Loan: Jaina people Co-op. Bank, Jaina** - Secured against specified raw material lying in the warehouse and irrevocable joint and several personal guarantees of some of the Directors.
- e) **SICOM LIMITED** Secured by First pari-passu 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.

	RUPEES	AS	AT	AS	AT
		31.03.2010	RUPEES	31.03.2009	RUPEES
SCHEDULE 'D'					
UNSECURED LOANS					
Fixed Deposits					
From Directors	2259000.00			5655000.00	
From Others	4088000.00			5862000.00	
Interest accrued and due	91135.00			390457.00	
			6438135.00	11907457.00	
Sales Tax Deferral Scherne			118932308.00	124499066.00	
Term Loan - Union Bank			642396.85	-	
Advances / Deposit from Agents	5808248.00			6415948.00	
Interest accrued and due	461949.00			461949.00	
			6270197.00	6877897.00	
TOTAL			132283036.85	140284420.00	

SCHEDULE 'E'
FIXED ASSETS

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As At	Additions	Sales/	As At	As At	Sales/	For The	As At	As At	As At		
	01.04.2009		Adjustments	31.03.2010	01.04.2009	Adjustments	Year	31.03.2010	31.03.2010	31.03.2009		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Land	1706965	1326350	-	3033315	-	-	-	-	3033315	1706965		
Building	50905429	-	-	50905429	16307264	-	1421397	17728661	33176768	34598165		
Plant & Machinery	503338376	7914336	-	511252712	209855059	-	28723703	238578762	272673950	293483317		
Furniture & Fixture	2296948	11643	-	2308591	1495557	-	104180	1598737	708854	801391		
Office Equipment	4594587	41192	-	4635779	1830752	-	222103	2052855	2582924	2763835		
Computers	5500211	134541	-	5634752	2964168	-	518267	3481435	2452317	2536043		
Vehicles	8259300	-	-	8259300	4987643	-	403254	5391897	2868400	3271657		
Paddle Boat	57326	-	-	57326	22032	-	1915	21947	33379	35294		
TOTAL	576659142	9428062	-	586087204	237462475	-	31394819	26885294	317229910	339196667		
Previous year	550690053	29155237	3186148	576659112	209277159	1945771	30131087	237461476	110815590	28768313		
Acid :- CAPITAL WORK IN PROGRESS									TOTAL	428045500	367964980	

NOTE :-

Excise Modvat received on Plant & Machinery amounting to Rs.2992797/- (Previous Year Rs. 56137/-) have been reduced from the cost of assets.

		AS AT 31.03.2010	AS AT 31.03.2009
		RUPEES	RUPEES
SCHEDULE 'F'			
INVESTMENTS (At Cost)			
Quoted			
Non-Trade			
60	Equity shares of Rs.10/- each in	1400.00	1400.00
60	Equity shares of Rs.10/- each (Bonus) in Glaxo Smith Kline Pharma Limited (M.V. Rs. 213342/-) (Previous year Rs.84294/-)		
1300	Equity Shares of Rs.10/- each in Dena Bank (M.V. Rs. 101965/-) (Previous year Rs.41990/-)	39000.00	39000.00
Unquoted			
Trade			
1000	Shares of Rs. 50- each in The Dadasaheb Rawal Co-operative Bank of Donjaicha Ltd.	50000.00	50000.00
10	Shares of Rs.50/- each in Irdira Sahakari Bank Ltd., Dhule.	500.00	500.00
20000	Shares of Rs.25/- each in The Shamrao Vitthal Co-op Bank Ltd.	500000.00	500000.00
25	Shares of Rs.10/- each in Cidco Ltd.	260.00	260.00
86400	Equity shares of Rs.10/- each in Unique Sugars Limited (Including 14400 Bonus Shares)	720000.00	720000.00
1	Secured Redeemable Non-Convertible Bond 14% (Taxable) of Rs.1000/- each fully paid up of (first series 1986) Maharashtra Telephone Nigam Ltd	1000.00	1000.00
Non-Trade			
2	National Savings Certificate NSC No. 2745333,535 maturing on 05.03.2011 maturing amount Rs. 2015/- each.	2000.00	2000.00
TOTAL		1314160.00	1314160.00

