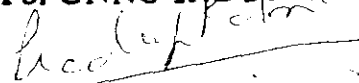


**Annual Report 2009-10**

**Unno Industires Limited**

***Certified True Copy***

**For UNNO INDUSTRIES LTD.**



**Authorised Signatory/Director.**



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# Unno Industries Ltd.

## NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of Unno Industries Limited will be held at Registered office at 2/53, Parijat Housing Society, Mahaveer Nagar, Kandiwali (W), Mumbai (Maharashtra) on 30th September, 2010, Thursday at 10.00 A.M. to transact the following business:

### I. ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Mrs. Neelima Kasliwal, Director who retires by rotation and being eligible offer herself 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.

### II. SPECIAL BUSINESS :

4. To consider and if thought fit, to pass, with or without modification the following resolution as an ordinary Resolution :

**"RESOLVED THAT** pursuant to the provisions of section 198, 269 and 309 and other applicable provisions, if any, of the companies act, 1956 ("the act") read with Schedule XIII, consent of the company be and is hereby given for the re-appointment of Mr. Narendra Kumar Gangwal, as a Managing Director of the company for a period of five years on the terms and condition mentioned below :

Salary	: Rs. 1,20,000/ Per Annum
Housing	: Furnished accommodation, hired by the company shall be provided, if required.
Medical Benefits	: Reimbursement of medical expenses incurred by the director and his family.
Leave Travel	: Leave Travel concession for self and concession for family once in a year with the company's rules.
Club Fees	: Club Fee subject to maximum 2 clubs, excluding admission and life membership fees
Personal Insurance	: Premium not to exceed Rs. 5000/- p.a.
Use of car	: The Company shall provide use of car for company's business. Use of car for private purpose shall be billed by the company.
Telephone	: Free Telephone facility at residence, personal long distance calls shall be borne by The director.

Provision for car company's business and telephone at residence will not be considered as perquisites.

5. To consider and if though fit, to pass with or without modification the following resolution as an ordinary resolution;

**"RESOLVED THAT** pursuant to the provisions of section 198, 269 and 309 and other applicable provisions, if any, of the companies act, 1956 ("the act") read with Schedule XIII, consent of the company be and is hereby given for the appointment of Mr. Pradeep Patni as a whole time director of the company designated as "Executive Director" for a period of five year w.e.f. 30<sup>th</sup> September 2010 on the terms and condition mentioned below:-

Salary	: Rs. 1,20,000/ Per Annum
Housing	: Furnished accommodation, hired by the company shall be provided, if required.
Medical Benefits	: Reimbursement of medical expenses incurred by the director and his family.
Leave Travel	: Leave Travel concession for self and concession for family once in a year with the company's rules.
Club Fees	: Club Fee subject to maximum 2 clubs, excluding admission and life membership fees
Personal Insurance	: Premium not to exceed Rs. 5000/- p.a.
Use of car	: The Company shall provide use of car for company's business. Use of car for Private purpose shall be billed by the company.
Telephone	: Free Telephone facility at residence, personal long distance calls shall be borne by the director.

Provision for car company's business and telephone at residence will not be considered as perquisites.

**For and on behalf of the Board**

Narendra Kumar Gangwal

Managing Director

Mumbai, dated 21 August, 2010

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 26<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (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 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.

### EXPLANATORY STATEMENT IN TERMS OF SECTION 173 OF THE COMPANIES ACT, 1956.

#### ITEM NO. :4

Mr. Narendra Kumar Gangal, was re- appointed as Managing Director of the company in 16<sup>th</sup> AGM of the company, he is aged about 71 years and having wide knowledge of finance, accounts administration etc. with an experience of more than 50 years. Keeping in view his long experience, your board of directors has recommended at its meeting held to pay remuneration subject to your approval.

Except Mr Narendra Kumar Gangwal, MD, None of the director of the company is interested in the above resolution.

You are requested to consider and pass with or without modification the resolution as an "Ordinary Resolution".

#### ITEM NO.-5

Mr. Pradeep Patni, was re- appointed as a Director of the company in 16<sup>th</sup> AGM of the company, he is aged about 50 years and having wide knowledge of finance, accounts administration etc. with an experience of more than 30 years. Keeping in view his long experience, your board of directors has recommended at its meeting held to appoint him as whole time Director and Fix remuneration subject to your approval.

Except Mr Pradeep Patni, Director None of the director of the company is interested in the above resolution.

You are requested to consider and pass with or without modification the resolution as an "Ordinary Resolution".

