

## 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 regulations of SEBI (LODR) Regulations, 2015, which deals with the Corporate Governance requirements.

Composition, Category and other details of Directorships for the period ending 31/03/2019 is given below :

Category	Name of Director & Designation	No of shares held by directors	No. of other Directorships	No. of Committee Membership / Chairmanship	
				Membership	Chairmanship
Promoter Chairman & Managing Director	Shri. Jitendrasinh J. Rawal, Executive Chairman & Managing Director	5,95,767	5	2	1
Promoter Whole-time Director, Joint MD (Business Development)	Smt. Hansarani Vaghela	1,12,700	4	-	-
Whole- time director (Works)	Shri. Gulabsingh P.Chaudhary	1,600	1	-	-
Promoter Whole Time Director	Smt. Nayankuwar J. Rawal	3,26,300	4	-	-
Non Executive Director	Shri. Ripudamansingh R. Vaghela	-	5	-	-
Non Executive Director	Smt. Panchratna J. Rawal	2,41,900	2	-	-
Independent Non-executive Director	Shri. Dev Prakash Yadava	-	4	3	1
Independent Non-executive director	Shri. Ashok Kothary	-	8	3	1
Independent Non-executive director	Shri. Bindu Madhavan	-	0	-	-
Independent Non-executive director	Smt. Sudha R. Modi	-	2	1	-
Independent Non-executive director	Shri. Ashok C. Shah	-	0	2	-
Independent Non-executive director	Shri. Jaysingh Rajput	-	6	1	1

The Executive Directors of the Company & their remuneration package which comprises of salary and other allowances, perquisites and commission as approved by the shareholders at the Annual General meetings. Annual increments are linked to performance and are decided by the Board of Directors. During the year, the managerial remuneration payable to them aggregated to Rs. 95,01,807/- There is no remuneration package for the Non-executive directors of the Company. However sitting fees of Rs. 5,30,000/- has been paid to the directors for the meetings attended.

### BOARD OF DIRECTORS :

The terms of reference of the Board of Directors were enlarged by the Board in order to cover the matters specified under revised Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors comprised of 12 members as on 31<sup>st</sup> March 2019. The Company has an Executive Chairman, more than 50% of the Board comprises of Non-Executive Directors. The Executive Directors include the Chairman & Managing Director and three other Executive Directors. The Board has 6 independent directors.

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

Sr. No.	Date of Meeting	No. of Directors Present
1	30/05/2018	9
2	11/08/2018	10
3	13/11/2018	8
4	09/02/2019	6



The attendance recorded for each of the Directors at the Board Meetings during the year ended 31<sup>st</sup> March 2019 and of the last Annual General Meeting is given below :

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM	Relationship with other directors	Name of other listed entities where the person is a director and category of directorship
Shri. Jitendrasinh J. Rawal	4	Yes	1. Husband of Smt. Nayankuwar Rawal 2. Father of Smt. Hansarani Vaghela 3. Father of Smt. Panchratna J. Rawal 4. Father in law of Shri. Ripudamansingh R. Vaghela	0
Shri. G.P. Chaudhary	1	Yes	-	0
Shri. Ashok Kothary	4	Yes	-	0
Shri. Dev Prakash Yadava	4	Yes	-	1. IPCA LABORATORIES LIMITED - Non-Executive - Independent Director
Shri. Jaysing Rajput	2	Yes	-	0
Shri. Bindu Madhavan	4	Yes	-	0
Smt. Sudha R. Modi	4	Yes	-	0
Shri. Ashok C. Shah	3	No	-	0
Smt. Hansarani Vaghela	3	Yes	1. Daughter of Shri. Jitendrasinh Rawal & Smt. Nayankuwar J. Rawal 2. Sister of Smt. Panchratna J. Rawal 3. Wife of Shri. Ripudamansingh R. Vaghela	0
Smt. Panchratna J. Rawal	1	No	1. Daughter of Shri. Jitendrasinh Rawal & Smt. Nayankuwar J. Rawal 2. Sister of Smt. Hansarani Vaghela 3. Sister in law of Shri. Ripudamansingh R. Vaghela	0
Smt. Nayankuwar J. Rawal	1	Yes	1. Wife of Shri. Jitendrasinh J. Rawal 2. Mother of Smt. Panchratna J. Rawal & Smt. Hansarani Vaghela 3. Mother in law of Shri. Ripudamansingh R. Vaghela	0
Shri. Ripudamansingh R. Vaghela	2	Yes	1. Husband of Smt. Hansarani Vaghela 2. Son -in- law of Shri. Jitendrasinh Rawal & Smt. Nayankuwar J. Rawal	0

