



**18th
ANNUAL REPORT
2010**

Unique Organics Limited

Board of Directors

Mr. J. P. Kanodia, *Managing Director*
Mrs. Madhu Kanodia
Mrs. Vinita Mishra
Mr. Amardeep Singh Ahluwalia

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 : unique@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

NOTICE

Notice is hereby given that Eighteenth Annual General Meeting of the members of Unique Organics Limited will be held on Thursday, the 30th September, 2010 at 11.00 A.M. at the Regd office of the company, at E-521, Sitapura Industrial Area, Near Sanganer, Tonk Road, Jaipur (Rajasthan) to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date, alongwith Reports of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Vinita Mishra, who retires by rotation and being eligible offers herself 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 ordinary resolution

“RESOLVED THAT Mr. Amardeep Singh Ahluwalia, who holds office as an Additional Director upto the date of ensuing general meeting and in whose favour a notice under section 257 proposing his candidature as director of the company has been received from a member and who is eligible for appointment, be and is hereby appointed as Director of the company”.
5. 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 and Schedule XIII of the Companies Act, 1956, consent of the company be and is hereby given to refix the remuneration payable to Shri. J.P.Kanodia, Managing Director of the company during his remaining tenure of appointment viz. 01.10.2010 – 30.06.2011 at Rs. 1,00,000 per month, besides other usual benefits and perquisites.”

Registered office :
E-521, Sitapura Industrial Area,
Near Sanganer, Tonk Road,
Jaipur (Rajasthan).
Dated : 16th August, 2010.

By Order of the Board.
sd/-
(Nikita Kumar)
Company Secretary

NOTES:

1. 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. 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 24.09.2010 to 30.09.2010(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 persons proposed for appointment/re-appointment as Director, is given in Report on Corporate Governance.

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

Item No. 4 :

Mr. Amardeep Singh Ahluwalia was appointed as an Additional Director of the company w.e.f. 07.12.2009 in terms of Section 260 of the Companies Act, 1956 and he holds office as much upto the date of ensuing annual general meeting. The company has received a notice alongwith a deposit of Rs. 500/- as required by section 257 of the Companies Act, 1956 from a member proposing him for appointment as a Director of the company.

None of the directors except the proposed appointee is interested or concerned in the said resolution.

Item No. 5

Shri. J.P. Kanodia who was re-appointed as Managing Director of the company w.e.f. 01.07.2006, 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. The Remuneration Committee has approved payment of salary as mentioned in the resolution during his remaining tenure of appointment viz 01.10.2010 – 30.06.2011. 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 the Companies Act, 1956

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

DIRECTOR'S REPORT

To,
All Members

The Board of Directors are pleased to present the Eighteenth Annual Report together with the Audited Statement of Accounts for the year ended on 31, March 2010.

FINANCIAL RESULTS:

	(Rs. in Lacs)	
	As at 31st March, 2010	As at 31 March, 2009
Sales	5311.74	3508.94
Other Income	119.73	156.06
Total Operational Cost	1020.52	647.43
Interest	26.14	26.81
Depreciation	23.95	24.54
Tax Provision	20.16	0.30
Net Profit (Loss)	97.24	145.21

Paid-up share capital	696.83	696.83
Reserve & Surplus	18.07	18.07
Profit & Loss A/c (debit balance)	(112.51)	(209.75)

OPERATIONS:

During the year under review, the company registered a phenomenal growth in turnover despite stiff competition in international market. As is evident, the turnover increased to Rs 5311.74 lacs during the year 2009-10 from Rs. 3508.94 lacs during the previous year, thus registering an increase by 51.38%.

Your directors are glad to inform you that the company has successfully embarked its programme to expand the market abroad and hope to achieve even better working results in the current year except the unforeseen circumstances beyond the control of the company.

Your company is planning to set up new semi-automatic Spices Processing Plant & Machinery for a better sales and improved profits for which a part of obsolete machinery (idle for long time) was disposed off during the year for Rs.60 lac.

FOREIGN EXCHANGE EARNINGS & OUTGO:

2009-10

F.E. Earnings : Export sales	Rs. 53,11,48,741.01
F.E. Outgo : Traveling & other exp.	Rs. 2,62,515.49

2008-09

F.E. Earnings : Export sales	Rs. 35,02,72,597.92
F.E. Outgo : Traveling & other exp.	Rs. 3,93,890.00

DIRECTORS :

Mrs. Vinita Mishra, Director of the Company, retires at the ensuing Annual General Meeting and being eligible offers herself for re-appointment, in terms of provisions of Articles of Association of the Company.

