



**19th
ANNUAL REPORT
2011**

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, ShyamAnukampa,
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 Nineteenth Annual General Meeting of the members of Unique Organics Limited will be held on Friday, the 30th September, 2011 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, 2011 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. Madhu Kanodia, 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 Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 269, 309, 198, & Schedule XIII of the Companies Act, 1956, consent of the directors be and is hereby given to re-appoint Shri. J.P.Kanodia as the Managing Director of the company for a period of five years i.e. from 01.07.2011 to 30.06.2016 with the following terms:-

- (i) Monthly remuneration @ Rs. 1,25,000/- per month shall be paid.

Other incentives remaining the same as below:-

- (ii) A car with a driver for official use.
- (iii) Mobile phone for official use (He shall reimburse 1/5 of the mobile bills paid by the company considering the same for personal use).
- (iv) Other benefits and perquisites as per the rules of the company.

Registered office :
E-521, Sitapura Industrial Area,
Near Sanganer, Tonk Road,
Jaipur (Rajasthan).
Dated : 12th August, 2011.

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 22.09.2011 to 30.09.2011(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.
4. Members are requested to register their email addresses by sending written request by them to our Registrar & Share Transfer Agent: M/s ABS Consultants (P) Ltd, 99 Stephen House, 6th Floor, 4.B.B.D., Bag(E), Kolkata-700001 for service of documents/notices by electronic mode.

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(2) of the Companies Act, 1956:

Item No. 4.

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 activities of the company and his efforts have resulted into substantial business to the company leading to steady growth in overall working. The Board of Directors in their meeting held on 30.06.2011 have decided to re-appoint him for a further period of 5 years i.e. from 01.07.2011–30.06.2016. The Remuneration Committee has approved payment of salary as mentioned in the resolution during the said tenure. 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 re-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 Nineteenth Annual Report together with the Audited Statement of Account for the year ended on 31st March, 2011.

FINANCIAL RESULTS:

	(Rs. in Lacs)	
	As at 31st March, 2011	As at 31 March, 2010
Sales	5861.01	5311.74
Other Income	223.07	119.73
Total Operational Cost	934.69	1020.52
Interest	26.21	26.14
Depreciation	13.77	23.95
Tax Provision	11.48	20.16

Net Profit (Loss)	48.01	97.24
Paid-up share capital	696.84	696.83
Reserve & Surplus	18.07	18.07
Profit & Loss A/c (debit balance)	(64.50)	(112.51)

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 5861.01 lacs during the year under review from Rs. 5311.74 lacs during the previous year, thus registering an increase by 10.34%.

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.

As informed to you through the Annual Report of the year 2009-10 about your company's planning to set up new semi-automatic Spices Processing Plant & Machinery for achieving higher turnover(both domestic and export) and improved profits, we are glad to inform you that the company has already installed the said plant. It is a unique concept where we allow the customers to see the spices processing right at the place of purchase to repose confidence about quality of product and establish transparency in good manufacturing practices. The same is expected to give your company a remarkable presence in domestic sales as well.

FOREIGN EXCHANGE EARNINGS & OUTGO:

2010-11

F.E. Earnings : Export sales Rs. 58,60,00,984.49

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

2009-10

F.E. Earnings : Export sales Rs. 53,11,48,741.01

F.E. Outgo : Traveling & other exp. Rs. 2,62,515.49

DIRECTORS :

Mrs. Madhu Kanodia, 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.

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 Sections 58A and 58AA 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 Amardeep Singh Ahluwalia and Smt. Vinita Mishra, non – executive & independent directors and Shri J.P. Kanodia, Managing Director exists. 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.

Delisting of Equity Shares : As informed vide Annual Report,2010 regarding the delisting application made to Jaipur Stock Exchange Ltd. (JSEL) & Delhi Stock Exchange Ltd. (DSEL), approval of delisting has been received from JSEL on 11-12-2010 and DSEL on 30-08-2010.

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 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 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 encouraging 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 deals in 2 segments:- Food & Feed.

FOOD: - Semi-automatic plant has already been installed. Production is in its initial stage, will grow as per the pace of time.

FEED: - Under this category, the company is exploring competitive suppliers and making its wide presence in feed market in Asian countries.

(d) Outlook: We have excellent forward visibility and

expectedly steady growth in 2011-12. The company is entering into new markets and contacting new buyers overseas to expand business as may be possible by making available the quality products at competitive prices. For the domestic market, we are in contact with big institutional buyers, food/snack processors for tie ups.

(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, and 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, prevailing recessionary trend, 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)

Chairman & Managing Director

Place : Jaipur

Dated : 12.08.2011.

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 2010-2011	As at 2009-2010
I. CONSERVATION OF ENERGY		
A. Power & Fuel consumption		
1. Electricity		
(a) Purchase		
Units	12,106	5,295
Total Amount (Rs.)	107,295	56,759
Rate/Unit (Rs.)	8.86	10.72
(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 : 12-8-2011

CORPORATE GOVERNANCE REPORT

1. 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 stakeholders' 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 12.08.2010 :

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

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.
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 2010-11, eleven meetings of Board of Directors were held on 01.04.2010, 12.04.2010, 17.04.2010, 28.04.2010, 04.05.2010, 29.05.2010, 06.08.2010, 16.08.2010, 30.10.2010, 22.12.2010 and 12.02.2011.