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	19350543.65	16087585.00
	Raw Materials	48887468.02	11513249.00
	Finished Goods	12454023.00	21048142.00
	Process Stock	14105579.00	9008707.00
	Trading Goods	549418.00	590909.00
		95347031.67	58248592.00
2)	Sundry Debtors (Unsecured Considered Good)		
a)	Debts outstanding for a period exceeding six months	14390899.49	10680644.00
b)	Other Debts	94461050.73	65559028.00
		108851950.22	76239672.00
	Less : Provision for Doubtful Debts	2322585.70	2322586.00
		106529364.52	73917086.00



	RUPEES	AS AT 31.03.2010 RUPEES	AS AT 31.03.2009 RUPEES
3) Cash and Bank Balances			
Cash Balance on hand	516295.52		377441.02
Bank Balances			
a) With scheduled banks			
Current Account	1121877.70		2751168.01
Fixed Deposits (includes accrued interest)	23150689.00		21294596.00
b) With others			
Current Account	2411978.50		619087.00
Fixed Deposits	1588792.00		11792441.00
(includes accrued interest) (Refer Note No. 7 in Scheduled 'L')		28789632.72	36834733.03
B) Loans and Advances (Unsecured and considered good)			
a) Advances recoverable in cash or in kind or for value to be Received	49056674.65		37784489.20
b) TDS Payments includes Advance Tax	8356717.00		7702555.00
c) Loans to staff	46450.00		146940.00
	57459841.65		45633984.20
d) Deposits			
Excise Duty	634737.00		461244.00
Other Deposits	13203951.00		12601083.00
	13838688.00		13062327.00
		71298529.65	58696311.20
TOTAL		301964558.56	227696723.08

SCHEDULE 'H'

CURRENT LIABILITIES AND PROVISIONS

A) CURRENT LIABILITIES

Creditors for Capital Goods	8124778.61	3495176.00
Trade Creditors		
Due to small Undertaking (Ref. Note No. 8 in Schedule "L")	7797720.93	3082590.00
Due to Other Sundry Creditors	124914853.40	83405175.48
Other Liabilities	25953505.44	16726276.92
Unclaimed Dividends	783140.00	857126.00
Temporary Bank Overdraft	2377923.87	-
Interest accrued but not due	846989.00	541994.00
		171798911.25

B) PROVISIONS

Provision for Taxation	8849230.76	5065873.00
Corporate Tax on Dividend	356895.00	-
Proposed Dividend	210000.00	-
Leave Encashment	5773279.00	4290503.00
		17076404.76
TOTAL		187875316.01

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	FOR THE YEAR ENDED 31.03.2010 RUPEES	FOR THE YEAR ENDED 31.03.2009 RUPEES
SCHEDULE 'I'		
OTHER INCOME		
Interest on Deposits (TDS Rs. 174503/- Previous year Rs. 90432/-)	3463077.00	4358439.00
Dividends (Gross)	57790.48	5620.00
Compensation	173718.00	271676.00
Sales Tax Refund	1121907.00	1502000.00
Wind Mill Unit Receipt	3116336.00	3823200.00
Miscellaneous Receipts	106848.89	487199.19
Provision No Longer Required W/ back	11424.00	-
Insurance Claim Received	1201248.00	453548.00
Carbon Credit Wind Mill	-	234897.00
Electricity Unit Sales (Co-Generator)	6946506.00	4283314.00
TOTAL	17038855.37	15419893.19
SCHEDULE 'J'		
INCREASE / (DECREASE) IN STOCKS		
Stock at Close	12454023.00	21048142.00
Finished Goods	14105579.00	9008707.00
Process Stock		
Less: Stock at Commencement	26559602.00	30056849.00
Finished Goods	21048142.00	30376893.00
Process Stock	9008707.00	11490084.00
TOTAL	30051849.00	11866977.00
	(3497247.00)	(11810128.00)
SCHEDULE 'K'		
MANUFACTURING AND OTHER EXPENSES		
Consumption of Stores and Spare Parts	32652478.81	28576255.00
Chemicals	13165759.80	16373599.00
Power, Fuel and Water Charges	121149715.85	113655648.00
Warehouse Charges / Rent	653397.00	2151659.00
Repairs and Maintenance		
Building	370496.00	513786.00
Plant & Machinery	2392814.34	2401463.00
Others	126940.75	55268.00
Remuneration to Employees	289051.39	2970517.00
Salaries, Wages and Bonus	44358653.95	38079545.55
Contribution to Provident & Other Funds	2485611.00	1885362.00
Workmen and Staff Welfare Expenses	938716.00	1155577.00
Group Gratuity - LIC	35000.00	155054.00
	47817930.95	41275538.55



