

Unno Industries Ltd.
Annual Report 2002-03

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Unno Industries Ltd.

**ANNUAL REPORT
2002-2003**

BOARD OF DIRECTORS

Mr. Narendra Kumar Gangwal

Mrs. Chandrikadevi Gangwal

Mr. Pradeep Patni

Mr. Pranay Gangwal

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AUDITORS

Rakesh Narendra Kumar & Co.,
Chartered Accountants

BANKERS

State Bank of Indore

REGISTERED OFFICE

317, Transport Nagar,

Scheme No. 44,

INDORE. 452 001,

MADHYA PRADESH.

Unno Industries Ltd.

NOTICE

Notice is hereby given that the 11th Annual General Meeting of the members of **Unno Industries Limited** will be held at Registered office : 317, Transport Nagar, Scheme No. 44, Indore, 452 001, Madhya Pradesh on Saturday , 29th September, 2003 day at 11.00 A.M. to transact the following business :

I. ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2003 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint M/s. RAKESH NARENDRA KUMAR & Co., Chartered Accountants, Indore as Auditors of the company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and fix their remuneration.
3. To re-appoint Director Mr. Narendra Kumar Gangwal who retires by rotation and offer himself for reappointment.

II. SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modifications(s) the following resolution
Special Resolution.

“RESOLVED THAT pursuant to the provisions of the Section 17 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the confirmation of the Company Law Tribunal and other appropriate Authorities, if any, approval of the company be and is hereby accorded to shifting the registered office of the company from the State of Madhya Pradesh to the State of Maharashtra.”

“RESOLVED FURTHER THAT consequent to the shifting of the Registered office from Madhya Pradesh to Maharashtra Clause II of the Memorandum of Association of the company be altered accordingly and substituted by the following

II . The Registered office of the Company will be situated in the State of Maharashtra.”

“FURTHER RESOLVED THAT the Board of Directors of the company be and is hereby authorised to do all the necessary acts as are required to give effect to the aforesaid Resolution including obtaining necessary/requisite permission from the company Law Tribunal and other concerned authorities, if any.”

5. To consider and if thought fit, to pass with or without modifications(s) the following resolutions as a special resolution

“RESOLVED THAT In pursuance of Securities & Exchange Board of India (Delisting of Securities) Guidelines-2003, the provisions of the listing agreement, the provisions of the companies Act, 1956 (including any statutory modification/s or reenactment/s thereof for the time being in force), Securities Contract (Regulation) Act and the SEBI Act, 1992 the company be and is hereby authorised to seek delisting of equity shares of the company, from all or any of the Stock Exchange at Indore, Ahmedabad with immediate effect.

Resolved further that Board of Directors of the company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary for the purpose of giving effect to the above resolution.”

6. To consider and if thought fit, to pass with or without modifications(s) the following resolutions :

ORDINARY RESOLUTION :

“RESOLVED THAT the Authorised Share Capital of the company be increased from present Authorised Share Capital of Rs. 5,50,00,000 (Rs. Five Crore Fifty lacs) to Rs. 6,50,00,000 (Rs. Six Crores Fifty Lacs) resulting increase of 10,00,000 equity shares of Rs.10 (Ten) each after increase”.

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SPECIAL RESOLUTION

"RESOLVED THAT in clause V of the Memorandum of Association of the company, for the figure ,word & brackets "Rs.5,50,00,000/- (Rs. Five Crores Fifty Lacs) divided into 55,00,000(Fifty Five Lacs) Equity Shares of Rs.10/- (Ten) each. "Rs.6,50,00,000/- (Six Crores Fifty Lacs) divided into 65,00,000/- (Sixty Five lacs)Equity Shares of Rs.10(Ten) each " be substituted.

"RESOLVED THAT in clause 3 of the Articles of Association of the company, for the figure ,word & brackets "Rs.5,50,00,000/- (Rs. Five Crores Fifty Lacs) divided into 55,00,000(Fifty Five Lacs) Equity Shares of Rs.10/- (Ten) each." "Rs.6,50,00,000/- (Six Crores Fifty Lacs) divided in 65,00,000/- (Sixty Five Lacs) Equity Shares of Rs.10(Ten) each " be substituted.

7. To consider and if thought fit, to pass with or without modifications(s) the following resolution
As Special Resolution :

Resolved that pursuant to sub section (1A) of section 81 of the Companies Act, 1956 and subject to other statutory approvals, if necessary, the Board of Directors of the company be and is hereby authorised to offer 13,00,000 equity shares of Rs. 10/- each in the authorised capital of the company to persons mentioned below :

Name	No of shares Held	No of shares offered	Total holding after new Allotment	% of Holding after fresh Allotment
1. Narendra Kumar Gangwal	381910	125000	506910	7.80
2. Chandrika devi Gangwal	100000	125000	225000	3.46
3. Pranay Gangwal	100000	125000	225000	3.46
4. Pradeep Patni	264010	125000	389010	5.98
5. Purna Patni	45000	125000	170000	2.62
6. Manoj Patni	120010	135000	255010	3.92
7. Nirmala Patni	20000	135000	155000	2.38
8. Rahul Jain	-	135000	135000	2.08
9. Preeti Jain	-	135000	135000	2.08
10. Pramila Jain	-	135000	135000	2.08
Total	1030930	1300000	2330930	35.86%

Further resolved that Share allotted through fresh offer as above shall remind to be lock in period for a period of 3 years from the date of allotment.