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

Name of the Directors	No. of Board meetings attended during 1.4.2010 to 31.3.2011	Whether present at AGM
Shri.J.P. Kanodia	11	Yes
Smt. Madhu Kanodia	11	Yes
Smt. Vinita Mishra	11	No
Shri Amardeep Singh Ahluwalia	11	Yes

III. REMUNERATION OF DIRECTORS:

As approved in the last AGM held on 30.09.2010 the Managing Director was paid a monthly remuneration of Rs. 1,00,000/- per month w.e.f 01st October, 2010 & upto 31st March, 2011. No remuneration including (sitting fee) was paid to any director, whether non-executive or non-executive and independent director during the period 01.04.2010 to 31.03.2011.

IV. COMMITTEES OF THE BOARD:

A. AUDIT COMMITTEE:

- (i) The said committee comprised Smt. Vinita Mishra (Chairperson), Shri. Amardeep Singh Ahluwalia, independent directors and Shri. J.P. Kanodia, Managing Director.
- (ii) Four meetings of the committee were held during the year on 29.05.2010, 06.08.2010, 30.10.2010 and 12.02.2011.
- (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.
- (iv) Company Secretary acts as a Secretary to the Audit Committee.

B. SHAREHOLDERS' GRIEVANCE COMMITTEE:

As the company focuses on shareholder's satisfaction and enhancing shareholder's value, the shareholders' grievance committee comprised Shri. Amardeep Singh Ahluwalia and Smt. Vinita Mishra, non-executive independent directors. During the year under review one meeting of the committee was convened on 22.02.2011 which resolved all queries of shareholders within prescribed period. The Company Secretary acts as a Secretary to the Committee.

C. REMUNERATION & APPOINTMENT COMMITTEE:

The Remuneration & Appointment Committee of the company comprised two non-executive independent directors namely Shri. Amardeep Singh Ahluwalia and Smt. Vinita Mishra to consider appointment and remuneration payable to directors. During the year under review one meeting of the committee was convened on 06.08.2010. The Company Secretary acts as a Secretary to the Committee.

D. SHARE TRANSFER COMMITTEE:

In order to consider matters pertaining to transfer, transmission, splitting and duplicate share certificates etc. company

has a share transfer committee comprising Shri. J.P. Kanodia, Managing Director, Shri. Amardeep Singh Ahluwalia and Smt. Vinita Mishra non-executive independent directors. 14 meetings of the committee were convened during the year on 06.05.2010, 08.06.2010, 28.06.2010, 21.07.2010, 09.08.2010, 01.09.2010, 24.09.2010, 13.10.2010, 04.11.2010, 29.11.2010, 27.12.2010, 25.01.2011, 18.02.2011 and 16.03.2011. The Company Secretary acts as a Secretary to the Committee.

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 31.3.2011: (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	29	18,28,394	10,68,094	30.62	17.89
2	Mutual Funds & UTI	Nil	Nil	Nil	Nil	Nil
3.	Bank, Financial Institutions, Ins. Companies (Central/State Govt. Inst., Non-Govt. Inst.)	2	1,87,500	25,000	3.14	0.42
4.	Foreign Inst. Investors	Nil	Nil	Nil	Nil	Nil
5.	Private Corporate Bodies	75	3,22,935	2,43,535	5.41	4.08
6.	Indian Public	4,303	3,632,671	1,788,371	60.83	29.95
7.	NRIs/OCBs	Nil	Nil	Nil	Nil	Nil
8.	GDR	Nil	Nil	Nil	Nil	Nil
	Grand Total		59,71,500	3,125,000	100.00	52.34

Note: No. of shares pledged are Nil.

B. Number of Shares held by non-executive directors as on 31.03.2011:

S.No.	DIRECTOR	No. OF SHARES
1	Smt. Madhu Kanodia	10,000
2	Smt. Vinita Mishra	NIL
3	Shri. Amardeep Singh Ahluwalia	NIL

C. Distribution of Shareholding as on 31.3.2011 :

No. of shares	Share Holder (NOS)	Total % (Share Holders)	No. of Shares	Total % (Shares)
1 to 500	3425	77.26	1033477	17.31
501 to 1000	536	12.09	442774	7.41
1001 to 2000	200	4.51	297236	4.98
2001 to 3000	93	2.10	231615	3.88
3001 to 4000	26	0.59	93644	1.57
4001 to 5000	34	0.77	158850	2.66
5001 to 10000	40	0.90	300249	5.03
10001 to 50000	66	1.49	1785882	29.91
50001 to 100000	7	0.16	391400	6.55
100001 & above	6	0.14	1236373	20.70
Total	4433	100.00	5971500	100.00

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