#### **For and on behalf of the Board**

Narendra Kumar Gangwal

Managing Director

Mumbai, dated 21 August, 2010

### **DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE FORTCOMING ANNUAL GENERAL MEETING.**

(Pursuant to clause 49 of the Listing Agreement)

Name of the Director	Mrs Neelima Kasliwal	Mr Pradeep Patni
Date of Birth	28.02.1970	30.11.1960
Date of Appointment	Ensuing A.G.M.	Ensuing A.G.M.
Expertise in specific Functional Area	Administration	Finance
Qualification	Bachelor of Arts	Master of Commerce
Public Cos. In which Directorship held as on date of appointment	None	None
Membership in Committees	Audit Committee Investors' Grievance Committee	Audit Committee Investors' Grievance Committee Share Transfer Committee

# Unno Industries Ltd.

## DIRECTORS' REPORT

Your directors have pleasure in presenting the 18th Annual Report together with the audited financial results for the period ended on 31st March, 2010.

### FINANCIAL PERFORMANCE (Rs. in Lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
Income	67.94	58.97
Loss before Taxation	(6.50)	(7.46)
Provision for Taxation (Deferred Tax Assets)	1.81	0.17
Loss for the year	(4.69)	(7.63)
Provision for Deferred Tax Assets(Prev. Years)	21.94	0.00
EPS	(0.11)	(0.11)

There was a increase in the interest income due to increase in advances during the year. The company has incurred a net loss of Rs. 25.28 lakhs on account of share transaction. Your company has incurred a loss of Rs. 6.50 lakhs. After providing Fringe benefit Tax for previous year, loss comes to Rs. 6.58 lakhs. During the year Deferred Tax assets have been taken in books Rs. 23.83. NPA of the company have increased by Rs. 5.22 Lakhs. During the year no amount have been written off as 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.

### 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.

# Unno Industries Ltd.

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## **DIRECTORS**

Mrs. Neelima Kasliwal is retiring director by rotation and being eligible offer herself for re-appointment. Your directors recommend for the appointment.

Mr Pradeep Patni director is proposed to appoint as Whole Time Director at a remuneration to be fixed in ensuing annual general meeting. Your directors recommend for the appointment.

Remuneration of Mr. Narendra Kumar Gangwal is proposed to be fixed w.e.f. 01.04.2010 in ensuing general meeting. Your directors recommend for fixing remuneration.

## **CHANGE IN REGISTERED OFFICE**

It may be recalled that resolution for shifting of Registered office of the company from Madhya Pradesh to Maharashtra was passed Postal Ballot on 03.01.2009 to give effect of change in Memorandum of Association. Your company had made petition under section 17 of Companies Act, 1956 for sanction to company Law Board and same is being accepted by the Company Law Board, Mumbai Bench vide dated 03/03/2010. Consequentially change in MOA has been made and Certificate of change is received from Registrar of Companies, Mumbai.

## **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.

## **DIRCTORS' 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 polices 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 2009-10 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 21st August,2010

# Unno Industries Ltd.

## 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
Shri Narendra Kumar Gangwal	M.D.	0	1
Shri Pradeep Patni	Non Executive	1	3
Gaurav Jain	Independent	0	3
Mrs. Neelima Kasliwal	Independent	0	1

\*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 2010. The said meetings were held on 30.04.09, 18.07.09, 21.08.09, 29.10.09, 29.01.10, 30.03.10.

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
Shri Pradeep Patni	Member	Non Executive	6
Mrs. Neelima Kasliwal	Member	Independent Director	6

### Investors Grievances Committee

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



## Unno Industries Ltd.

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

### 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
Shri Pradeep Patni	Member	Director	11	Yes
Shri Gaurav Jain	Member	Independent Director	10	Yes
Mrs. Neelima Kasliwal	Member	Independent Director	9	Yes

### 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
2006-07	September, 28, 2007	Registered Office	11.00 a.m.
2007-08	September, 30, 2008	Registered Office	11.00 a.m.
2008-09	September, 30, 2009	Registered Office	11.00 a.m.

One Special resolution under section 17 of the Companies Act, 1956 was passed by way of postal ballots on 03.01.2010 pursuant to section 192A. All ordinary/special resolution were passed by show of hands.

### Management Discussion & Analysis

The Management of the company presents its analysis report covering performance and outlook of the company. The report has been prepared in compliance with corporate governance requirement as laid down in the listing agreement: -

The Non banking financial services (NBFC) in private sector in India is represented by a large number of small and medium sized companies with regional focus. Over the years, our company has steadily broadened its business activities to cover a wide spectrum of services in the financial intermediation space. With the basic focus on investment & Finance,

Operational cost of the company increased due to increase in salary and incurred loss in capital market due to high Volatility. The company has NPA account amounting to Rs. 52.95 Lakhs which is 4.35% of the total Loans and same are fully provided in the Books. The company is making special efforts to reduce NPA therefore, no account is written off as bad debts during the period ended on 31<sup>st</sup> March 2010.

