



**16th**  
**ANNUAL REPORT**  
**2008**

**Unique Organics Limited**

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**UNIQUE ORGANICS LIMITED**
**Board of Directors**

Mr. J. P. Kanodia, *Managing Director*  
 Mrs. Madhu Kanodia  
 Mrs. Vinita Mishra  
 Mr. Sajjan K. Gupta

**Auditors**

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

**Bankers**

Bank of Baroda  
 Nehru Place, Tonk Road, Jaipur

**Regd. Office & Works**

E-521, Sitapura Industrial Area,  
 Near Sanganer, Tonk Road, Jaipur-(Raj.)  
 E-mail : info@uniqueorganics.com

**Registrar & Share Transfer Agent**
**ABS Consultants (P) Ltd.**

99, Stephen House, 6th Floor,  
 4, B.B.D. Bag, (East)  
 Kolkata-700 001  
 E-mail : absconsultant@vsnl.net

**SIXTEENTH ANNUAL REPORT 2008****NOTICE**

NOTICE is hereby given that Sixteenth Annual General Meeting of the members of Unique Organics Limited will be held on Wednesday, the 27th August, 2008, at 10.30 a.m. at the Registered Office of the company, at E-521, Sitapura Industrial Area, Near Sanganer, Jaipur (Rajasthan) to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date, alongwith the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Sajjan Kumar Gupta, who retires by rotation and is eligible for reappointment.
3. To reappoint the auditors and fix their remuneration.

Registered Office :  
E-521, Sitapura Ind. Area,  
Near Sanganer, Tonk Road,  
Jaipur (Rajasthan)  
Dated : 26th July, 2008

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 25.8.08 to 27.8.08 (both days inclusive).
3. The members are requested to notify change of their addresses, if any, at the registered office of the company at an early date.

As required under Clause 49 (vi) of the Listing Agreement, brief resume including experience, other directorship and committee membership of the person proposed for appointment/re-appointment as Director, are given below :

Mr. Sajjan Kumar Gupta (born on 14th April, 1970)  
Education : B.Com.  
Experience : Marketing in Chemicals  
Other directorships : 1 Ishwar Finsec Pvt. Ltd.  
2 Regent Meditech Pvt. Ltd.  
3 Mita Conductor & Wires P. Ltd.  
Committee memberships : 4

**DIRECTORS' REPORT**

To,  
All Members

Your Directors present Sixteenth Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31st March, 2008.

| <b>Financial Results</b>          | <i>(Rs. in Lacs)</i> |                    |
|-----------------------------------|----------------------|--------------------|
|                                   | As at<br>31.3.2008   | As at<br>31.3.2007 |
| Sales                             | 2018.02              | 457.78             |
| Other Income                      | 54.06                | 7.10               |
| Total Operational Cost            | 259.49               | 434.88             |
| Interest—                         | —                    | —                  |
| Depreciation                      | 24.50                | 24.36              |
| Income Tax                        | —                    | —                  |
| Net Profit (Loss)                 | 66.42                | 5.65               |
| Paid-up share capital             | 696.83               | 696.83             |
| Reserve & Surplus                 | 22.35                | 22.35              |
| Profit & Loss A/c (debit balance) | (354.96)             | (421.38)           |

**OPERATIONS :**

During the year under review, manufacturing of spices continued despite stiff competition in the international market. Major sales were on account of exports. The working results would have been much better but the high currency fluctuation has affected it adversely. The company has been making all out efforts to increase the business activity despite many odds.

Your directors are glad to inform you that company has been successful in obtaining registration for processing of organic spices from USDA for export of organic spices in near future. This would enable the Company to achieve even better working results in near future.

**Foreign Exchange earnings & outgo :**

|                                      |                    |
|--------------------------------------|--------------------|
| F. E. Earnings : Export sale 2007-08 | Rs. 199,667,347.10 |
| Export sale 2006-07                  | Rs. 4,56,46,390.82 |

F. E. Outgo : Travelling & other exp. Rs. NIL

**DIRECTORS :**

Mr Sajjan Kumar Gupta who retires by rotation at the ensuing annual general meeting and being eligible, offers herself for reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to provisions of section 217(2AA) of Companies Act, 1956, your directors hereby state:

- (i) that in the preparation of the annual accounts , the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and



## UNIQUE ORGANICS LIMITED

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 or loss of the company for that period;

- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

### FIXED DEPOSITS :

The company has not invited/accepted any deposits within the meaning of Section 58A of the Companies Act, 1956.