	FOR THE YEAR ENDED 31.03.2010 RUPEES	FOR THE YEAR ENDED 31.03.2009 RUPEES
Research & Development Expenses	9,19,312.20	903623.00
Insurance	32,19,304.25	3766612.00
Rates and Taxes	9,17,710.00	879388.00
Service Charges	30,17,56.31	3217393.00
Director's Meeting Fees	1,8750.00	56250.00
Legal and Professional Fees	4,3444.00	549312.00
Bank Charges	9,12,26.47	1702887.76
Travelling Expenses	17,10,82.16	2249650.64
Conveyance	8,18,051.92	515624.70
Vehicles Expenses	21,49,33.06	2710877.52
Printing and Stationery	14,51,29.00	552084.33
Communication Expenses	11,32,606.21	1335676.09
Octroi Duty	3,6072.00	7595.00
Commission to Selling Agent	170,18,27.00	1977455.00
Advertisement	14,29,49.00	142269.00
Packing Material	27,55,0864.04	28641881.00
Carriage Outward	8,97,19,46.95	11574950.00
Guarantee Fees	1,57,90,45.00	1800739.00
Wheeling Charges	3,32,71,25.00	267624.00
Advances written off	3,31,38,34.00	-
Auditor's Remuneration	8,72,10.00	87210.00
Donation	1,10,01.00	6601.00
Other Expenses	2,82,17,09.75	2848571.39
TOTAL	2,83,52,10,73.12	2,73,79,74,90.98

SCHEDULE - 'L'

Notes forming Part of the Accounts for the year ended 31.03.2010

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. 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 capitalized as part of cost of such assets till the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.
- 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. 51.75 Lakhs (Previous year Rs.315.33 Lakhs).
 - ii) Bills Discounted with Bankers are Rs. 5.24 Lakhs (Previous year Rs.15.21 Lakhs). Since realised Rs. 5.24 Lakhs.
 - iii) Company has given guarantee to H.D.F.C. Ltd. for Rs.50.00 Lakhs (Previous year Rs.50.00 Lakhs) on behalf of employees of the Company, for Construction of three residential flats.
 - iv) The Income Tax Department has made certain additions for the assessment year 2004-05 and 2005-07. The Company has contested the same in appeal before CIT (A).
- 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 2007-08. The Company does not expect any substantial liability for the subsequent years.

	2009-2010 RUPEES	2008-2009 RUPEES
4) Remuneration to the Executive Directors		
a) Salary	4472326	3437986
b) P.F. Contribution	458340	351324
c) Perquisites	66333	212460
	<u>4997049</u>	<u>4001770</u>
5) Travelling Expenses include Rs. 4.85 Lakhs (Previous year Rs.9.80 Lakhs).incurred on travelling by the Directors. Above amount includes expenses for foreign travel amounting to Rs. Nil (Previous year Rs. 2.75 Lakhs).		
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	2314405 (542092)	2360315 (10158210)
Current Account, Dondaicha (Diesel Pump)	367 (59687)	77358 (59687)
Dividend Account, Dondaicha	1000 (1000)	1000 (1000)
Overdraft Account, Dondaicha	-	(1000)
Current Account, Dhule	8958 (1060)	8958 (2220)
Current Account, Navi Mumbai	4055 (4055)	4055 (4055)
Fixed Deposits	1588792 (11792441)	1588712 (11792441)
Indira Sahakari Co-op Bank Ltd., Dhule		
Current Account	3193 (3193)	3193 (3193)

(Shri Jaydossinh 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 2010 is as follows:

K.T.Plastics Industries, Sujata Pharmaceuticals, Time Techno Plast limited, Surana Industries, TPL Plastech limited, Kris Flexipack Pvt.Ltd., Krishna Solvochem Ltd. Mangal Polysack Pvt. Ltd. and Ketan Plastick Industries Pvt.Ltd.

