

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 46th Annual Report of the Company along with audited statements of accounts for the year ended 31st March 2019. The summarized financial results are given below:

(Rs. In Lacs.)

Particulars	2018-19	2017-18
Total Sales and Other Income	28110	19885
Profit before depreciation	750	487
Depreciation	442	397
(Loss) / Profit Before tax	308	91
Provision for taxation (Including Deferred and Current tax)	166	66
(Loss) / Profit after tax	142	25
Less Income Tax Adjustment	01	27
Balance brought forward	(295)	(293)
Balance Carried forward to Balance Sheet	(154)	(295)

DIVIDEND :

In view insufficient profit during the year under review the Board of Directors do not recommend any dividend for the Financial year ended 31st March 2019.

PERFORMANCE REVIEW, BUSINESS AFFAIRS & OUTLOOK

Your Company's total Sale and other income for the year amounting to Rs.28110 Lacs as compared to Rs. 19885 Lacs of last year. The result for the year shows profit before Depreciation of Rs. 750 Lacs as against profit before depreciation of Rs. 487 Lacs in the previous year, net profit before tax is Rs.308 Lacs as compared to profit of Rs. 91 Lacs in the previous year. The increase in operational profit was due to good market condition. Further details of operation are given in the management discussion and analysis report which form part of this report.

With better raw material situation & reasonable prices of the maize crop, we are continuously optimistic about the current year. Your company continues its endeavor to expand into new export markets which will in turn increase the turnover further.

TRANSFER TO RESERVE:

No amount has been transferred to reserves during the year under review.

PUBLIC DEPOSITS:

The Company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 and rule made there under.

CHANGES IN SHARE CAPITAL:

During the year under review, there was no change in the Authorized or Paid Share Capital of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls in the company that are adequate and were operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The composition of the Board is as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015. All the Directors are having vast knowledge and experience in their relevant fields and the Company had benefited immensely by their presence in the Board.

In accordance with the provisions of section 152 of the Companies Act, 2013, Shri. Ripudamansingh R. Vaghela (DIN: 02102872) Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Shri. Ashok N Kothary, Shri. Bindu Madhavan, Smt. Sudha Ramesh Modi, Shri. Ashok Shah, Shri. Dev prakash Hemraj Yadava all are existing Independent Directors of the Company. The above directors have given declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for re-appointment as Independent Director.

DISCLOSURE OF PECUNIARY RELATIONSHIP:

There was no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during

the year. Also, no payment, except sitting fees, was made to any of the non-executive directors of the Company.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS:

Shri. Ashok Kothary (DIN 00811919), Shri. Dev Prakash Yadava (DIN 00778976), Shri. Bindumadhavan Venkatesh (DIN 01799569), Shri. Jaysing Rajput (DIN 00405232), Shri. Ashok Shah (DIN 00236555) and Smt. Sudha Modi (DIN 01633060), Independent Directors of the Company have given their respective declaration as required under Section 149 (7) of the Companies Act, 2013 to the effect that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 which were taken on record by the Board.

NUMBER OF MEETINGS OF THE BOARD:

During the financial year 2018-19, four meetings of the Board of Directors were held. For details of the Board meetings please refer to the Corporate Governance forming part of the Boards' Report.

STATEMENT ON ANNUAL EVALUATION OF BOARD, COMMITTEE AND ITS DIRECTORS:

The Board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of Section 134 (3) (p) of the Companies Act, 2013 read with Rule 8(4) of The Companies (Accounts) Rules, 2014 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, transparency, adhering to good corporate governance practices etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, leadership quality, attitude, initiatives decision making, commitment, achievements etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors on 09th March, 2019, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

The meeting also assessed the quality, quantity and time lines of flow of information between the company management and the board that is necessary for the board to effectively and reasonably perform its duties.

NOMINATION AND REMUNERATION POLICY:

In terms of Section 178 (3) of the Companies Act, 2013, a policy on Nomination and Remuneration of Directors and Senior Management Employees including, inter alia, criteria for determining qualifications, positive attributes and independence of directors was formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors. The said policy is annexed as Annexure A to the Board's Report. The said policy is also posted on the website of the Company www.universalstarch.com and its weblink is: <http://www.universalstarch.com/Nomination%20and%20Remuneration%20Policy.pdf>

INTERNAL FINANCIAL CONTROLS:

The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

COMMITTEES OF THE BOARD:

The details pertaining to composition of various Committees i.e Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee are included in the Corporate Governance Report, which forms part of this report.

