



10th
ANNUAL REPORT
2002

Unique Organics Limited



Board of Directors

Mr. J.P. Kanodia, *Managing Director*
 Mrs. Madhu Kanodia
 Mr. Rahul Kalra
 Mrs. Ruchika Kalra

Auditors

M/s. Gupta Abhishek & Co;
 Chartered Accountants
 203, Shyam Anukampa,
 O-11, Ashok Marg
 C-Scheme, Jaipur-302 001.

Bankers

- (a) State Bank of Bikaner & Jaipur
 Sitapura Industrial Area
 Jaipur
- (b) Bank of Baroda
 Nehru Place, Tonk Road, Jaipur
- (c) Global Trust Bank Ltd.
 Sangam Tower,
 Church Road, Jaipur

Regd. Office

E-521, Sitapura Industrial Area,
 Near Sanganer, Jaipur-(Raj.)

NOTICE

NOTICE is hereby given that Tenth Annual General Meeting of the members of Unique Organics Limited will be held on Monday, the 30th September, 2002, at 10.30 a.m. at the Registered Office of the company, at E-521, Sitapura Industrial Area, Near Sanganer, Jaipur (Raj.) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date, alongwith the Reports of the Auditors and the Directors thereon.
2. To appoint a director in place of Mr. Rahul Kalra who retires by rotation and is eligible for reappointment.
3. To reappoint the auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and pass with or without modification, if any, the following resolution as special resolution:

"RESOLVED THAT pursuant to provisions of section 309, 198, 269, Schedule XIII of the Companies Act, 1956, consent of the Company, be and is hereby given to fix the remuneration and perquisites payable to Shri J. P. Kanodia, Managing Director of the company during his remaining tenure of appointment viz. 1st January, 2002 to 30th June, 2006, as under :

(a) Salary Rs. 12,000/- per month :

(b) Perquisites :

- (i) Conveyance allowance Rs. 5000/- p.m.
- (ii) Servant allowance Rs. 2000/- p.m.
- (iii) Medical reimbursement for self, wife and dependent children as per actual expenditure incurred.
- (iv) P. F. Cont., gratuity, leave and other benefits as per Rules of the company.
- (v) Car with driver and telephone at residence for official purposes."

5. To consider and pass with or without modification, if any, the following resolution as ordinary resolution :

"RESOLVED THAT Clause V of Memorandum of Association of the company be and is hereby altered by substituting the following clause in place of existing clause V :

"V. The authorised share capital of the company is Rs. 7,00,00,000 (Rupees Seven Crores) divided into 60,00,000 (Sixty Lac) Equity Shares of Rs. 10/- (Rupees Ten) each and 1,00,000 (One Lac) Preference Shares of Rs. 100/- (Rupees one hundred) each with the rights, privileges and conditions attached thereto as defined in the Articles of Association of the company for the time being with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with Articles of Association of the company for the time being and to vary, modify or abrogate any such privileges or conditions in such manners as may be permitted by the Companies Act, 1956 or any other Acts for the time being in force or provided by the Articles of Association of the company for the time being."

6. To consider and pass with or without modification, if any, the following resolution as special resolution :

"RESOLVED THAT Article 5A of Articles of Association of the company be and is hereby altered by substituting the following Article in place of existing Article 5A :

"5A The authorised share capital of the company is as mentioned in clause V of Memorandum of Association.""

7. To consider and pass with or without modification, if any, the following resolution as special resolution :

"RESOLVED THAT pursuant to provisions of section 81(1A) and other applicable provisions if any of the Companies Act, 1956 and other applicable laws, if any, consent of the company be is hereby given and the Board of Directors authorised to issue 1,00,000 9% Non-cumulative Redeemable Preference Shares of Rs. 100/- each

forming part of the share capital of the company at par to any person(s) as the Board of Directors deem fit on the following terms and conditions :

- (a) The shares shall carry a right to a non-cumulative preference dividend of 9% per annum in relation to the capital paid up on them.
- (b) The said shares shall be redeemable on expiry of seven years from the date of issue.
- (c) The holders of the said shares shall have a right to attend general meetings of the company and vote on resolutions directly affecting their interest or where the dividends in respect thereof are not paid for not less than two years on the date of the meeting on all resolutions at every meeting of the company.
- (d) In a winding up, the holders of the said shares shall be entitled to a preferential right of return of the amount paid up on the shares but shall not have any further right or claim over the surplus assets of the company."

"RESOLVED FURTHER THAT the Board of Directors of the company, be and is hereby authorised to take all the steps as may be necessary in this regard and comply with provisions of SEBI Guidelines and Listing Agreement as may be necessary."

8. To consider and pass with or without modification, if any, the following resolution as special resolution :

"RESOLVED THAT pursuant to provisions of section 31 of Companies Act, 1956 :

- (a) The following Article 80A be inserted after Article 80 in the Articles of Association of the company:
"DEMATERIALISATION OF SECURITIES 80A.

Definition :

- (1) For the purpose of this Article :

"Beneficial Owner" means a person or persons whose name(s) is/are recorded as such with the Depository.

"Registered Owner" means Depository whose name is entered as such in the register of issuer.

"SEBI" means the Securities and Exchange Board of India.

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of Registration to act as Depository under the Securities and Exchange Board of India Act, 1992; and "Security" means such security as may be specified by SEBI from time to time.