The Company has a proper and adequate system of internal control to ensure that all activities are monitored and controlled against any unauthorized use or disposition of assets. The audit committee of the Board of Directors reviews the adequacy of internal control.

Considering company's current business activities enterprise resource planning Module-SAP is not practically feasible and financially viable for the company. Company's current business activity does not require any technology up gradation or modernization.

## **Unno Industries Ltd.**

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Global financial markets have recovered strongly in previous year since their troughs in the aftermath of the collapse of Lehman Brothers in middle of 2008. This recovery was spurred by improving economic fundamentals and sustained policy support. Risk appetite has returned, equity markets have improved, and capital markets have re-opened. As a result, prices across a wide range of assets have rebounded sharply off their historic lows, as the worst fears of investors of a collapse in economic and financial activity have not materialised. Consequently, systemic risks have continued to subside in the global financial system.

Despite substantive overall improvement, the repair of the financial system is far from complete, and financial stability remains fragile. There are still many challenges. The first major challenge is to restore the health of the global banking system, especially credit provisioning. To do so, it is necessary that the de-leveraging processes under way in the global banking systems remain orderly and do not require such large adjustments as to undermine the recovery.

At the same time, new risks are emerging as a result of the extraordinary support provided by the government interventions to rescue economies. Indeed, unprecedented policy support has come at the cost of a significant increase of risk to sovereign balance sheets and a consequent increase in sovereign debt burdens that raise risks for financial stability in the future. Greece is a case in point. Levels of deficit financing and public debt in the United Kingdom, Spain, Italy and Portugal are high, and potentially prone to downside risks.

Given this macroeconomic backdrop, the company have adopted a well-calibrated business strategy, which evolved during the course of the year. In the initial part of the year, the Company's plan was fairly cautious as it gauged the developments in business environment carefully. The focus was on:

- Conserving capital and maintaining healthy capital adequacy norms
- Focusing on generating more profits out of its existing businesses
- Preserving asset quality
- Aggressively contain costs

Statements in Management Discussion and Analysis, describing the company's objectives, projections and estimates are forward looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions. Govt. policies and other incidental factors.

### **Disclosures**

Except receiving funds, No transactions of material nature are 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 up to IIIrd quarter. 4<sup>th</sup> quarter results were published in Free Press Journal and Marathi news paper Nav Shakti in Mumbai.

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

### **Share Transfers**

## Unno Industries Ltd.

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 Meetings Attended
Pradeep Patni	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.

### Shareholder Information

#### 1. Annual General Meeting

Date and Time : 30<sup>th</sup> September, 2010, 10.00 A.M.  
Venue :  
Registered office : 2/53, Parijat Housing Society,  
Mahaveer Nagar,  
Kandiwali (W),  
Mumbai (Maharashtra)

#### 2. Financial Calendar : April 2010 to March, 2011

##### Financial Results for

1<sup>st</sup> Quarter : Last Week of July, 2010  
2<sup>nd</sup> Quarter : Last Week of Oct, 2010  
3<sup>rd</sup> Quarter : Last Week of Jan., 2011  
4<sup>th</sup> Quarter : Last Week of Apr, 2011  
Book Closer : Last week of Sept., 2011  
A.G.M. : Last week of Sept. 2011

#### 3. Dates of book closure : Sept. 26<sup>th</sup> September, 10 To 30th September, 10

#### 4. Registered office : 2/53, Parijat Housing Society, Mahaveer Nagar, Kandiwali (W), Mumbai (Maharashtra)

#### 5. Listing on stock Exchange at : The Stock Exchange, Mumbai (Delisting process is under progress with M.P. Stock Exchange, Indore and Ahmedabad Stock Exchange)

#### 6. Listing fees : Paid for The Stock Exchange, Mumbai for the year 2009-10

#### 7. Stock Market data

(a) The Stock Exchange, Mumbai : Stock Code : 519273  
(b) Market Data : During the year No transaction entered in the Stock Exchange Mumbai

#### 8. Registrars & transfer agents : **Purva Sharegistry India Pvt. Ltd.,** 33, Printing House, 28-D, Police Court lane, Behind Old Handloom House, Fort, Mumbai (Maharashtra) 400 001

#### 9. Share transfer system: All shares have been transferred within 21 days from the date of receipt, so long as the documents have been clear in all respects.

# Unno Industries Ltd.

10. Investor Relations : No Complaint received within the financial year and have  
No Complaint pending at the end of financial year.