AUDITORS & AUDIT REPORTS:

i) Statutory Auditors :

M/s. S. M. Gupta & Co, Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 29th September, 2017, for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

ii) Secretarial Auditors:

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Leena Agrawal & Co as secretarial auditor of the Company for the F.Y 2019-2020.

AUDIT REPORTS:

- i) Independent Auditor's Report does not contain any qualifications, reservation or adverse remark and the fair view of the financial statement is not affected. Audit report is enclosed as a part of this report.
- ii) Secretarial Auditor's Report does not contain any qualifications, reservation or adverse remark. Audit report is enclosed as a part of this report.

EXPLANATION AND COMMENTS BY THE BOARD ON DISCLAIMER MADE IN AUDITORS' REPORT AND SECRETARIAL AUDITOR'S REPORT:

The Auditors' Report and Secretarial Auditor's Report does not contain any qualifications, reservations or adverse remarks and the true and fair view of the financial statements is not affected.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

RISK MANAGEMENT POLICY:

The Company has adopted a Risk Management Policy and implemented a mechanism for risk assessment and management. The policy provides for identification of possible risks associated with the business of the Company, assessment of the same at regular intervals and taking appropriate measures and controls to manage,

mitigate and handle them. The key categories of risk jotted down in the Policy are Strategic Risks, Financial Risks, Operational Risks and such other risk that may potentially affect the working of the Company. The risk management framework is supported by the Board of Directors, Management and the Audit Committee. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework. At present, in the opinion of the Board of Directors, there are no risk which may threaten the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY:

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company have constituted a CSR Committee of 3 Directors Shri. JitendraSinh J. Rawal, Shri. Ashok Kothary, Shri. Ashok Shah.

Details of the CSR policy is posted on the website of the Company www.universalstarch.com and its web link is <http://universalstarch.com/Policy%20on%20Corporate%20Social%20Responsibility.pdf>.

As per Companies Act, 2013 spending on CSR is not applicable to your Company for the financial year 2018-19, however Company has spent ₹ 2,51,000/- in following manner during the financial year.

Sr. No	CSR Projects or Activities Identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where the projects or programs was undertaken	Amount Spent	Amount Spent were direct or through implementing Agency
1	Providing education with quality, professional and administrative skills to the students of Dadasaheb Rawal College, AB Rajput Ekta Mission, Alumni Association College of Agriculture Pune.	Promoting special education and employment enhancing vocation skills	Local area, Maharashtra State, Dhule District, Dondaicha	₹ 2,51,000/-	Direct

A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company

LISTING WITH STOCK EXCHANGE:

At present, your Company's securities are listed on : BSE, Phiroze Jeejeehoy Towers, Dalal Street, Fort, Mumbai- 400001, Code No. 524408.

VIGIL MECHANISM:

In pursuant to the provisions of Sections 177 (9) & (10) of the Companies Act, 2013, a Vigil Mechanism for

directors and employees to report genuine concerns has been established.

ANNUAL RETURN AND EXTRACT OF ANNUAL RETURN:

An extract of Annual Return in Form MGT 9 for the Financial Year 2018 - 2019 has been enclosed as "Annexure C" forming part of the Boards' Report. The Annual Return will also be available on the Company's website at www.universalstarch.com

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 (12) read with Rule 5(1) of The Companies (Appointment



and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished here under:

Sr. No	Name	Designation	Remuneration paid in FY 2018-19 (In Rs.)	Remuneration paid in FY 2017-18 (In Rs.)	Increase/ Decrease in remuneration from previous year (In Rs.)	% Increase/ Decrease in remuneration from previous year (In Rs.)	Ratio/Times per Median of employee remuneration
1	Shri. Jitendrasinh J. Rawal	Chairman & Managing Director	59,54,400	59,54,400	-	-	53.17
2	Shri. Gulabsing Chaudhary	Whole-time director (Works)	9,92,000	11,52,000	(1,60,000)	(13.89)	8.89
3	Smt. Hansarani Vaghela	Whole-time director (Works)	20,17,807	6,72,000	13,45,807	200	18.02
4	Smt. Nayankuwar J. Rawal	Whole-time director	5,37,600	1,95,627	3,41,973	175	4.8
5	Shri. Subramani Seetharaman	Chief Financial Officer (KMP)	10,86,450	9,72,900	1,13,550	11.67	9.70
6	Ms. Chaitali Salgaonkar	Company Secretary (KMP)	6,46,472	5,10,625	1,35,847	26.60	5.77

The non-executive directors were paid only sitting fees of Rs. 5,30,000/- during the FY 2018-19.