The above information has been compiled 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 Act, 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 a 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 31.03.2010
	AS	AT		
	31.03.2009			
	Rupees		Rupees	Rupees
Deferred Tax Liabilities on account of timing difference in Depreciation		70822593	(3020371)	67802222
Total		70822593	(3020371)	67802222
Deferred Tax Assets on account of timing difference in				
(a) Unabsorbed Depreciation	24083525		(9960443)	14123082
(b) Unabsorbed Business Loss	1821358		(1804321)	17037
(c) Provision for doubtful debts	995570		0	995570
(d) Leave encashment (Net)	847911		0	847911
(e) Inventory Valuation (Net)	(1921)		0	(1921)
(f) Others	804930		0	804930
Total	28651373		(11764763)	16786610
Net Deferred Tax Liability / (Assets)		42171220	(14785134)	57056354

- 12) EARNING PER SHARE (EPS)

The basic and Diluted EPS is calculated as under :

Profit attributed to Equity Shareholders (before tax)

No. of equity shares (of Rs.10 each)

Earning per Share

2009-2010

2008-2009

20545999 (37092879)

4200000 4200000

4.89 (8.81)

- 13) Payment to Auditors

Audit Fees

Certification Fees

Others

77210 77210

5516 14175

10000 10000

- 14) 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. 24.86 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 actual 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 y Year (Rs.)
Change in the present value of obligations:		
Liability at beginning of year		
Interest Cost	85.84	104.5
Current Service Cost	-	5.15
Past Service Cost	4.29	15.15
Benefits Paid	-	-
Actuarial (Gain) / loss on obligations	(7.04)	(9.4)
Liability at the end of the year	76.60	119.4
Fair value of plan assets :		
Fair value of plan assets at the beginning of the year		
Expected return on plan assets	72.78	72.78
Contributions	16.38	5.15
Benefits Paid	-	1.15
Actuarial (Gain) / loss plan assets	(16.38)	(7.04)
Fair value of plan assets at the end of the year	72.79	72.78
Total Actuarial gain / (loss) to be recognized:	4.20	4.20
Balance Sheet Recognition :		
Present value of obligation		
Fair value of plan assets	76.60	119.4
Liability / (Assets)	72.78	72.78
Unrecognized past service cost	(3.82)	39.0
Liability / (Assets) recognized in the Balance Sheet	3.82	(39.0)
Expenses recognized in the Profit and Loss account:		
Current service cost		
Interest Cost	3.47	15.6
Expected return on plan assets	5.63	5.63
Net actuarial gain / (loss) recognized in the year	5.88	5.88
Past Service Cost	4.20	4.20
Expenses recognized in the statement of Profit and Loss	-	3.6
Movement in the net liability recognized in the Balance Sheet:		
Opening Net Liability		
Expenses	-	(3.6)
Contribution	-	2.9
Closing Net Liability	-	12.1
	-	42.9
Actuarial assumptions:		
Discount rate p.a.		
Expected return on plan assets	8.00%	7.50%
Mortality	8.65%	8.35%
Future Salary increases p.a.	LIC 1994-96 Ultimate	
Retirement	4.00%	4.00%
Leave Encashment	58 years	58 years

15) Disclosure of related parties / related party transactions

I) List of Associates

Unique Sugars Ltd., Jaychandra Agro Industries Pvt.Ltd., Rawal Agro Chem Industries Pvt.Ltd., Kreative (Export & Import) Pvt.Ltd., Toranmal Hill Resorts Pvt.Ltd., Practical Engg. Pvt.Ltd., Rawal Trading Enterprises Pvt.Ltd., Jaysinha Financing Pvt.Ltd., Toranmal 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. Nayankumar Jitendrasinh Rawal (Wife) | |
| Mr. Jaykumar Jitendrasinh Rawal (Son) | Director |
| 2. Mr. Jaydeosinh Jaysinh Rawal | Director |
| Mrs. Binankumar Jaydeosinh Rawal (Wife) | |
| Mr. Rishikesh Jaydeosinh Rawal (Son) | |
| Mr. Vikrant Jaydeosinh Rawal (Son) | Director |
| 3. Mr. Dasharath Amrit Patil | Director |