## 11. Distribution of share holding as at March 31<sup>st</sup>, 2010

Share Holding of Nominal Value Of	No of Holders	Percentage (%)	In Rs.	Percentage (%)
Upto 5000	2514	84.48	4911600	7.56
5001-10000	230	7.73	2078000	3.20
10001-20000	87	2.92	1456000	2.24
20001-30000	24	0.81	617000	0.95
30001-40000	9	0.30	338000	0.52
40001-50000	21	0.71	961000	1.55
50001-100000	39	1.31	2622000	4.03
100001 and above	53	1.78	51970400	79.95
Total	2997	100	65000000	100.00

## 12. Shareholding Pattern as on March 31<sup>st</sup> 2010

Category	No Shares held	% of share Holding
Indian Promoters & Promoter Group	26,00,000	40.00 %
Indian Corporate bodies	7,73,700	11.90 %
Indian Public	31,26,300	48.10%
Total	65,00,000	100.00

12. Dematerialization of Shares : The Application of Dematerialisation of Shares are pending for want of listing of 13,00,000 additional shares with stock exchange Mumbai Ltd. issued by the company in the year 2002-03.

13. Investors' Correspondence : Mr. Narendra Kumar Gangwal  
Managing Director  
Unno Industries Limited  
2/53, Parijat Housing Society,  
Mahaveer Nagar,  
Kandiwali (W),  
Mumbai (Maharashtra)

### For and on Behalf of the Board of Directors

Narendra Kumar Gangwal,  
Managing Director.  
Mumbai, Dated 21<sup>st</sup> August, 2010

# **Unno Industries Ltd.**

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## **Auditors' Report on Corporate Governance**

To the Members of **Unno Industries Ltd.**

We have read the report of the board of directors on corporate governance and have examined the relevant records relating to compliance of conditions of corporate governance of Unno Industries Ltd.(the company) for the year ended 31<sup>st</sup> March, 2010 as stipulated in clause 49 of listing agreement of said company with the stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination conducted in the manner described in the Guidance Note on Certification on Corporate governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of corporate governance. Our examination was neither an audit nor was it conducted to express an opinion on financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us on the basis of our examination described above, company has complied with the conditions of corporate Governance as stipulated in Clause 49 of the above Mentioned Listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Rakesh Narendra Kumar & Co.  
Chartered Accountants,  
Firm Registration No.: 07365C

Place : Mumbai  
Date : 21<sup>st</sup> August, 2010

Rakesh Kumar Jain  
Membership No. : 075938

# Unno Industries Ltd.

## AUDITORS' REPORT

To The Members of Unno Industries Limited

We have audited the attached Balance Sheet of Unno Industries Limited as at 31st March, 2010 and also the Profit and Loss Account of the company for the period ended on 31st March, 2010. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the Amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Subject to our the foregoing remark, we report that:-

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of Sec. 227 (4A) of the Companies Act, 1956, annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books.
  - c. The Balance Sheet and Profit and Loss account dealt with by this report, are in agreement with the books of accounts.
  - d. In our opinion, The Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred to in Sub section (3C) of section 211 of the Companies Act., 1956.
  - e. According to the information and explanation given to us and on the basis of written representation from the directors, taken on record by Board of Directors, none of the director is disqualified under section 274(1)(g) of the Companies Act, 1956 from being appointed as a director as on 31st March, 2010.
  - f. In our opinion and to the best of our information and according to the explanations given to us the said accounts, subject to our remarks given above and read together with significant accounting policies and notes on accounts and annexure thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
    - i. In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2010 and
    - ii. In the case of Profit and Loss Account of the Loss of the company for the year ended on that day.
    - iii. In the case of Cash Flow statement of the cash for the year ended on that date.

For Rakesh Narendra Kumar & Co.  
Chartered Accountants  
Firm Registration No.: 07365C

Place : Mumbai, Date : 21<sup>st</sup> August, 2010

(Rakesh Kumar Jain)  
Partner  
Memb. No. : 075938

- (i)(a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of Fixed Assets During the year.
- (ii) (a) The securities held as stock in trade have been confirmed with the statement of holdings provided by depository participant(s) of NSDL/CDSL at the financial year end. In our opinion, the frequency of confirmation is reasonable.
- (b) In our opinion, the procedures of confirmation of securities held as stock in trade followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of the Company relating to securities held as stock in trade, in our opinion, the Company has maintained proper records of stock in trade and no material discrepancies between the book records and the statement of holdings provided by depository participant(s) of NSDL/CDSL have been noticed.
- (iii) (a) The company have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. The Company have taken Unsecured loans from 10 parties amounting to Rs. 33080267/-.
- (b) The rate of interest and other terms and conditions of unsecured loans taken by the company, are not, prima facie, prejudicial to the interest of the company;
- (c) Payment of the principal amount and interest are outstanding as on the Balance Sheet date.
- (iv) There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit No major weakness has been noticed in the internal control.
- (v) (a) As per information and explanation given to us transaction needed to be entered in to a register in pursuance to section 301 of the Act have been properly entered in the said register.
- (b) In our opinion and according to the information and explanation given to us, the transaction entered in to a register in pursuance to section 301 of the Act and exceeding during the year by Rs. five lakhs in respect of each party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted deposits from the public, the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Act and the rules framed there under, are not applicable.
- (vii) The Company has a system of internal audit which in our opinion, is commensurate with its size and nature of its business.
- (viii) Central Government has not prescribed maintenance of cost records under clause (d) of sub-section 209 of the Act.
- (ix)(a) According to information and explanations given to us, The company is generally regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities to the extent payable by the company.
- (b) According to information and explanations given to us, No undisputed amount payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax,