### AUDIT COMMITTEE :

Pursuant to provisions of section 292A of Companies Act, 1956, and Clause 49 of Listing Agreement, the Audit Committee was constituted comprising Shri Sajjan K. Gupta and Smt. Vinita Mishra, non-executive & independent directors and Shri J. P. Kanodia, Managing Director. The powers and functions of the said Audit Committee are as per Section 292A of Companies Act and Clause 49 of Listing Agreement.

### LISTING OF SHARES :

The equity shares of the Company continue to be listed with stock exchanges at Jaipur, Delhi, Kolkatta, Mumbai and Ahmedabad.

### AUDITORS :

M/s. Gupta Abhishek & Co., Chartered Accountants, Jaipur, Statutory Auditors of your company, hold office until the conclusion of the ensuing annual general meeting and are recommended for reappointment. They being eligible have offered themselves for reappointment.

### PARTICULARS OF EMPLOYEES :

There is no employee covered under section 217 (2A) of the Companies Act, 1956 and thus particulars under the Companies (Particulars of Employees) Rules, 1975, may be taken as Nil.

### PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

Pursuant to section 217 (1) (e) of Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the requisite particulars are furnished at Annexure given hereto. Foreign Exchange earning and outgo are given as aforesaid.

### DEPOSITORY SYSTEM :

Your company's shares are now tradable compulsorily in electronic form and it established connectivity with depositories, viz. National Securities Depository Limited (NSDL) and Central

Depository Services (India) Limited (CDSL). The company has also appointed common agency for transfer of shares in depository and in physical form.

### CORPORATE GOVERNANCE :

A separate report on corporate governance of the company is annexed to this report. A certificate from the auditors of the company regarding compliance of corporate governance as stipulated under clause 49 of the Listing Agreement is appended to the report on corporate governance. All board members have offered compliance with code of conduct on annual basis.

### MANAGEMENT DISCUSSION AND ANALYSIS :

The core business of the company is the manufacture and marketing of all types of spices and oleoresins. The management discussion and analysis is given as under :

- (a) Industry structure and development : The spices and oleoresin industry continued to pass through a difficult phase during the year under review due to general economic slow down and unfavourable raw-material prices and high competition from the manufacturers in the world. Many spices and oleoresin units in the country closed. It required some support/help from the Govt. if revival of this industry is to be resorted to.
- (b) Opportunity and threats : The local raw-materials available are either costly and of inferior quality as compared to the international standards. Therefore, the processed and manufactured spices and oleoresins become unremunerative and their supplies are unviable.
- (c) Segment-wise performance : The company has not manufactured spices and oleoresins during the year under review. Some domestic demand was met by procurement locally to avoid losses. Owing to abnormal cost of production, the oleoresins activity was entirely closed.
- (d) Outlook : Your directors are confident to make improvement in quality, price reduction to some extent, and exercise greater control over the administrative cost, provided international market appear to be somewhat favourable. Domestic market does not seem to be attractive due to established brand image of various products as the company originally has not made any strategy for local sale.
- (e) Risk and concerns : Despite technological improvements needed to be made, the company has not found a banker to get the needed funds in the form of working capital facilities to resume the manufacturing activity.
- (f) Internal control system : The company is maintaining proper and safe internal control systems, providing adequate safeguard and effective monitoring of transactions. It has adequate internal audit system.
- (g) Discussion on financial performance with respect to Operating Performance : The operating performance is given in the para "Financial Results" above. In brief, the turnover has shown reasonable improvement.
- (h) Developments in human resources and industrial relations: The company has minimum staff and their potential is fully

**SIXTEENTH ANNUAL REPORT 2008**

utilised for all work and matters of the company. The industrial relation remained very cordial.

*For & On behalf of the Board of Directors,*

- (i) **Cautionary Statement :** The entire business of the company depend on availability of quality of raw-material at reasonable prices, international business scenario, continuous demand, favourable policy of the Government, any further assistance for export of these products.

Place : Jaipur  
Dated : 26th July, 2008

Sd/-  
**J. P. KANODIA**  
*Chairman & Managing Director*

**ACKNOWLEDGMENT :**

Your Directors record their sincere thanks to various Departments of Central and State Governments, Banks, Members, foreign buyers and customers for their cooperation and assistance and look forward to their continued support.