Mr. Amardeep Singh Ahluwalia, who was appointed as Additional Director on the Board on 07.12.2009, shall hold office upto the date of ensuing general meeting. The company has received a notice under section 257 of Companies Act, 1956 proposing his name as director for appointment. Your directors recommend his appointment as director of the company.

Sh. Sajjan Kumar Gupta ceased to be the director of the company w.e.f. 07.12.2009 by resignation.

DIRECTORS RESPONSIBILITY STATEMENT:

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

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

- 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;
- 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:

In compliance of the provisions of section 292A of Companies Act, 1956, and Clause 49 of the Listing Agreement, an audit committee comprising Shri Sajjan Kumar Gupta and Smt. Vinita Mishra, non – executive & independent directors and Shri J.P. Kanodia, Managing Director existed. Consequent upon the appointment of Shri. Amardeep Singh Ahluwalia, the audit committee was reconstituted on 07.12.2009 which comprised Shri Amardeep Singh Ahluwalia, 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, 1956 and Clause 49 of the Listing Agreement.

LISTING OF SHARES:

The company's equity shares continue to be listed with Bombay Stock Exchange (BSE) which has nationwide trading terminals.

The company has applied for voluntary delisting of its equity shares to Delhi, Calcutta & Ahmedabad Stock Exchanges on 03-07-2010 & Jaipur Stock Exchnage on 02-07-2010.

AUDITORS:

M/s. Gupta Abhishek & Co., Chartered Accountants, Jaipur, Statutory Auditors of the company, hold office until the conclusion of the ensuing annual general meeting and, being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES:

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

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

Being focused on trading for the whole year under review,

energy cost constituted a negligible proportion of the total cost and there is not much scope for energy conservation. However, pursuant to 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, the requisite particulars are furnished at Annexure given hereto forming part of this Report. Foreign exchange earning and outgo are furnished as aforesaid.

DEPOSITORY SYSTEM:

In order to keep pace with the changing technology and to provide the benefits of electronic trading to our members, your company's shares are tradable compulsorily in electronic form and it established connectivity with depositories, viz. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The company also has common agency for transfer of shares both in depository and in physical form.

CORPORATE GOVERNANCE:

Your company has proactively been following some of the best practices adopted by good corporates in India. The compliance report on Corporate Governance forms a part of this report. The Auditor's certificate on the compliance of Corporate Governance embodied in Clause 49 of the Listing Agreement is attached as Annexure and forms a part of this report. All board members have affirmed compliance with Code of Conduct on annual basis.

MANAGEMENT DISCUSSION AND ANALYSIS:

Your directors hereby inform you that apart from manufacturing and marketing of all types of spices and oilseeds your company has also occupied a good market share for animal feed. The management discussion and analysis is given as under:

(a) Industry structure and development: The spices and oilseeds industry continued to pass through a difficult phase during the year under review due to the unfavourable raw material prices and stiff competition from the manufacturers all over the world. Despite this, your company has not only been able to survive in such a market condition rather it has come up with noteworthy working results with a higher expectation in the years to come.

(b) Opportunity and threats: Your directors are making efforts to explore new markets both for spices and animal feed and hopeful to achieve better working results in future.

(c) Segment wise performance: The Company has not manufactured spices and animal feed during the year under review. The entire demand was met by procurement from outside, thus saving abnormal cost of production etc.

(d) Outlook: We have excellent forward visibility and expectedly good growth in 2010-11. The company is entering new markets and contacting new buyers overseas to expand

business as may be possible by making available the quality products at competitive prices.

(e) Risk and concerns: The business of the company depends on the world economic scenario, as the company is in export business which involved greater risk thereby incurring loss due to change in attitude of buyers abroad.

(f) Internal control system: The Company is maintaining proper and safe internal control systems, providing adequate safeguard and effective monitoring of transactions. The internal audit system of the company is adequate.

(g) Discussion on financial performance with respect to operating performance: Your company has witnessed a phenomenal rise in turnover, rather further improved business is expected in the years to come. The operating performance is highlighted in the para "Financial results" above.

(h) Developments in human resources and industrial relations: Employees are vital to the company. Your company takes great pride in the commitment, competence and vigour shown by its workforce in all realms of business. The company continues to take new initiatives to further align its HR policies to meet the growing needs of its business. People's development continues to be a focus area at Unique Organics. Cordial and peaceful Industrial relation prevailed throughout the year.

(i) Cautionary statement: The business of the company depends on the international business scenario, favourable government policy, continuous demand and government support by way of some assistance for export of its products.

ACKNOWLEDGEMENT:

Your directors express their sincere thanks to Central and State Government departments, Banks, foreign buyers and customers for their cooperation and encouragement they always extended to the company and look forward to their continued support. For the continuous support and meticulous efforts of Dealers, Business Associates and employees in ensuring an all round improved operational performance, your directors wish to place on record their sincere thanks and appreciation.

