

UNNO INDUSTRIES LTD.

Report Junction
ANNUAL REPORT
2004-05

Unno Industries Ltd.

Annual Report 2004-05

BOARD OF DIRECTORS

Mr. Narendra Kumar Gangwal

Mrs. Chandrikadevi Gangwal

Mr. Gaurav Jain

Mrs. Neelima Kasliwal

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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.

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NOTICE

Notice is hereby given that the 13th 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 Friday, 30th September, 2005 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, 2005 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To re-appoint Director Mr Narendra Kumar Gangwal, Managing Director of the Company who retires by rotation and offer himself for reappointment as Managing Director of the company on the exacting terms & conditions.
3. 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.

II. SPECIAL BUSINESS :

CHANGE IN SITUATION OF REGISTERED OFFICE OF THE COMPANY :

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 Board 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 mamorandum 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 Board and other concerned authorities, if any.”

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

Resolved that all the equity shares of the company be delisted from the Ahmedabad Stock Exchange, Ahmedabad, The Madhya Pradesh Stock Exchange, Indore and subject to such approvals and sanctions as may be necessary and in compliance with such conditions and modifications as may be prescribed for this purpose.

Further resolved that the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred by the Board.) be and is hereby authorised to seek voluntary delisting to take all necessary steps in this regard and to do all such acts deeds matters and things as it may arise in regard to delisting of equity shares and to execute all such deeds , documents, writings as may be deemed fit and for this purpose to delegate the authority duly vested in it by virtue hereof to the managing director or any other person whom the board may consider suitable to do the various acts, deeds and things as required to be done in this behalf.

For and on behalf of the Board

Narendra Kumar Gangwal
Managing Director
Place : Mumbai
Date : 01.09.2005

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. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956, setting out all material facts in respect of item no 4 to 6 of the notice is attached and the statement of particulars of the directors seeking appointment under clause 49 of the listing agreement is enclosed.
3. Register of Members shall be closed from 25th September, 2005 to 30th September, 2005 (Both days inclusive)
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.

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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.
None of the Directors are concerned or interested in the above said resolution.

Item No. 5

Presently, the company's security is listed on the following three stock exchange in India the Ahmedabad Stock Exchange, Ahmedabad, The Madhya Pradesh Stock Exchange, Indore and the stock exchange Mumbai (BSE). Except Mumbai Stock Exchange trading of the company's shares at other stock exchanges are negligible. With the extensive networking of the stock exchange, Mumbai (BSE). Extension of terminals to other cities as well as investors have access to online delings in the company's securities across the country.

The company's equity shares are being trades only in dematerialised form. In view of the extremely low trading volumes the benefit accruing to the investors by keeping the shares of the company listed on stock exchanges at Ahmedabad & M.P. are not commensurate with costs incurred by the company for continuous listing on these stock exchanges.

The Securities and Exchange Board of India (SEBI) has issue the Security Exchange Board of India (Delisting of securities)Guidelines, 2003. Under these guidelines, voluntary delisting of shares from one of more stock exchanges have been permitted without obtaining buy back to the shareholders provided the security of the company have been listed for a minimum period of three years on any stock exchange and a public announcement in prescribed manner shall be published in newspaper.

The members approval is being sought by way of Special Resolution for delisting of company's shares.
None of the Directors are concerned or interested in the above said resolution.

For and on behalf of the Board

Narendra Kumar Gangwal
Managing Director
Place : Mumbai
Dated : 01.09.2005

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING .(Pursuant to clause 49 of the Listing Agreement)

Information about the appointees

Name of the Director	Mr Narendra Kumar Gangwal
Date of Birth	12.07.1939
Date of Appointment	
Expertise in specific Functional Are	Administration & Finance
Qualification	M.A. LL.B.
Public Cos. In which Directorship held as on	FLAG VITTAWAS LTD.
31.03.2005	

Unno Industries Ltd.**Annual Report 2004-05****DIRECTORS' REPORT**

Your directors have pleasure in presenting the 13th Annual Report together with the audited Financial results for the period ended on 31st March, 2005.

FINANCIAL PERFORMANCE (Rs in Lacs)

Particulars	Year Ended 31.03.2005	Year Ended 31.03.2004
Income	58.22	46.75
Loss before Taxation	(2.73)	(2.78)
Provision for Taxation	0.67	0.52
Loss for the year	(3.40)	(3.30)
EPS	(0.05)	(0.05)

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.

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.

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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 Gangal 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 2004-05 and of the Loss 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.

ACKNOWLEDGEMENT

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 : 01.09.2005

Unno Industries Ltd.**Annual Report 2004-05****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.

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	1
Chandrikadevi Gangwal	Non Executive	0	3
Gaurav Jain	Independent	0	3
Mrs. Neelima Kasliwal	Independent	0	2

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

Audit Committee

During the period Twelve meeting were held. One of which was before finalisation of accounts for the year 2004. The said meetings were held on 30.04.04 , 01.06.04, 30.07.04, 02.09.04, 29.10.04, 15.12.04, 29.01.05, 28.02.05, 15.03.2005.

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

The role of the audit committee includes recommending the appointment and removal of external auditor , discussion of audit plan ,fixation of audit fee and also approval for payment of any other services.