**ANNEXURE TO THE DIRECTORS' REPORT**

Information under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report :

|  | As at<br>31.3.2008 | As at<br>31.3.2007 |
|--|--------------------|--------------------|
| <b>I. CONSERVATION OF ENERGY</b>       |                    |                    |
| <b>A. Power &amp; Fuel consumption</b> |                    |                    |
| <b>1. Electricity</b>                  |                    |                    |
| (a) Purchase                           |                    |                    |
| Units                                  | 14,850             | 11,777             |
| Total Amount (Rs.)                     | 1,16,946.00        | 1,25,782.00        |
| Rate/Unit (Rs.)                        | 7.88               | 10.68              |
| (b) Own Generation                     |                    |                    |
| Through Diesel Generator               |                    |                    |
| Unit                                   | —                  | —                  |
| Unit per litre of Diesel Oil           | —                  | —                  |
| Cost/Unit (Average) Rs.                | —                  | —                  |
| <b>2. Coal (B-Grade)</b>               | —                  | —                  |
| Quantity (MT.)                         | —                  | —                  |
| Total Cost (Rs.)                       | —                  | —                  |
| Average Rate (Rs./MT.)                 | —                  | —                  |
| <b>3. Furnace Oil</b>                  |                    |                    |
| Quantity (Kilo/Ltr.)                   | —                  | —                  |
| Total Amount (Rs.)                     | —                  | —                  |
| Average Rate (Rs./Ltr.)                | —                  | —                  |

|  |         |       |
|--|---------|-------|
| <b>4. Diesel</b>                             | —       | —     |
| Quantity (Kilo/Ltr.)                         | —       | —     |
| Total Amount (Rs.)                           | —       | —     |
| Average Rate (Rs./Ltr.)                      | —       | —     |
| <b>B. Consumption per unit of production</b> |         |       |
| Electricity (Unit)                           | 4.10/Kg | 19/Kg |
| Coal (B-Grade) (Kg/TP)                       | —       | —     |
| Furnace Oil (Kilo/Ltr.)                      | —       | —     |
| Diesel (Kilo/Ltr.)                           | —       | —     |

**II. TECHNOLOGY ABSORPTION :**

- A. Research & Development (R & D)**
- Specific Areas in which R & D carried out by the Company : N.A.
  - Benefit derived as a result of R & D : N.A.
  - Future Plan of Action : N.A.
  - Expenditure on R & D : NIL
- B. Technology Absorption, Adaptation and Innovation :** The indigenous technology was already adopted.

*For & On behalf of the Board of Directors,*

Place : Jaipur  
Dated : 26th July, 2008

Sd/-  
**J.P. KANODIA**  
*Chairman & Managing Director*



## CORPORATE GOVERNANCE REPORT

### **I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :**

The company believes in principle of good corporate governance in pursuit of overall excellence over the years. It does not only mean the compliances under regulations, but also responsive to the aspirations of customers and expectation of society. Thus the objectives of the company are customer satisfaction and enhancement in shareholders value. The Board of Directors supports broad principles of corporate governance and lays emphasis on transparency, accountability and integrity in functioning.

### **II. BOARD OF DIRECTORS :**

The present Board of Directors comprises 4 members, which include one Managing Director (viz. executive director), one non-executive director and two non-executive independent directors. This accounts for 50% of the Board strength as independent directors against the requirement of 50% as per Listing Agreement. Non-executive independent directors are eminent professionals with experience in business, education and finance.

The directors do not have any pecuniary relationship with the company and no remuneration or sitting fee, etc. is paid to the managing director or any other director.

#### **A. COMPOSITION OF BOARD OF DIRECTORS AS ON 26th July, 2008**

| Name of directors    | Designation       | Executive/<br>Non-executive/<br>Independent | No. of other<br>directorship<br>in Pub. Ltd. Companies | No. of other<br>Board/Committees<br>of which member |
|----------------------|-------------------|---|--|---|
| Shri J. P. Kanodia   | Managing Director | Executive                                   | -  | -   |
| Smt. Madhu Kanodia   | Director          | Non-executive Non-Independent               | -  | -   |
| Shri Sajjan K. Gupta | Director          | Non-executive Independent                   | -  | -   |
| Smt. Vinita Mishra   | Director          | Non-executive Independent                   | -  | -   |

### **B. BOARD PROCEDURE :**

The members of the Board are provided with requisite information mentioned in Listing Agreement well before the Board meetings and same are dealt with properly. The Board of Directors considers all matters required to be considered statutorily. In addition, following matters are discussed at meetings of the Board :

- 1.Strategy and business plan
- 2.Annual operating and capital expenditures
- 3.Investment plan, if any.
- 4.Compliance with regulatory requirements and review of major outstanding legal issues.
- 5.Approval of quarterly/half yearly/annual results, after consideration by Audit Committee, where required.
- 6.Significant labour problem.
- 7.Transaction pertaining to purchases/disposal of assets.
- 8.Major accounting provisions and write offs.
- 9.Foreign exchange exposure and risks.