For & On behalf of the Board of Directors.

**Sd/-
(J. P. Kanodia)**

Place : Jaipur
Dated : 16.08.2010.

Chairman & Managing Director

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 2009-2010	As at 2008-2009
I. CONSERVATION OF ENERGY		
A. Power & Fuel consumption		
1. Electricity		
(a) Purchase		
Units	5,295	7,215
Total Amount (Rs.)	56,759	67,761
Rate/Unit (Rs.)	10.72	9.39
(b) Own Generation		
Through Diesel Generator		
Unit	—	—
Unit per litre of Diesel Oil	—	—
Cost/Unit (Average) Rs.	—	—
2. Coal (B-Grade)	—	—
Quantity (MT.)	—	—
Total Cost (Rs.)	—	—
Average Rate (Rs./MT.)	—	—
3. Furnace Oil		
Quantity (Kilo/Ltr.)	—	—
Total Amount (Rs.)	—	—
Average Rate (Rs./Ltr.)	—	—

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

II. TECHNOLOGY ABSORPTION :

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

For & On behalf of the Board of Directors.

Sd/-

(J.P. KANODIA)

*Chairman &
Managing Director*

Place : Jaipur
Dated : 16-8-2010

CORPORATE GOVERNANCE REPORT

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

It has always been the company's endeavour to excel through better Corporate Governance and fair and transparent practices. Your company does not merely believe in the compliances under regulations to be a compliant company as per the laws of the land, rather it emphasizes that the adoption of best corporate governance practices is a key driver to achieve higher levels of stakeholder's satisfaction. In order to achieve this goal, the working operations of the company are based on broad principles of transparency, accountability and integrity in functioning.

The Board of Directors evolved and adopted a Code of Conduct based on the principles of good corporate governance and best management practices being followed. The Company complies with the revised Clause 49 of the Listing Agreement.

II. BOARD OF DIRECTORS:

The Board of Directors of the company is duly constituted as per the requirements of the Listing Agreement which requires 50% of the board's strength of Independent Directors. Accordingly the board comprises 4 directors, including one Managing Director (viz. executive director), one non-executive director and two non-executive independent directors. The Non-executive independent directors of your company have experience in business, education and finance.

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

A. COMPOSITION OF BOARD OF DIRECTORS AS ON 16.08.2010 :

Name of directors	Designation	Executive/ Non-executive/ Independent	No. of other directorship in Pub. Ltd. Companies	No. of other Board/Committees of which member
Shri J. P. Kanodia	Managing Director	Executive	-	-
Smt. Madhu Kanodia	Director	Non-executive Non-Independent	-	-
Shri Sajjan Kumar Gupta*	Director	Non-executive Independent	-	-
Shri Amardeep Singh Ahluwalia**	Director	Non-executive Independent	-	-
Smt. Vinita Mishra	Director	Non-executive Independent	-	-

* He ceased to be a director on 07.12.2009.

** He was appointed as Additional Director on 07.12.2009.

B. BOARD PROCEDURE :

In compliance with the Listing Agreement, the members of the Board are provided with requisite information within the stipulated time period, which are dealt with properly. The Board of Directors considers all matters required to be considered statutorily. In addition following matters are discussed at the meetings of the Board:

1. Business Strategies and plans.
2. Annual operating and capital expenditures.
3. Human Resource policies.
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. Transactions pertaining to purchases/disposal of assets.
7. Modifications in the financial policies, whenever required.
8. Foreign exchange exposure and risks.

All the directors who are members of various committees are within the permissible limits of Listing Agreement. They intimate about their membership in various committees in other companies.

During the year 2009-10, eleven meetings of Board of Directors were held on 30.04.2009, 20.05.2009, 28.05.2009, 31.07.2009, 14.09.2009, 05.10.2009, 24.10.2009, 07.12.2009, 30.12.2009, 29.01.2010 and 22.02.2010.

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

Name of the Directors	No. of Board meetings attended during 1.4.2009 to 31.3.2010	Whether present at AGM
Shri.J.P. Kanodia	11	Yes
Smt. Madhu Kanodia	11	Yes
Shri. Sajjan Kumar Gupta*	8	Yes
Smt. Vinita Mishra	11	No
Shri Amardeep Singh Ahluwalia**	3	N.A.

* He ceased to be a director on 07.12.2009.

** He was appointed as Additional Director on 07.12.2009.

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 director during the period 01.04.2009 to 31.03.2010.