## Unno Industries Ltd.

custom duty, excise duty, cess and any other statutory dues were outstanding as at 31.03.2009 for a period of 6 months from the date they became payable.

- (c) As per information and explanation given to us, there is no disputed dues as on 31st March, 2010.
- (x) The Accumulated losses at the end of the financial year are less than fifty per cent of Company's net worth and it has neither incurred cash losses in the financial year nor in previous year.
- (xi) The company has not defaulted in repayment of dues to financial institution or bank.
- (xii) The company has not granted loans and advances on the basis of securities by way of pledge of shares, debenture and other securities.
- (xiii) We are informed that the provisions of any Special statute applicable to Chit funds, Nidhi or Mutual Benefit Society do not apply to the company.
- (xiv) Proper records have been maintained of the transactions and contracts and timely entries have been made therein; also the shares, securities, debentures, and other securities that have been held by the company, in its own name except to the extent of the exemption granted under section 49 of the Act;
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The company has not obtained any term loans.
- (xvii) According to information and explanation given to us on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment by the company and vice versa.
- (xviii) The company has not made preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) No Debenture have been issued by the company.
- (xx) No money has been raised by public issues during the year by the company.
- (xxi) To the best of our knowledge and belief and according to information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For Rakesh Narendra Kumar & Co.  
Chartered Accountants.  
Firm Registration No.: 07365C

Place: Mumbai.  
Date : 21<sup>st</sup> August, 2010

(Rakesh Kumar Jain)  
Partner  
Membership No.: 075938



# Unno Industries Ltd.

## BALANCE SHEET

Balance Sheet as at 31st March, 2010

PARICULARS	SCHEDULE	Amount AS ON 31.3.2010	Amount AS ON 31.3.2009
<b>I. SOURCES OF FUNDS :</b>			
<b>1 Shareholders' Fund</b>		<b>6,70,04,250</b>	<b>6,70,04,250</b>
Share Capital	A	6,50,00,000	6,50,00,000
Reserves & Surplus	B	20,04,250	20,04,250
<b>2 Loan Funds</b>			
Unsecured Loans	C	3,30,80,267	0
	Total	10,00,84,517	6,70,04,250
<b>II. APPLICATION OF FUNDS :</b>			
<b>1 Fixed Assets</b>	D		
Gross Block		10,16,818	9,92,118
Less : Depreciation		3,71,238	2,69,251
Net Block		6,45,580	7,22,867
<b>2 Investments</b>	E	1,01,20,486	1,26,20,486
<b>3 Current Assets, Loans &amp; Advances</b>	F		
Cash & Bank Balances		4,94,494	34,34,067
Other Current Assets		32,385	1,22,385
Loans & Advances		13,86,84,855	8,13,23,831
		13,92,11,734	8,48,80,283
<b>Less :Current liabilities &amp; Provisions</b>	G		
a) Current Liabilities		6,05,14,676	4,16,46,668
b) Provisions		64,96,426	60,31,926
		6,70,11,102	4,76,78,594
<b>4 Net Current Assets (F-G)</b>		7,22,00,632	3,72,01,689
<b>5 Profit &amp; Loss Account</b>	B	1,47,34,619	1,64,59,208
<b>6 Deferred Tax Assets</b>		23,83,200	0
<b>7 Schedule as per RBI Norms</b>	J		
	Total	10,00,84,517	6,70,04,250

Accounting Policies & Notes on account  
For and on behalf of Board of Directors

Narendra Kumar Gangwal

Managing Director  
Place : Mumbai  
Dated : 21st August, 2010

Gaurav Jain

Director

K

Per our Report of even Date  
For Rakesh Narendra Kumar & Co.,  
Chartered Accountants  
Firm Registration No. : 07365C

(Rakesh Kumar Jain)  
Partner  
Memb. No. : 075938

**Certified True Copy**

Annual Report 2009-10

For UNNO INDUSTRIES LTD.