All the directors who are members of various committees are within the permissible limits of Listing Agreement. The directors intimate about their membership in various committees in other companies. During the year 2007-08, six meetings of Board of Directors were held on 28-04-2007, 30-05-2007, 14-07-007, 28-07-007, 27-10-007, 26-01-2008.

### **C. ATTENDANCE OF DIRECTORS AT MEETINGS OF THE BOARD AND ANNUAL GENERAL MEETING :**

| Name of the Directors | No. of Board meetings attended during<br>1.4.2007 to 31.3.2008 | Whether present at<br>previous AGM |
|-----------------------|--|------------------------------------|
| Shri J. P. Kanodia    | 6  | Yes                                |
| Smt. Madhu Kanodia    | 6  | Yes                                |
| Shri Sajjan K. Gupta  | 1  | Yes                                |
| Smt. Vinita Mishra    | 6  | -                                  |

### **III. REMUNERATION OF DIRECTORS :**

No remuneration (including sitting fee) was paid to Managing Director and any other director, whether non-executive or non-executive and independent during the period 1.4.2007 to 31.3.2008.



**SIXTEENTH ANNUAL REPORT 2008****IV. COMMITTEES OF THE BOARD :****A. Audit Committee :**

- (a) The said committee was reconstituted on 15.3.2003 and comprised Shri Sajjan K. Gupta (Chairman) and Smt. Vinita Mishra, independent director and and Shri J.P. Kanodia, Mg. Director.
- (b) The five meetings of audit committee were held on 28-4-07, 30-5-07, 28-7-07, 27-10-07, 26-01-08 and were attended by all members, Statutory auditor also attended as invitee.
- (c) The powers and functions of audit committee are as provided in section 292A of Companies Act, 1956 and Clause 49 of Listing Agreement.

**B. Shareholders' Grievance Committee :**

The Shareholders Grievance Committee constituted consisting of Shri Sajjan K. Gupta and Smt. Vinita Mishra, independent directors. During the year 2007-08, one meeting of committee was convened on 26-1-2008 queries received from shareholders/investors were resolved to their satisfaction promptly.

**C. Remuneration & Appointment Committee :**

The Remuneration & Appointment Committee was re-constituted on 15.3.2003 comprising two non-executive independent directors. This Committee considers appointment and remuneration payable to directors and recommends its proposals to the Board for consideration and no meeting convened during the year 2007-08.

**D. Share Transfer Committee :**

A Share Transfer Committee comprising Shri J.P. Kanodia, Mg. Director and Shri Sajjan K. Gupta and Smt. Vinita Mishra non-executive independent directors, was constituted on 17.4.2003, to consider matters pertaining to transfer, transmission, splitting, duplicate share certificates, etc. This committee held its meetings on 3-7-07, 21-8-07, 29-10-07, 14-01-08, 24-3-08 during the year 2007-08.

**V. SHARE TRANSFERS :**

As the company's shares are compulsorily traded in demat segment on stock exchanges, bulk of transfers take place in electronic form. For expediting physical transfer of shares, the company has appointed a common agency, M/s ABS Consultants (P) Ltd, 99 Stephen House, 6th Floor, 4, BBD Bag, (East), Kolkata-700001, for demat as well as physical transfer. The Board has delegated share transfer function to the Share Transfer Committee. Physical transfers are effected well within the statutory period of one month. The Board has designated Shri N. K. Sharma as Compliance Officer.