#### INDEPENDENT DIRECTORS

The Company has complied with the definition of Independence as per Regulation of SEBI (LODR) Regulations, 2015 and according to the Provisions of section 149 (6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

#### Training of Independent Directors :

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

The Board evaluates the performance of Non-executive

and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

### Separate Meeting of the Independent Directors :

The Independent Directors held a Meeting on 09<sup>th</sup> March, 2019 without the attendance of Non-Independent Directors and members of Management. All the independent directors were present in the meeting for the purpose of performance evaluation.

The following issues were discussed in detail :

- I) Reviewed the performance of non-independent directors and the Board as a whole;
- II) Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- III) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

The following is the list of core skills / expertise / competencies identified by the Board of Directors that are required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex management, Administration, Decision Making
- iv) Financial and Management skills
- v) Technical / Professional skills and specialized knowledge in relation to Company's business

### AUDIT COMMITTEE :

The terms of reference of the Audit Committee were enlarged by the Board in order to cover the matters specified under revised Regulation 18 of Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

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

The present members of the committee are Shri. Dev Prakash Yadava, Shri. Ashok Kothary and Shri. Ashok Shah. The chairman of the committee is Shri. Ashok Kothary who has a wide experience in finance etc.

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

- (i) To review the quarterly, half-yearly and annual financial statements of the Company.
- (ii) To review the Company's financial reporting systems.
- (iii) To review the internal control and Audit Systems.
- (iv) 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 2018- 19. The dates on which the said meetings were held on 30/05/2018, 11/08/2018, 13/11/2018 and 09/02/2019 The attendance of each Audit Committee member is given below :

Name of the Audit Committee Member	No. of meetings attended
Shri. Ashok Kothary	4
Shri. Dev Prakash Yadava	4
Shri. Ashok Shah	3

### STAKEHOLDERS' RELATIONSHIP COMMITTEE/ SHAREHOLDERS' GRIEVANCE COMMITTEE:

In compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted Stakeholders Relationship Committee and the terms of reference of said Committee are as follows: 1. To look into the redressal of complaints of security-holders on matters relating to transfer of shares, dematerialization of shares, non-receipt of annual report, non-receipt of dividend, matters relating to issue of new share certificates etc. 2. To look into matters that can facilitate better security-holders services and relations. 3. To consider and approve issue of share certificates on requests for duplicate certificates, consolidation of folios etc. 4. To do all such acts, deeds,

matters and things as may be necessary or expedient for performing any of the above acts.

The Company has stakeholders relationship committee of which Shri. Jaysing Rajput a Non-Executive Director as Chairman & Shri. Jitendrasinh J. Rawal, Shri. Dev Prakash Yadava is the Members of the committee. Formalities relating to transfer of shares are attended at least once in the year.