16) Disclosure of Related Party Transactions :

Sr. No.	Nature of relationship / Transactions	Key Management Personnel	Relatives	Associates	Total
1	Purchase of Goods			41852	41852
2	Sales of Goods / Contract revenue			73201270	73201270
3	Processing Charges Received			4644081	46444081
4	Guarantee Charges	1579045			1579045
5	Interest on Fixed Deposit	238703	266960		505663
6	Rent			496347	496347
7	Rent Received			0000	10000
8	Service Charges			3336000	3336000
9	Trade Receivable			7767239	7767239
10	Trade Payable			18549697	18549697

Remuneration paid to Directors Refer Note No. 4

17) Loans and Advances (Deposits) to Associates as per clause 32 of the listing agreement.

Sr. No.	Name of the associates	Current Years	Previous Year
01)	Kreative (Export & Import) Pvt.Ltd.	35.00 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

18) 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 :

	2009-2010		2008-2009	
	QUANTITY M.T.	AMOUNT RS.	QUANTITY M.T.	AMOUNT RS.
A) RAW MATERIALS CONSUMED (100% INDIGENOUS) Maize and Others	56807	531947499	54141	47513687
	56807	531947499	54141	47513687
B) TURNOVER Starches	30521	561161535	22945	383378548
Liquid Glucose	5727	118823033	11206	202968964
By-products	23944	157807015	28375	146243982
	60192	837797583	62526	732591494
BIOGAS Units in (M3)	813178	1535268	762822	1441356
Wind Mill Units	920231	3513336	274400	3823200
Co-Generation Units	1673857	6943506	032124	4283314
C) PURCHASES (TRADING GOODS) Diesel and Oil (Liters) (Net) (including evaporation loss)	551314	18203479	995520	36722922
	551314	18203479	995520	36722922
D) SALES (TRADING GOODS) Diesel and Oil (Liters) (Net)	554423	20196417	1000577	38860394
	554423	20196417	1000577	38860394
E) OPENING STOCK OF FINISHED GOODS Starches	1343	19418923	1715	27278065
Liquid Glucose	92	1597326	159	2561475
By-products	15	31893	36	537353
	1440	21048142	1910	30376893
F) OPENING STOCK OF TRADING GOODS Diesel and Oil (Liters) (Net)	12131	580909	17191	729757

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G) CLOSING STOCK OF FINISHED GOODS				
Starches	468	8293072	1343	194189
Liquid Glucose	23	385685	92	15973
By-products	477	3775265	5	318
	<u>968</u>	<u>12454023</u>	<u>1440</u>	<u>210481</u>
H) CLOSING STOCK (TRADING GOODS)				
Diesel and Oil (Liters) (Net)	9025	549418	1234	5309
I) Wind Mill Electricity (Units)	920231	3516336	1274400	38232
J) LICENCED CAPACITY				
The Company is not required to hold any licence under the Industrial Development (Regulations) Act, 1951. However, Company has obtained the necessary DGTD Registration.				
K) INSTALLED CAPACITY (As Certified by the Management and not verified by auditors as technical in nature.)				
			M. TONS (PER ANN JM)	
			2009-2010	2008-2009
Maize Crushing			163500	163500
Starches and Slurry			74000	74000
Liquid Glucose			16880	16880
By-products			40875	40875
Wind Mill (MW)			0.600	0.600
Co-Generation (MW)			3.000	3.000
L) PRODUCTION				
Starches and Slurry			36014	28014
For others			29645	22574
Starches			5658	1113
Liquid Glucose			2445	2334
By-products			<u>59718</u>	<u>62054</u>
Wind Mill Electricity (units)			920231	1274400
Biogas (units) (M3)			4424290	3276000
Co-Generation Units			16921320	10806600
M) Value of capital goods imported (calculated on CIF basis)			178.30 Lacs	Nil
N) CONSUMPTION OF RAW MATERIALS				
Spare Parts & Components				
i) Imported	100.00	577765738	100.00	492463541
ii) Indigenous	100.00	577765738	100.00	492463541
O) Expenditure in Foreign Currency			Nil	2.75 Lacs
P) Remittances in Foreign Exchange for Capital goods			Nil	Nil
Q) Earnings in Foreign Exchange			8.33 Lacs	0.26 Lacs