*Rakesh Kumar Jain*  
Authorized Signatory/Director

# Unno Industries Ltd.

## CASH FLOW STATEMENT

Cash Flow For the period ended on 31st March 2010

PARTICULARS	Period ended 31.3.2010	Period ended 31.3.2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit(-)Loss before Tax,	-6,50,726	-6,70,533
Extra ordinary items & Interest paid		
<b>ADJUSTMENTS FOR</b>	<b>31,52,437</b>	<b>41,28,948</b>
Depreciaton	1,01,987	98,529
Provision for NPA	5,22,300	7,86,000
Bad debts written off	0	10,988
Item Considered Separatly	25,28,150	32,33,431
<b>Operating Profit before working Capital Changes</b>	<b>25,01,711</b>	<b>34,58,415</b>
<b>ADJUSTMENT FOR</b>		
Loans & Advances	-5,73,61,024	-43,634
Other Current Assets	90,000	0
Provision for Expenses	-40,500	0
Sundry Creditors	1,88,68,008	1,31,44,370
<b>CASH GENERATED FROM OPERATING ACITIVITIES</b>	<b>-38,443,516</b>	<b>1,31,09,736</b>
Direct Taxes paid/Adjusted	-25,185	-27,450
	-3,84,68,701	1,31,28,186
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-3,59,66,990</b>	<b>1,65,86,601</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-24,700	-13,900
Purchase of Investments	0	-11,000,000
Sale of Investments	25,00,000	0
Net loss on Trade Investments	-25,28,150	-3,233,431
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-52,850</b>	<b>1,42,47,331</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital/application	0	0
Proceeds from Loans	3,30,80,267	0
Overdraft From Bank	0	-4,76,092
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>3,30,80,267</b>	<b>-4,76,092</b>
<b>NET INCREASE (-) DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>-2,93,9,573</b>	<b>18,63,178</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 01.04.2009</b>	<b>34,34,067</b>	<b>15,70,889</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 31.03.2010</b>	<b>4,94,494</b>	<b>34,34,067</b>

For and on behalf of Board of Directors

For Rakesh Narendra Kumar & Co.,  
Chartered Accountants  
Firm Registration No. : 07365C

Narendra Kumar Gangwal                      Managing Director  
Gaurav Jain    Director  
Place : Mumbai                      Dated : 21st August, 2010

(Rakesh Kumar Jain)  
Partner  
Memb. No. : 075938

# Unno Industries Ltd.

## SCHEDULES

Schedule "A" to "K" annexed forming part of the Balance Sheet and Profit & Loss account for the year ended on 31<sup>st</sup> March, 2010

### Schedule -A : Share Capital

Particulars	As on 31.3.2010	As on 31.3.2009
<b>Authorised Share Capital</b>		
65,00,000 Equity Shares of Rs. 10/- each	6,50,00,000	6,50,00,000
<b>Issued and Subscribed Share Capital</b>		
65,00,000 Equity Shares of Rs. 10/- each	6,50,00,000	6,50,00,000
<b>Paid Up Share Capital</b>		
65,00,000 Equity Shares of Rs. 10/- each Fully paid up	6,50,00,000	6,50,00,000

### Schedule -B : Reserves & Surplus

<b>A. Capital Reserve</b>	20,04,250	20,04,250
Balance as per previous Balance Sheet		
<b>B. Profit and Loss Account</b>	<b>(14,734,619)</b>	<b>(16,459,208)</b>
Balance as per previous Balance Sheet	(16,459,208)	(15,771,375)
Add : Profit/(Loss) during the year	1,724,589	(687,833)
<b>Total</b>	<b>(12,730,369)</b>	<b>(14,454,958)</b>

### Schedule -C : Loan Funds

1 Secured Loans	0	0
2 Unsecured Loans		
From Directors	80,34,560	0
Form Others	2,50,45,707	0
<b>Total</b>	<b>3,30,80,267</b>	<b>0</b>

# Unno Industries Ltd.

## Schedule - D : Fixed Assets:

S.No.	Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK	
		As at 01.04.09	Addition During the year	As at 01.04.09	Addition During the year	As at 31.03.10	As at 31.03.09
1	Furniture & Fixutre	144418	0	107737	9142	27539	36681
2	Computers	153900	24700	46170	26934	105496	107730
3	Vehicles	693800	0	115344	65911	512545	578456
Total		992118	24700	269251	101987	645580	722867
Previous Year's Totals		978218	13900	170722	98529	722867	251382