Resolved that shares to be issued in pursuance of SEBI guidelines shall rank pari pasu in all respect with the then existing Equity Shares of the company except that they will be entitled to receive dividend on pro rata basis from the date of allotment in proportionate to the amount paid up.

Resolved further that the Board of Directors of the company be and hereby authorised to do all acts, deeds & things as may be necessary to complete the above allotment.

For and on behalf of the Board

Narendra kumar Gangwal
Managing Director
Place : Mumbai
Date : 02.09.2003

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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, and a proxy need not be a member. The proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Register of Members shall be closed from 25th September, 2003 to 29th September, 2003 (Both days inclusive).
3. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the office of the Company well in advance so that the same are received at least Ten days before the date of the meeting to enable the Management to keep the information readily available at the meeting to the best extent possible.
4. Members are requested to bring at the meeting with them the printed Annual Accounts & Reports being sent to them alongwith the notice to avoid inconvenience.
5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.
6. Members are requested to notify immediately any change in their address to the Company with their respective folio numbers and number of shares held details.
7. As per the provisions of the Companies Act., 1956 (As amended), the facility for making nominations is now available to individuals holding shares in the company. Those who desire to avail this facility may send their requests for nomination in prescribed Form 2B duly filled in and signed to the company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Clause II of the Memorandum of Association of the Company provided that the Registered office of the Company is situated in the State of Madhya Pradesh.

In the opinion of the Board of Directors, at present the financial services market in M.P. is not so encouraging and remunerative thus it is better to centralise all activities in and around Mumbai on of the director of the company has also consented to shift its residence from M.P. to Maharashtra After considering all these factors the Board has decided that the Registered office should be shifted.

After obtaining shareholder approval the proposal will be submitted to the Company Law Board for approval Under Section 17(2) of the Company Act., 1956.

Alteration sought in Clause II of the Memorandum of association of the Company is consequential.

Your Director recommend the said special resolution for your approval.

None of the Directors are concerned or interested in any way in the above Resolution.

Item No. 5

Security market in India have drastically changed from its traditional trading of shares in past 10 years. Stock exchange Mumbai expanded throughout the country and abroad. Trading of Company shares in Madhya Pradesh Stock Exchange, Indore and Ahmedabad Stock Exchange, Ahmedabad is almost Nil for past few years. As per SEBI (Delisting Securities) Guidelines-2003(Guidelines), which have been notified recently, the company can delist its securities/equity shares from stock exchange without providing any exit opportunity, provided that the securities will continue to be listed on a Stock Exchange having nation wide trading terminals i.e. The Stock Exchange Mumbai (BSE) or National Stock Exchange of India Limited (NSE). The companies equity shares are listed on BSE which has nation wide trading terminals and it will continue to be listed on BSE.

Your Director recommend the said special resolution for your approval.

None of the Directors are concerned or interested in any way in the above Resolution.

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Item No. 6 and 7

Board has considered expansion of business of the company and require further working capital for its financing business and passed a resolution to raise funds by way of fresh preferential equity shares offer to the promoter group and associates. The board has received consent of following promoters, promoter Group and Directors of the company to subscribe to the offer :

Name	No of shares Held	No of shares offered	Total holding after new Allotment	% of Holding after fresh Allotment
1. Narendra Kumar Gangwal	381910	125000	506910	7.80
2. Chandrika devi Gangwal	100000	125000	225000	3.46
3. Pranay Gangwal	100000	125000	225000	3.46
4. Pradeep Patni	264010	125000	389010	5.98
5. Prerna Patni	45000	125000	170000	2.62
6. Manoj Patni	120010	135000	255010	3.92
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8. Rahul Jain	-	135000	135000	2.08
9. Preeti Jain	-	135000	135000	2.08
10. Pramila Jain	-	135000	135000	2.08
Total	1030930	1300000	2330930	35.86%

Allotment to such subscribers shall be completed within a period of 90 days from the date of passing the resolution. Shareholding pattern of the company after such allotment shall be as under :

Category	No Shares held & % Before Allotment		No Shares held & % After Allotment	
Indian Promoters, Group & Directors	13,00,000	25.00%	26,00,000	40.00 %
Other Corporate bodies	1,20,800	2.32%	1,20,800	1.86 %
Indian Public	37,79,200	72.68%	37,79,200	58.14 %
Total	52,00,000	100.00 %	65,00,000	100.00%

The present authorised share capital of the company is Rs. 550,00,000/- . To Effect the preferential offer to the promoter group authorised share capital is required to raise to Rs. 650,00,000/-. And resolution u/s. 81 (1A) is required to be passed as an special resolution.