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

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 : 12th August 2010

FOR & ON BEHALF OF THE BOARD

CHAIRMAN & MANAGING DIRECTOR : JITENDRASINH J. RAWAL
DIRECTORS : JAYDEOSINH J. RAWAL
JAYKUMAR J. RAWAL
JAGDISH VARSHNEYA
DEVPRAKASH YADAVA
BINDU MADHAVAN
VIKRANT J. RAWAL
D. A. PATIL

COMPANY SECRETARY : Y. L. SINDHWAD

PLACE : MUMBAI
DATE : 12th August 2010

Additional Information as required under Part IV of Schedule VI to 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 : 31.03.2010		

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	543449	Total Assets	543449
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Sources of Funds :

Paid up Capital	42000
Reserves & Surplus	81069
Secured Loans	231041
Insecured Loans	132283
Deferred Tax Liabilities (Net)	57056

Application of Funds :

Net Fixed Assets	428046
Investments	1314
Net Current Assets	114089

4 Performance of the company (Rs. In 000)

Turnover	904531	Total Expenditure	883985
Profit before Tax	20546	Profit after Tax	2512
Earning per Share in Rs.	4.89	Dividend Rate	5%

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	RUPEES	31.03.2010 (RUPEES)	RUPEES	31.03.2009 (RUPEES)
A NET PROFIT BEFORE TAX				
Depreciation		20545999		(37092879)
Interest (Net)	31394819		30131087	
Dividend Income	15106630		24435415	
Fixed Assets Sold - Net	(57790)		(5620)	
Provision for Leave Encashment			115933	
	1113510		1213939	
Operating Profit before working Capital Changes		48557169		55890754
ADJUSTMENT FOR :		69103168		18797875
Trade and Other Receivable	(45214496)		14365437	
Inventories	(37018440)		91270634	
Trade Payable Creditors	62356839		(15374615)	
		(19956097)		90261456
CASH GENERATED FROM OPERATIONS		49147071		109059301
Dividend Received	17790		5620	
Interest Received	3413077		4358439	
Interest Paid	(18869707)		(28793854)	
Direct Taxes Paid	514620		(774820)	
NET CASH FROM OPERATIONS ACTIVITIES (A)		(14814220)		(25204615)
		34332851		83854713
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(91471338)		(43884176)	
Sale/Adj. of Fixed Assets			1124444	
Purchase / Sale of Investment			(450000)	
NET CASH USED IN INVESTING ACTIVITIES (B)		(91475338)		(43209732)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowing	49091387		(53779310)	
Dividend Paid			(2100000)	
NET CASH USED FINANCING ACTIVITIES (C)		49097387		(55879310)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(8045100)		(15234326)
OPENING CASH AND CASH EQUIVALENTS	36834733		52069059	
CLOSING CASH AND CASH EQUIVALENTS	28789633		36834733	
NET INCREASE IN CASH AND CASH EQUIVALENTS		(8045100)		(15234326)

PLACE : MUMBAI
DATE : 12 th August 2010

FOR & ON BEHALF OF THE BOARD

JITENDRASINH J. RAWAL
CHAIRMAN & MANAGING DIRECTOR

AUDITOR'S 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 2010. 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 2010 covered by our report of even date to the Members of the Company.

For M.B. AGRAWAL & CO.
CHARTERED ACCOUNTANTS

PLACE : MUMBAI
DATE : 12 th August 2010

HARSHAL AGRAWAL
PARTNER
Membership No. 109438