# Unno Industries Ltd.

## Schedule - E :Investment

Name of Security	Face Value		As on Qty.	31.03.10 Amount	As on Qty.	31.03.09 Amount
<b>A. Long term Investments</b>						
<b>(i) Quoted (At Cost)</b>						
Ranjeet Securities Ltd	10/-	Eq	80000	800000	80000	800000
			Total	800000		800000
<b>B. Current Investments</b>						
<b>(i) Quoted (At Cost)</b>						
Apple Finance	10/-	Eq	2400	22448	2400	22448
Associated Alcohols	10/-	Eq	500	19250	500	19250
Beryl Drugs	10/-	Eq	500	9750	500	9750
Birla Ericsson	10/-	Eq	100	1255	100	1255
Bonanza Biotech	10/-	Eq	10000	33500	10000	33500
DSQ Software	10/-	Eq	133	12039	133	12039
Essocarts Finance	10/-	Eq	400	6000	400	6000
European Soft	10/-	Eq	300	1200	300	1200
Gujrat Lease Finance	10/-	Eq	800	9600	800	9600
Infoquest Soft.	1/-	Eq	343000	137200	343000	137200
Inno Corp	10/-	Eq	200	8456	200	8456
Keynote Corpn	10/-	Eq	100	2025	100	2025
Lan Eseda	10/-	Eq	500	6250	500	6250
Ltoyad Finance	10/-	Eq	2300	7222	2300	7222
Media Video	10/-	Eq	200	5121	200	5121
PAN INDIA Corp	10/-	Eq	100	310	100	310
PIX TRANSMISS	10/-	Eq	400	32320	400	32320
Scingla Soft	10/-	Eq	100	800	100	800
Shailbhadra Inf	10/-	Eq	100	595	100	595
SRG Infotech	10/-	Eq	100	900	100	900
Synergy Login	10/-	Eq	240	14400	240	14400
Top Telemedia	10/-	Eq	6580	47700	6580	47700
Ranjeet Securities	10/-	Eq	80000	328800	80000	328800
Uniport Comp	10/-	Eq	200	3060	200	3060
V.B. Desai	10/-	Eq	300	61473	300	61473
Usha Mart Info	10/-	Eq	400	7400	400	7400
Website Infosys	10/-	Eq	400	24400	400	24400
Zenith Computer	10/-	Eq	100	8000	100	8000
Fast Treck Enter.	10/-	Eq	1000	500	1000	500
Prime Plastics	10/-	Eq	500	6930	500	6930
HOCL	10/-	Eq		1581		1581
			Total	8,20,486		8,20,486
Market Value of all Quoted Investments				5,76,565		4,23,268
<b>(ii) Unquoted (At Cost)</b>				85,00,000		110,00,000
			Total	1,01,20,486		1,26,20,486

# Unno Industries Ltd.

## Schedule- F : Current Assets, Loans & Advances

<b>I. Current Assets</b>	5,26,879	35,56,452
<b>(a) Cash &amp; Bank Balances</b>		
i) Balance with Scheduled Banks		
In Current Account	1,83,411	11,93,428
In Fixed Deposit Account		6,99,515
ii) Other Banks-in Current Account	28,512	4,632
Maximum Amount O/s. during the year Rs. 331,457/- (Pr. Year Rs. 1023438/-)		
iii) Cash in hand	2,82,571	15,36,492
	<u>4,94,494</u>	<u>34,34,067</u>
<b>(b) Other Current Assets</b>	32,385	1,22,385
<b>II. Loans &amp; Advances</b>		
Recoverable in cash or Kind for which value is to be received		
Unsecured - Considered Good	13,13,80,709	7,45,61,340
Unsecured - Considered doubtful & Provided for	52,95,165	51,92,684
Tax Dedicated at Source	20,08,981	16,29,807
	<u>13,86,84,855</u>	<u>8,13,23,831</u>
<b>Total</b>	<u>13,92,11,734</u>	<u>8,48,80,283</u>

## Schedule - G : Current Liabilities and Provisions

<b>(a) Current Liabilities</b>		
Sundry Creditors	6,05,14,676	3,98,05,768
<b>(b) Provisions</b>		
Provision for Non Performing Assets	57,14,984	51,92,684
Prov. for diminution in value of shares	7,20,000	7,20,000
Provision for Taxation	0	17,300
For Expenses	61,442	1,01,942
	<u>64,96,426</u>	<u>60,31,926</u>
<b>Total</b>	<u>6,70,11,102</u>	<u>4,58,37,694</u>

# Unno Industries Ltd.

Schedule as per RBI Norms

## Schedule – J : Schedule as per RBI Norms

(As required in terms of paragraph 13 Of Non-Banking Financial (Non-Deposit Accepting

or Holding )Companies Prudential Norms (Reserve Bank) Directions, 2007) Rs. In Lakhs

### Liabilities side :

Loans and advances availed by the non banking Financial company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
(a) Debentures : Secured	Nil	Nil
: Unsecured (other than falling within the meaning of public deposits*)	Nil	Nil
(b) Deferred Credits	Nil	Nil
(c) Term Loans	Nil	Nil
(d) Inter-corporate loans and borrowing	Nil	Nil
(e) Commercial Paper	Nil	Nil
(f) Other Loans (Bank Overdraft)	330.80	Nil