Ms. Chaitali Salgaonkar is the Company Secretary & Compliance Officer of the Company

#### Shareholders/Investors Complaints:

Particulars	Number
Number of shareholders complaints received so far:	NIL
Number not solved to the satisfaction of shareholders:	NIL
Number of pending complaints:	NIL

#### NOMINATION & REMUNERATION COMMITTEE:

The Committee's constitution and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Nomination & Remuneration Committee comprises of Three independent Directors. The present members of the committee are Shri. Dev Prakash Yadava, Shri. Ashok N Kothary and Smt. Sudha Modi. The chairman of the committee is Shri. Dev Prakash Yadava. This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Committee had one meetings during the Financial Year 2018-19 which was attended by all the members.

Nomination and Remuneration policy is attached as part of this Annual Report

#### GENERAL BODY MEETINGS :

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

Year	Date	Time	Location
2017-18	29th September, 2018	11.00 A.M.	Mhatre pen Building, B-Wing, 02 <sup>nd</sup> Floor, Senapati Bapat Marg, Dadar (West) Mumbai - 400028
2016-17	29th September, 2017	11.00 A.M.	Mhatre pen Building, B-Wing, 02 <sup>nd</sup> Floor, Senapati Bapat Marg, Dadar (West) Mumbai - 400028
2015-16	29th September, 2016	11.00 A.M.	Mhatre pen Building, B-Wing, 02 <sup>nd</sup> Floor, Senapati Bapat Marg, Dadar (West) Mumbai - 400028

#### SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETING:

Meeting	Subject matter of Special Resolution
45 <sup>th</sup> Annual General Meeting	<p>i) Appointment of Smt. Nayankuwar J. Rawal As Whole-Time Director of The Company with effect from 20<sup>th</sup> November, 2017</p> <p>(ii) Re-appointment of Shri. Jitendrasinh J. Rawal (DIN 00235016) as Chairman and Managing Director with effect from 01<sup>st</sup> October, 2018 for a further period of three years.</p> <p>(iii) Appointment of Smt. Hansarani Vaghela (WTD) (DIN: 01468168 ) as Joint Managing Director of the Company with effect from 11<sup>th</sup> August, 2018 &amp; Increasing Managerial Remuneration</p>
44 <sup>th</sup> Annual General Meeting	<p>(i) Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013</p> <p>(ii) Re-Appointment of Shri. Gulabsing Pauladsing Chaudhary (DIN 00308910) As Whole-Time Director (WORKS) of The Company with effect from 29<sup>th</sup> January, 2017:</p>
43 <sup>rd</sup> Annual General Meeting	(i) To appoint Smt. Hansarani Vaghela (DIN 01468168) as Whole-time Director (Business Development) for a period of three years with effect from 13 <sup>th</sup> August, 2016

The Company has not passed any resolution through Postal ballot during the financial year 2018 -19 & no special resolution is proposed to be passed in the forthcoming AGM through postal ballot.

## MEANS OF COMMUNICATION:

Half - yearly report sent to each household of shareholder	No
(i) Quarterly results	The quarterly, half-yearly and yearly results are regularly submitted to the Stock Exchange in accordance with the Listing Regulations.
(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.
(vii) Presentation made to insitutional investors or to the analysts	No

## GENERAL SHAREHOLDER INFORMATION :

Annual General Meeting	30 <sup>th</sup> September, 2019 at 11.00 A.M. at Mhatre Pen Building, B-Wing, 02 <sup>nd</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028.
Financial Year	1st April, 2018-31st March, 2019
Financial Calendar	Quarters ending – 30 <sup>th</sup> June, 30 <sup>th</sup> September, 31 <sup>st</sup> December & 31 <sup>st</sup> March, Year Ending – March 31 <sup>st</sup> AGM – September.
Dates of Book Closure	24 <sup>th</sup> September, 2019 to 30 <sup>th</sup> September 2019 ( both days inclusive )
Dividend Payment	NIL
The Equity Shares of the Company are listed on	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The Company has paid listing fees for the FY 2019-20

Stock Code	Stock Exchange, Mumbai – 524408 ISIN No. INE113E01015 CIN: L24110MH1973PLC016247
Registrar and Transfer Agents	M/s Sharex Dynamic ( India ) Pvt.Ltd. C- 101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400 083. Phone : 2851 5606 ,28515644

## SHARE TRANSFER SYSTEM:

The shares traded on the stock exchange are transferable through depository system. Shares in physical form are processed for transfer by the share transfer agent viz. Sharex Dynamic (India) Pvt Ltd. and are approved by the share transfer committee. The share transfers are processed within a period of 15 days from the date of its receipt.