Dematerialisation of Shares :

- (2) Notwithstanding anything contained in this article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Option for Investors :

- (3) Every person subscribed to securities offered by the company shall have the option to receive Security Certificate or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository in the manner provided by the Depositories Act, 1996 and the company shall, in the manner and within the time pre-scribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depository :

- (4) All securities held by a depository shall be in dematerialised and fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372, of the Companies Act, 1956 shall apply to a depository in respect of the securities held by it on behalf of the Beneficial Owners.

Rights of Depositories and beneficial owners :

- (5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the Depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the depository, shall be deemed to be a member of the company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities which are held by a Depository.

Service of Documents :

- (6) Notwithstanding anything contained in the Act or these Articles, where Securities are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the company by means of electronic mode or by delivery of Floppies or Discs.

Transfer of Securities :

- (7) Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee, both of whom are entered as beneficial owners in the records of a Depository.

Allotment of Securities dealt with in a Depository :

- (8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall

intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive Number of Securities held in a Depository :

- (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company, shall apply to securities held with a depository.

Register and Index of Beneficial Owners :

- (10) The Register and Index of Beneficial Owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the register and index of members and security holders for the purpose of these Articles".

- (b) The words "cumulative preferential" occurring in Article 5(b) be altered and read as "non-cumulative preferential".

- (c) The words "and the arrears of dividend as aforesaid" occurring in Article 209(1) be deleted.

- (d) The words "including to buy back own shares of company subject to provisions of section 77A of the Act" be added after the words "pay off any such securities" in Article 152(30)."

Registered Office :
E-521, Sitapura Ind. Area,
Near Sangner, Tonk Road,
Jaipur (Raj.)
Dated : 14-08-2002

By Order of the Board,

Sd/-
J.P. Kanodia
Managing Director

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and on a poll to vote instead of himself. The proxy need not be a member of the company. The proxy should be lodged with the company's Registered Office not less than 48 hours before the commencement of the meeting.
2. The Register of members and share transfer books of the company will remain closed from 30th September, 2002 to 3rd October, 2002 (both days inclusive).
3. An explanatory statement under provisions of section 173 of the Companies Act, 1956, in respect of Items 4, 5, 6, 7 and 8 above, is annexed herewith.
4. The members are requested to notify change of their addresses, if any, at the Regd. Office of the company at the earliest.

Explanatory Statement pursuant to provisions of section 173 of the Companies Act, 1956 :

Item No. 4 :

Shri J. P. Kandia, who was appointed as Managing Director of the company w.e.f. 1.7.2001, has been

providing full time and attention to the day to day work and activities of the company and his efforts have contributed to the company a sizable business without utilising the production capacities to the benefit of the company which avoided engagement of wholesome



working capital. The Board of Directors have approved payment of salary and perquisites as mentioned in the resolution during his remaining tenure of appointment viz. from 1.1.2002 to 30.6.2006. Pursuant to the provisions of the Companies Act, 1956, the payment of remuneration, etc. can be made to the Managing Director as per norms prescribed in Schedule-XIII with the consent of members by way of special resolution. This should be treated as an abstract of the terms and conditions of the appointment of Managing Director under section 302 of Companies Act, 1956.

None of the directors (except Smt. Madhu Kanodia) is in any way interested in the said resolution.

Items No. 5 and 6 :

The present authorised capital is Rs. 700.00 lacs comprising equity shares of Rs. 10 each and paid up capital Rs. 597.15 lacs comprising equity shares of Rs. 10 each. In order to issue preference shares for an aggregate sum of Rs. 100 lacs, the company is required to restructure the capital comprising equity shares for Rs 600 lacs and preference shares for Rs. 100 lacs. The reconstruction of authorised capital can be made with the consent of the company by way of ordinary resolution (in Memorandum of Association) and by way of special resolution (in Articles of Association) pursuant to provisions of sections 16/94 and 31 of the Act. The Board of Directors have commended the said resolutions.

None of the directors is in any way interested in the said resolution.

Item No. 7 :

In order to repay the unsecured loans of Rs. 100 lacs secured by the company from outside sources for the purpose of meeting daytoday requirements of business, the company is required to issue and allot 1,00,000 9% Non-cumulative Redeemable Preference Shares of Rs. 100 each on preferential basis to the lenders, The lenders have requested to issue the preference shares to pay off the amount of unsecured loan. The said shares shall be non-cumulative, e.g. dividend shall not be paid when the company has no divisible profit in any year and shall be redeemable on expiry of seven years, These shares, though not marketable, shall be transferable as per procedure before redemption. As a result of allotment of such shares, no change is envisaged in the Board of Directors of the company or in control over the company. The said shares can be issued to the lenders with the consent of members by way of special resolution pursuant to provisions of section 81(1A) of

the Act. The Board of Directors have commended for issuing said preference shares pursuant to the Articles of the Company.

None of the directors is in any way interested in the said resolution.

Items No. 8 (a), (b), (c), (d) :

Under provisions of Securities and Exchange Board of India Act, 1992 and Depositories Act, 1996, the equity shares of the company being listed at the stock exchanges are being dematerialised and consequential provisions therefore need to be provided in the Articles of Association of the company. The said provisions are contained in Article 80A as per notice at Item No. 8(a). The alterations proposed at (b) and (c) of Item 8 relate to the nature of Preference shares, being as non-cumulative. The alteration proposed at (d) of Item 8 is in consonance with provisions of section 77A of the Act to enable buy back own shares when situation permits in future. The Articles of Association can be altered with the consent of members by way of special resolution under section 31 of the Act. The Board of Directors have commended the said alterations in the Articles of Association.

None of the directors is in any way interested in the said resolution.

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Dated : 14-08-2002

By Order of the Board,

Sd/-
J.P. Kanodia
Managing Director