

Unno Industries Ltd.

Annual Report

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2007-08

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For UNNO INDUSTRIES LTD.

Narinder Kumar Singh

Authorised Signatory/Director.

BOARD OF DIRECTORS

Mr. Narendra Kumar Gangwal, M. D.
Mr. Pradeep Patni
Mr. Gaurav Jain
Mrs. Neelima Kasliwal

AUDITORS

Rakesh Narendra Kumar & Co.,
Chartered Accountants

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BANKERS

State Bank of Indore
Bank of Rajasthan
Syndicate Bank

REGISTERED OFFICE

317, Transport Nagar,
Scheme No. 44,
INDORE. 452 001,
MADHYA PRADESH.

Unno Industries Ltd.

Annual Report 2007-08

NOTICE

Notice is hereby given that the 16th 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 30th September, 2008, Tuesday at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Mr Narendra Kumar Gangwal , Managing Director who retires by rotation and being eligible offer himself to re appoint.
3. To re-appoint 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.

SPECIAL BUSINESS :

4. To appoint Mr. Pradeep Patni, as a Director in place of Mrs Shilpi Gangwal, Director, who resigns from the office w.e.f. ensuing annual general meeting and being eligible offer himself for the appointment.

"Resolved that in accordance with the provisions of the companies act 1956 and all other applicable provisions ,if any of the Companies Act 1956 Mrs. Pradeep Patni in respect of whom the company has received notice in writing from members proposing the candidate of Mrs. Pradeep Patni for the office of Director be and hereby appointed as a director of a company , liable to retire by rotation."

For and on behalf of the Board

Narendra Kumar Gangwal
Managing Director
Mumbai,
dated 18th August, 2008

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 26th September, 2008 to 30th September, 2008 (Both days inclusive).

Unno Industries Ltd.**Annual Report 2007-08**

4. Members desirous of obtaining any information concerning the accounts and operation 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 along with 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.

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	Shri Narendra Kumar	Shri Pradeep Patni
Date of Birth	Gangwal 12 th July, 1939	30 Nov ,1960
Date of Appointment	Ensuing A.G.M.	Ensuing A.G.M.
Expertise in specific Functional Area	Administration & Finance	Investments & Finance
Qualification	M.A. LL.B.	Master Of Commerce.
Public Cos. In which Directorship held as on date of appointment	None	None

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EXPLANATORY STATEMENT PERSUENT TO SECTION 173(2) OF THE COMPANIES ACT.

ITEM NO. 4 ABOVE

Company has received notice from some of the members of the company to appoint Mr. Pradeep Patni as a Director of the company to fill the vacancy of Mrs.Shilpi Gangwal. Mr Patni is a Master of Commerce and have experience of more than 20 years in the field of Finance. Therefore , resolution is recommended to pass as an ordinary resolution.

For and on behalf of the Board

Narendra Kumar Gangwal
 Managing Director
 Mumbai,
 dated 18th August,2008

Unno Industries Ltd.**Annual Report 2007-08****DIRECTORS' REPORT**

Your directors have pleasure in presenting the 16th Annual Report together with the audited Financial results for the period ended on 31st March, 2008.

FINANCIAL PERFORMANCE (Rs. in Lacs)

Particulars	Year Ended 31.03.2008	Year Ended 31.03.2007
Income	60.10	56.60
Loss before Taxation	(2.24)	(7.96)
Provision for Taxation	0.24	0.21
Loss for the year	(2.52)	(8.17)
EPS	(0.03)	(0.13)

There was a increase in the interest income due higher Loans during the year. However, the company has incurred a net loss of Rs. 28.43 lakhs on account of share transaction. Your company has incurred a loss of Rs. 2.24 lakhs. After providing Fringe benefit Tax loss comes to Rs. 2.52 lakhs. NPA of the company have increased by Rs. 7.33 Lakhs. During the year Rs. 2.54 lakhs have been written off being bad debts.

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 there under 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.

LISTING & DEMATERIALISATION OF SHARES

Dematerialisation of Shares are pending for want of listing of 13,00,000 additional shares with the Bombay Stock Exchange Ltd. Mumbai issued by the company in the year 2002-03. The stock exchange Mumbai has raised matter of application of SEBI Takeover code for which legal opinion has been sought from consultants and matter is under review. Delisting process of shares from M.P. Stock Exchange, Indore and Ahmedabad Stock Exchange is under progress.

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.

Unno Industries Ltd.