## DISTRIBUTION SCHEDULE OF SHARES /DEBS/AS ON 31<sup>ST</sup> MARCH 2019

No. of Shares	Shareholders		No. of Shares	
	Number of Holders	% of holders	Number of Holders	% of holders
Upto - 100	791	50.286	64562	1.537
101 - 200	261	16.592	50398	1.200
201 - 500	288	18.309	109529	2.608
501 - 1000	115	7.311	97380	2.319
1001 - 5000	77	4.895	186397	4.438
5001 - 10000	11	0.699	89488	2.131
10001 - 100000	18	1.144	639292	15.221
100001 to above	12	0.763	2962954	70.547
<b>TOTAL</b>	<b>1573</b>	<b>100</b>	<b>4200000</b>	<b>100</b>

## PATTERN OF SHAREHOLDING AS ON 31.03.2019

Sr.No.	Category	Percentage	
A	Promoters Holding		
	Indian Promoters	43.521	
	Foreign Promoters		
	Persons acting in concert		
	<b>Sub Total</b>	<b>43.521</b>	
B	Non Promoters Holding		
	Bank, Financial Inst, Insurance Co (Central/State GovtInst/ Non-Govt Inst)	3.646	
	FII's		
	Private Corporate Bodies	12.157	
	Indian Public	27.653	
	NRI'S	0.272	
	Others	12.591	
	Clearing Members	0.159	
		<b>Sub Total</b>	<b>56.478</b>
		<b>Grand Total</b>	<b>100.00</b>





**Dematerializations of Equity Shares as on 31.03.2019**

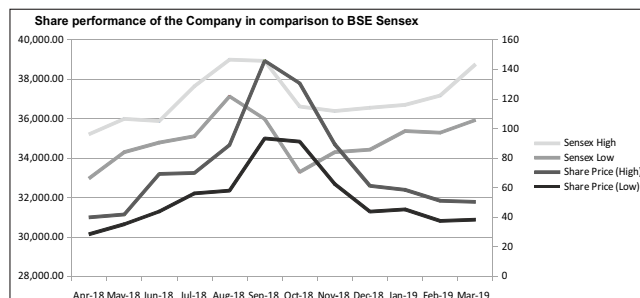
1	Dematerialization Form	No. of Shares	%
	NSDL	1875468	44.65
	CSDL	1301050	30.98
	<b>TOTAL</b>	<b>3176518</b>	<b>75.63</b>
2	Physical Form	1023482	24.37
	<b>TOTAL</b>	<b>4200000</b>	<b>100</b>

**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 2018 -2019 are as under :

Month	Quotations at Mumbai Stock Exchange	
	High ( Rs. )	Low ( Rs. )
April- 2018	39.90	28.50
May - 2018	41.85	35.25
June- 2018	69.30	43.90
July- 2018	69.95	56.10
August- 2018	88.85	58.00
September- 2018	145.90	93.25
October- 2018	130.65	91.15
November- 2018	89.35	62.45
December- 2018	61.25	43.80
January- 2019	58.50	45.30
February -2019	51.10	37.50
March -2019	50.40	38.40

**Share performance of the Company in comparison to BSE Sensex**



**OUTSTANDING GDR'S/ADRS/WARRANTS CONVERTIBLE INSTRUMENTS AND THEIR IMPACT ON EQUITY:**

The Company has not issued any GDR's /ADRs / Convertible Instruments.