The percentage increase in remuneration is nominal which is due to increment.

There were 437 permanent employees on the rolls of the Company as on 31st March, 2019

DISCLOSURE UNDER RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 that The details of employees in receipt of remuneration in the aggregate not less than INR 1 crore and 2 lacs pa., if employed throughout the year or INR 8.50 lacs pm if employed for a part of the year during 2018-19:

There are no employees covered under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of whom particulars are required to be furnished.

SUBSIDIARIES/JOINT VENTURE/ASSOCIATE COMPANY :

The Company has no subsidiary/joint venture/associate company and hence consolidation and applicable provision under the Companies Act, 2013 and Rules made there under are not applicable to the Company.

CHANGES IN NATURE OF BUSINESS, IF ANY: During the year under review there is no change in the nature of business of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place an Anti Harassment policy in line with the requirements of The sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, company has not received any Sexual Harassment Complaints and no complaints pending as on end of financial year.

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS:

During the year under review, the Company has not issued any shares with differential voting rights.

DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTION SCHEME

During the year under review, no option under 'Employee Stock Option Scheme' was granted or vested to any employee or directors of the Company.

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:

During the year under review, the Company has not issued any Sweat Equity Shares.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have not been any material changes and commitment affecting the financial position of the Company during the financial year 2018-19.

INFORMATION REQUIRED UNDER RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014-CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**a) Conservation of Energy:**

The activities of your company require minimal energy consumption and every endeavour has been made to ensure the optimal use of energy, avoid wastage and conserve energy as far as possible.

b) Technology Absorption:

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 license from FDA (MS).

2. The Company implemented Pest Control schedules in the premises by M/s Pest Control (India)P. Ltd. Jalgaon. This is mandatory to maintain the hygiene Standards in the manufacturing and storage of products. The Pest control schedules resulted control on Total bacterial Count (TBC) and Total Fungal Count (TFC) along with control of pathogens in finished products.
3. The Company established Air Handling Unit (AHU) at Microbiology Laboratory as the compliance of the mandatory requirements by FDA.

4. The Company has already established the following Projects:

Biomethanation Project, Co-Generation Power Plant, Wind Mill at Brahmanwel & Fly Ash Brick Making Project.

c) Foreign exchange earnings and outgo:

The details of Foreign exchange earnings and outgo are detailed in Note No. 35 forming part of Accounts.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the period under review, no order had been passed by the regulators/ courts or tribunals which have an effect on the going concern status of the company and its operations.

EMPLOYEE RELATIONS

The relations of the management with staff and workers remained cordial during the entire year.

CORPORATE GOVERNANCE :

Your Company has complied with the Corporate Governance practices mandated by Listing Regulations. 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 M/s. Leena Agrawal & Company, Practising Company Secretaries (Membership No 19600, CP No 7030) is set out as part of the Annual Report. A Management Discussion and Analysis Report also accompanies this report.

DEVELOPMENT AND IMPLEMENTATION OF A MANAGEMENT POLICY:

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

RELATED PARTY TRANSACTIONS :

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the



Audit Committee for its omnibus approval and the particulars of contracts entered during the year is given in Note 33 of the Financial Statements. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement. This Policy was considered and approved by the Board. The said policy is posted on the website of the Company, www.universalstarch.com and its weblink is <http://www.universalstarch.com/Policy%20on%20Related%20Party%20Transactions.pdf>

ACKNOWLEDGEMENT :

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

For and on behalf of the Board of Directors
Universal Starch Chem Allied Limited

Place : Mumbai

Date: 09th August, 2019

Sd/-

Jitendrasinh J. Rawal

Chairman & Managing Director

DIN: 00235016