All the Directors are interested to extend allotment of shares to them.

Directors recommend the resolution to be passed as an special resolution.

For and on behalf of the Board

Narendra kumar Gangwal
Managing Director
Place : Mumbai
Date : 02.09.2003

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DIRECTORS' REPORT

Your directors have pleasure in presenting the 11th Annual Report together with the audited Financial results for the period ended on 31st March, 2003.

FINANCIAL PERFORMANCE (Rs. in Lacs)

Particulars	Year Ended 31.03.2003	Year Ended 31.03.2002
Income	35.49	43.92
Loss before Taxation	(4.57)	(6.36)
Provision for Taxation	0.00	0.00
Loss for the year	(4.57)	(6.36)
EPS (Annualised)	(0.09)	(0.12)

DIVIDEND

Your directors regret their inability to recommend any dividend for the year considering loss during the year.

DEPOSITS

Your Company has not accepted any Deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder during the year under review.

AUDITORS & AUDITORS' REPORT

The Auditors' Report given elsewhere in the annual report is self explanatory and does not call any explanation from the Board. M/s. Rakesh Narendra Kumar & Co. Chartered Accountants, auditor of the company hold office until the conclusion of ensuing Annual General Meeting and are recommended for reappointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars under Companies (Disclosure of particulars in the report of Directors) Rules, 1988 on conservation of energy and technology absorption are NIL.

STOCK EXCHANGES

The company is listed with The Madhya Pradesh Stock Exchange, The Stock Exchange, Mumbai and The Stock Exchange, Ahmedabad. The necessary listing fees for The Stock Exchange Mumbai for the financial year 2002-2003 have been paid.

It is proposed to delist equity shares of the company from the Madhya Pradesh Stock Exchange, Indore and The Stock Exchange, Ahmedabad. Ahmedabad due to extension of The Stock Exchange Mumbai (BSE) As well as thin trading in these exchanges and increased cost of listing. As the Securities & Exchange Board of India (SEBI) has issued guidelines with regard to voluntary delisting of equity shares recently. The companies equity shares are listed on BSE which has nation wide trading terminals and it will continue to be listed on BSE.

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PERSONNEL

The Company did not have any employee drawing salary in excess of limit prescribed, as such no particulars As required by provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended is furnished.

ADDITIONAL INFORMATION

Part A and part B of the Particulars required to be furnished under the companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 are Nil. There were no foreign exchange earning and out go during the year.

DIRECTORS

Mr. Narendra Kumar Gangwal, Director is a retiring director by rotation and offer himself for re-appointment.

CORPORATE GOVERNANCE

Report on corporate governance as required under clause 49 of the Listing Agreement entered into with the stock exchanges is given separately. A certificate from the auditors of the company regarding compliance of the conditions of Corporate governance is also attached with the report.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956 your directors confirm that :

1. In the preparation of annual accounts, the accounting standards issued by The Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to the company.
2. The directors have 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 affair of the company at the end of the financial year 2002-03 and of the profit of the company for that period.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation of the co-operation and assistance received from the shareholders, bankers and other business constituents during the year under review.

For and on behalf of the Board

Narendra Kumar Gangwal

Managing Director

Place : Mumbai

Date : 02.09.2003

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REPORT ON CORPORATE GOVERNANCE

The era of Good Corporate Governance came into existence with the insertion of clause 49 of the Listing agreement. Your company believes in attainment of highest levels of transparency in all facets of its operations. the company is committed to maximise the shareholders value by adopting the principle of good Corporate Governance in line with provision stipulated in the Listing agreement.

1. Board of Directors

The constitution of the board is given below :

Director	Whole-time/ Independent	Number of outside Directorship held*	Number of membership on Board Committees
Narendra Kumar Gangwal	M.D.	1	2
Chandrikadevi Gangwal	Independent	0	3
Pradeep Patni	Independent	1	3
Pranay Gangwal	Independent	0	2

*This Exclude directorships held in foreign companies, private companies and alternate directorship.

2.Audit Committee

The Audit Committee was set up by the Board of Directors in April, 2002. During the year Six meeting were held . One of which was before finalisation of accounts for the year 2002. The said meetings were held on 31st October, 2002, 27th January, 2003, 15th February, 2003, 2nd April, 2003, 30th April, 2003, 30th July, 2003, 18th August, 2003.

Director	Designation	Whole-time/ Independent Director	Committee Attended	Meeting
Chandrikadevi Gangwal	Chairman	Independent Director	7	
Pradeep Patni	Member	Independent Director	7	
Pranay Gangwal	Member	Independent Director	3	

The terms of reference, role and scope were in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges. The Company also complies with the provisions of section 292A of the Companies Act, 1956 pertaining to audit committee and its functioning.

Terms of reference of the audit committee include a review of :

- ◆ Financial reporting process
- ◆ Draft financial statement and auditors report (before submission to the Board)
- ◆ Accounting policies and practices
- ◆ Internal controls and internal audit systems
- ◆ Risk management policies and practices
- ◆ Related party transactions