**COMMODITY PRICE RISK/ FOREIGN EXCHANGE RISK AND HEDGING:**

The Company did not engage in hedging activities.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

Certificate from Company Secretary in Practice stipulated under clause C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations is annexed to this report.

**CREDIT RATINGS OBTAINED:**

Credit Ratings obtained from CARE Ratings Limited.,for Bank Facilities during the year 2018-19.:

Facilities	Amount (Rs.Crore)	Rating	Rating Action
Long - term Bank Facilities	33.00	CARE BB-; Stable (Double B Minus; Outlook: Stable)	Assigned
Short - term Bank Facilities	13.40	CARE A4 (A Four)	Assigned
Total Facilities	46.40 (Rupees Forty Six Crore and Forty Lakh Only)		

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

Address for :Universal Starch - Chem Allied Limited  
 Correspondance Mhatre Pen Building, 'B' - Wing, 2<sup>nd</sup> Floor, Senapati Bapat Marg, Dadar (West) Mumbai - 400 028  
 Tel : (022) 24362210  
 Fax : (022) 24305969  
 e-mail :mumbai@universalstarch.com/  
 chaitalis@universalstarch.com  
 Website : www.universalstarch.com

**OTHER 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 and the transactions entered into with them.

Policy on dealing with related party transactions is posted on the website of the Company www.universalstarch.com and its weblink is <http://universalstarch.com/Policy%20on%20Related%20Party%20Transactions.pdf>.

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

**Whistle Blower Policy/ Vigil Mechanism:** The Company has established a Vigil Mechanism for directors and employees to report genuine concerns. The vigil mechanism provide for adequate safeguards against victimization of person who use Vigil Mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The details of Vigil Mechanism is displayed on the website of the Company [www.universalstarch.com](http://www.universalstarch.com) and its weblink is <http://universalstarch.com/Whistle%20blower%20policy.pdf>.

Pursuant to the provisions of Schedule IV of the Companies Act, 2013 ("the Act"), SEBI (LODR) Regulations, 2015, Terms and Conditions for Appointment of Independent directors are posted on the website of the Company <http://www.universalstarch.com/http://universalstarch.com/Terms%20and%20Conditions%20of%20Appointment%20of%20Independent%20Directors.pdf>

Details of the familiarisation programme of the Independent directors is posted on the website of the Company [www.universalstarch.com](http://www.universalstarch.com/http://universalstarch.com/Policy%20on%20Familiarization%20Programmes%20for%20Independent%20Directors.pdf) and its weblink is <http://universalstarch.com/Policy%20on%20Familiarization%20Programmes%20for%20Independent%20Directors.pdf>

The Company has complied with the various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital markets. No penalties or strictures have been imposed by them on the Company.

In the preparation of financial statements, the Company has followed Generally Accepted Accounting Principles (followed in India) as prescribed in Accounting Standards.

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has instituted a code of conduct for prohibition of insider trading in the company's shares.

As stipulated by SEBI, a qualified Practising Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is placed before the board of

directors of the Company. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

Corporate Identity Number (CIN) of the company, allotted by the Ministry of Corporate Affairs, Government of India is L24110MH1973PLC016247.

As required by Regulation 26(3) of the SEBI Listing Obligations and Disclosure Requirements (LODR), Regulations, 2015, Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct is provided in the Annual Report.

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling Annual General meeting, Corporate Governance Report, Directors Report, audited Financial Statements, Auditors Report, Dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

The Company has complied with all the mandatory requirements of all the Regulations of SEBI Listing Obligations and Disclosure Requirements (LODR), Regulations, 2015. Adoption of non-mandatory requirements of the Regulations of SEBI (LODR), Regulations, 2015 is being reviewed by the Board from time to time. The Company has complied with all the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

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

Sd/-

Jitendrasinh J. Rawal

Place : Mumbai

Chairman & Managing Director

Date : 09<sup>th</sup> August, 2019

DIN: 00235016