**A. Shareholding Pattern as on 31.3.2008 :**

| S. No. | Category   | No. of Shares held | % of shareholding |
|--------|--|--------------------|-------------------|
| 1.     | Promoters  | 25,22,200          | 42.24             |
| 2.     | Mutual Funds & UTI   | NIL                | NIL               |
| 3.     | Bank, Financial Institutions, Ins. Companies<br>(Central/Sate Govt, Inst., Non-Govt.Inst.) | 1,87,500           | 3.14              |
| 4.     | Foreign Inst. Investors  | NIL                | NIL               |
| 5.     | Private Corporate Bodies   | 7,16,500           | 12.00             |
| 6.     | Indian Public  | 25,45,300          | 42.62             |
| 7.     | NRIs/OCBs.   | NIL                | NIL               |
| 8.     | GDR  |                    |                   |
|        | Grand Total  | 59,71,500          | 100.00%           |



# UNIQUE ORGANICS LIMITED

## B. Distribution of Shareholding as on 31.3.2008 :

| No. of shares   | Share Holder (NOS) | Total % (Share Holders) | No. of Shares    | Total % (Shares) |
|-----------------|--------------------|-------------------------|------------------|------------------|
| 1 to 500        | 3500               | 77.42                   | 1093900          | 18.32            |
| 501 to 1000     | 549                | 12.14                   | 455000           | 7.62             |
| 1001 to 2000    | 196                | 4.34                    | 292700           | 4.90             |
| 2001 to 3000    | 91                 | 2.01                    | 226500           | 3.79             |
| 3001 to 4000    | 26                 | 0.58                    | 93400            | 1.56             |
| 4001 to 5000    | 36                 | 0.80                    | 165000           | 2.76             |
| 5001 to 10000   | 47                 | 1.04                    | 352400           | 5.90             |
| 10001 to 50000  | 64                 | 1.42                    | 1982500          | 33.20            |
| 50001 to 100000 | 8                  | 0.18                    | 454600           | 7.61             |
| 100001 & above  | 4                  | 0.09                    | 855500           | 14.33            |
| <b>Total</b>    | <b>4521</b>        | <b>100%</b>             | <b>59,71,500</b> | <b>100%</b>      |

## VI. SHAREHOLDERS INFORMATION :

- 16th Annual General Meeting (to be held)  
Date : 27.08.2008 Time : 10.30 a.m.  
Venue : E-521, Sitapura Industrial Area, Near Sanganer, Tonk Road, Jaipur (Raj.)
- Dates of Book Closure : 25.8.08 to 27.8.08 (both days inclusive).
- Financial Calendar of company for 2007-08 :  
The financial year covers the period from April to March. Quarterly Results for  
a) First quarter ending June 30, 2008 : before end July, 08  
b) Half year ending Sept. 30, 2008 : before end Oct., 08  
c) Third quarter ending Dec. 31, 2008 : before end Jan. 09  
d) Year ending March 31, 2009 : before end April, 09  
Note : The above dates are indicative.
- Registered Office** : E-521, Sitapura Industrial Area, Near Sanganer, Tonk Road, Jaipur (Raj.)
- Dematerialisation of shares and liquidity** :  
The company's shares are available for dematerialisation on both Depositories, viz. NSDL and CDSL. Shares of the company are to be delivered compulsorily in demat form on stock exchanges by all investors. Shares representing 27.63% of the paid up capital have so far been dematerialised by investors as on 31.3.2008
- Stock Code** :  
Number in NSDL and CDSL for equity shares : ISIN : INE 333E 01019  
The Stock Exchange, Mumbai : 30977  
The Delhi Stock Exchange Association Ltd : 8129  
The Jaipur Stock Exchange Limited : 638  
The Kolkata Stock Exchange Association Ltd : 5589  
The Stock Exchange, Ahmedabad : 62355
- Share Price Datas : During the year 2007-08, no shares of company were traded on stock exchanges.
- Address for correspondence** :  
Shareholders can have correspondence at the following address both for Demat and Physical transfer work and other Grievance if any :  
(a) **ABS Consultants (P) Ltd.** 99, Stephen House, 6th Floor, 4, B.B.D. Bag, (East) Kolkata -700 001  
(Share Transfer Agent)  
(b) **Registered Office of Company** : E-521, Sitapura Industrial Area, Near Sanganer, Tonk Road, Jaipur (Raj.)
- Information on Shareholders meetings** :  
The last three annual general meetings of company were held as under  

| Date      | Time       | Venue   |
|-----------|------------|---|
| 17.9.2005 | 10.30 a.m. | E-521, Sitapura Industrial Area, Near Sanganer, Tonk Road, Jaipur |
| 16.9.2006 | 10.30 a.m. | E-521, Sitapura Industrial Area, Near Sanganer, Tonk Road, Jaipur |
| 07.7.2007 | 10.30 a.m. | E-521, Sitapura Industrial Area, Near Sanganer, Tonk Road, Jaipur |

Note : No special resolution and no special resolution requiring postal ballot were passed in last three AGMs.