IV. COMMITTEES OF THE BOARD :

A. AUDIT COMMITTEE:

- (i) The said committee was reconstituted on 07.12.2009 and it comprised Smt. Vinita Mishra (Chairperson), Shri. Amardeep Singh Ahluwalia, independent directors and Shri. J.P. Kanodia, Managing Director.
- (ii) Five meetings of the committee were held during the year on 30.04.2009, 20.05.2009, 31.07.2009, 24.10.2009 and 29.01.2010.
- (iii) The powers and functions of audit committee are as provided in section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

B. SHAREHOLDERS' GRIEVANCE COMMITTEE:

As the company focuses on shareholders' satisfaction and enhancing shareholders' value, the shareholders' grievance committee comprising Shri Sajjan Kumar Gupta and Smt. Vinita Mishra was re-constituted on 07.12.2009. As a result, the said committee now comprised Shri. Amardeep Singh Ahluwalia and Smt. Vinita Mishra. During the year two meetings of the committee were convened on 30.10.2009 and 04.12.2009 which resolved all queries of shareholders.

C. REMUNERATION & APPOINTMENT COMMITTEE:

The Remuneration & Appointment Committee of the company was also re-constituted on 07.12.2009 which now comprised two non-executive independent directors namely Shri. Amardeep Singh Ahluwalia and Smt. Vinita Mishra to consider appointment and remuneration payable to directors. No meeting was convened during the year 2009-10, as no remuneration is being paid to any of the directors.

D. SHARE TRANSFER COMMITTEE:

In order to consider matters pertaining to transfer, transmission, splitting and duplicate share certificates etc. a share transfer committee comprising Shri. J.P. Kanodia, Managing Director, Shri Sajjan Kumar Gupta and Smt. Vinita Mishra non-executive independent directors was re-constituted on 07.12.2009 which now comprised Shri. J.P. Kanodia, Managing Director,

Shri. Amardeep Singh Ahluwalia and Smt. Vinita Mishra non-executive independent directors. 5 meetings of the committee were convened during the year on 31.07.2009, 15.09.2009, 12.10.2009, 29.01.2010 and 29.03.2010.

E. CODE OF CONDUCT:

The Board of Directors has a Code of Conduct for all Board Members who have affirmed compliance with the same on annual basis. A declaration signed by Managing Director is given at the end of this Report.

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 common agency, M/s, ABS Consultants (P) Ltd, 99 Stephen House, 6th Floor, 4 B.B.D. 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.

A. Shareholding Pattern as on 31.3.2010: (Equity shares of Rs. 10/- each)

S.No.	Category	No. of Holders	No. of Shares	No. of shares in demat	% of shareholding	% of Demat shares
1.	Promoters	49	24,40,000	10,04,000	40.86	16.81
2.	Mutual Funds & UTI	Nil	Nil	Nil	Nil	Nil
3.	Bank, Financial Institutions, Ins.Companies (Central/State Govt. Inst., Non-Govt. Inst.)	1	1,87,500	Nil	3.14	Nil
4.	Foreign Inst. Investors	Nil	Nil	Nil	Nil	Nil
5.	Private Corporate Bodies	31	1,40,000	51,000	2.34	.85
6.	Indian Public	4419	32,04,000	7,60,000	53.66	12.73
7.	NRI/OCBs	Nil	Nil	Nil	Nil	Nil
8.	GDR	Nil	Nil	Nil	Nil	Nil
	Grand Total		59,71,500		100.00	30.39

Note: No. of shares pledged are Nil.

C. Distribution of Shareholding as on 31.3.2010 :

No. of shares	Share Holder (NOS)	Total % (Share Holders)	No. of Shares	Total % (Shares)
1 to 500	3480	77.33	1087400	18.21
501 to 1000	553	12.29	458700	7.68
1001 to 2000	198	4.40	295900	4.96
2001 to 3000	91	2.02	226200	3.79
3001 to 4000	26	0.58	93400	1.56
4001 to 5000	35	0.78	160300	2.68
5001 to 10000	45	1.00	341600	5.72
10001 to 50000	59	1.31	1865300	31.24
50001 to 100000	8	0.18	484700	8.12
100001 & above	5	0.11	958000	16.04
Total	4500	100%	59,71,500	100%

Brief Resume of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is given below:

- (A) Mrs. Vinita Mishra (born on 12.03.1973)
 Education: M.A., B.Ed.
 Experience: 16 years in education.
 Other Directorships: Nil
 Committee memberships: 4
- (B) Mr. Amardeep Singh Ahluwalia (born on 19.08.1973)
 Education: B.E (Computer Science)
 Experience: 8 years in exports.
 Other Directorships: Nil
 Committee memberships: 4