Annual Report 2007-08

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 Managing Director is retiring director by rotation and being eligible offer himself for re-appointment. Your directors recommend for the appointment.

Mrs. Shilpi Gangwal resign from the office of the director w.e.f. conclusion of ensuing annual general meeting. Board of Director acknowledge her valuable contribution and support to the company during the year.

Mr. Pradeep Patni, being eligible offer himself for the appointment in place of Mrs Gangwal. Your directors recommend for the 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 judgments 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 2007-08 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
Mumbai, Dated 18th August, 2008

Unno Industries Ltd.**Annual Report 2007-08****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 Directorship held*	outside Number of membership on Board Committees
Shri Narendra Kumar Gangwal	M.D.	0	1
Smt. Chandrikadevi Gangwal (Up to 28 th Sept.,2007)	Non Executive	0	3
Smt. Shilpi Gangwal (w.e.f. 28 Sept.,2007)	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 6 meeting were held. One of which was before finalisation of accounts for the year 2008. The said meetings were held on 30.04.07, 24.07.07, 25.08.07, 30.10.07, 24.01.08,30.03.08.

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.

Director	Designation	Whole-time/ Independent Director	Committee Meeting Attended
Mr. Gaurav Jain	Chairman	Independent Director	6
Smt. Chandrikadevi Gangwal	Member*	Non Executive	3
Smt. Shilpi Gangwal	Member**	Non Executive	3
Mrs. Neelima Kasliwal	Member	Independent Director	6

* (Up to 28th Sept.,2007), ** (w.e.f. 28th Sept,2007)

Investors Grievances Committee

The Board has re- constituted an "Investors Grievances Committee" as below :

Name	Designation	Whole-Time / Independent Director
Mrs. Neelima Kasliwal	Chairman	Independent Director
Mr. Gaurav Jain	Member	Independent Director
Mrs.Shilpi Gangwal	Member	Non Executive

Unno Industries Ltd.**Annual Report 2007-08****Board meeting & Attendance at Board meeting & Annual meeting**

The Board of the company met 12 times during the each of the month in financial year ended .

Name	Designation	Whole-Time / Independent Director	Board Meetings Attended	Last AGM Attended
Shri Narendra Kumar Gangwal	Chairman **	M.D.	12	Yes
Smt. Chandrikadevi Gangwal	Chairman*	Non Executive	6	No
Shri Gaurav Jain	Member	Independent Director	12	Yes
Smt. Shilpi Gangwal	Member*	Non-Executive	4	Yes
Mrs. Neelima Kasiwal	Member	Independent Director	10	Yes

* (Up to 28th Sept.,2007), ** w.e.f 28th Sept,2007

General Body Meeting

The location and time of the last three Annual General Meeting held by the company are as under :

Year	Date of AGM	Venue	Time
2004-05	September,30, 2005	Registered Office	11.00 a.m.
2005-06	September, 29,2006	Registered Office	11.00 a.m.
2006-07	September, 28,2007	Registered Office	11.00 a.m.

There was no resolution required to be passed under postal ballots at the above three AGMs. All ordinary/special resolution were passed by show of hands.

Management Discussion & Analysis

The Management Discussion & Analysis Report for the year ended 31st March, 2008 is published separately in this Annual Report.

Disclosures

No transactions of material nature is entered into by the company with Promoters, Directors or Management, their relatives etc. that may have a potential conflict with interests of the company. The register of contract containing the transactions in which the directors are interested is placed before the board regularly.

There is no pecuniary transaction with the independent / non- executive directors.

No penalty is imposed by the stock exchange or SEBI or any other statutory authority on the matter related to Capital Market.

Means of Communication

Quarterly and half yearly reports are published in one English daily newspaper (Free press Journal) circulating in the country and one Hindi newspaper (Chotha Sansar) published from Indore.

All the investors related information are first released to the stock exchange and to the media later on.

Share Transfers

To expedite the transfer process, authority has been delegated to the Share Transfer Committee, which comprises of :

Name	Designation	Whole-Time / Independent Director	No. of Attended	M.
Shilpi Gangwal	Chairman	Non Executive	10	
Narendra Kumar Gangwal	Member	M.D.	10	
Mr. Gaurav Jain	Member	Independent Director	10	

Share transfer/transmissions approved by the Committee are placed at the Meeting from time to time. Details of complaints received, number of shares transferred during the last book closure as well as average time taken for effecting these transfer are highlighted in the "Shareholder Information" section of the Annual Report.