### Assets side :

### Amount outstanding

(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]	
(a) Secured	Nil
(b) Unsecured	1366.76
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under Sundry Debtors	Nil
(a) Financial lease	Nil
(b) Operating lease	Nil
(ii) Stock on hire including hire charges under Sundry Debtors	Nil
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
(iii) Other loans counting towards AFC Activities	Nil
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil

## Unno Industries Ltd.

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### Break-up of Investments :

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#### Current Investments :

##### 1. Quoted :

(i) Shares : (a) Equity	8.20
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

##### 2. Unquoted :

(i) Shares : (a) Equity	93.20
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

#### Long Term investments :

##### 1. Quoted :

(i) Shares : (a) Equity	8.00
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

##### 2. Unquoted :

(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

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### (5) Borrower group-wise classification of assets financed as in (2) and (3) above

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Category

Amount net of provisions



## Unno Industries Ltd.

	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	1366.76	1366.76
Total	Nil	1366.76	1366.76

**(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	91.57	94.00
Total	91.57	94.00

**(7) Other information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	52.95
(ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties (Net of Provisions)	52.95
(iii) Assets acquired in satisfaction of debt	Nil

### SCHEDULE - K: ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES :

##### 1. BASIS OF ACCOUNTING

The accounts of the Company are prepared under the historical cost convention and in accordance with applicable Accounting Standards except where otherwise stated. Accounting Policies not specifically referred to are consistent with generally accepted accounting policies. The Company follows the mercantile system of accounting and recognises Income and Expenditure on accrual basis except otherwise specified.

##### 2. REVENUE RECOGNITION

Expenses and income considered payable and receivable respectively have been accounted for on accrual basis. Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition is postponed to the extent of uncertainty involved.

##### 3. FIXED ASSETS :

Fixed Assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses, less depreciation.

##### 4. DEPRECIATION

Depreciation on Fixed Assets has been provided on the straight line method at the rates prescribed in schedule XIV of the Companies Act, 1956 and on additions on Pro-rata basis.

##### 5. INVESTMENTS

Investments (Long Term, other and current investments) are stated at cost. All Investments are held as "Stock in Trade".

##### 6. PROVISION FOR DIMINATION IN VALUE OF INVESTMENTS

Provision for diminution in value of Long Term Quoted Investments and Current Investments are provided at in aggregate for each category at difference between cost and market value (if lower than cost), at the balance sheet date. and Provision for diminution in value Other unquoted Investments are ascertained either from the latest balance sheet of the company, if available or value shares at Re. 1/- per share, as the case may be in accordance with Reserve Bank of India guidelines.

##### 7. CONTINGENT LIABILITIES

Contingent liabilities are not Provided and are disclosed by way of notes to accounts.

# Unno Industries Ltd.

## NOTES TO THE ACCOUNTS

### B. NOTES TO THE ACCOUNTS

1. Previous year's figures have been rearranged and regrouped wherever considered necessary. Figures have been rounded off to the nearest rupees.
2. No transaction was effected during the period ended on 31<sup>st</sup> March 2010 with the small scale Industrial Undertaking and outstanding to small scale Industrial undertaking as at the year end was Nil
3. No commission is payable to Directors/Managing Director and hence Computation of Net Profit in accordance with Section 198, 309 and 349 of the Companies Act, 1956 has not been given.
4. CIF value of Imports : NIL
5. Earnings in Foreign Exchange : NIL
6. Remittance in Foreign Exchange : NIL
7. Expenditure in Foreign Exchange : NIL
8. Directors Remuneration
  - a. Salary : NIL
  - b. Value of perquisites : NIL
9. Provision for current Income tax is Nil as per provisions of the Income Tax Act, 1956.
10. During the year the Net Deferred Tax assets of Rs: 22.89 lakhs as at 31.3.2010 has been recognised in books of accounts, as recommended under accounting standard (AS)-22 on "Deferred Taxation" issued by the Institute of Chartered Accountants of India. The net Deferred tax Assets comprises of the following components :

Components	Rs. In Lakhs	
	2009-10	2008-09
A. Assets on account of Timing Difference		
1. Provision for NPA	57.15	51.93
2. Provision for diminution value of Investment	7.20	7.20
3. Accumulated Business Loss	13.11	12.85
4. Unabsorbed Depreciation	1.98	1.14
Total-A	79.44	73.12
B. Liability on account of timing Difference	0.00	0.00
Net Deferred Tax Assets at the year end (A-B)		
C. Deferred Tax Assets	23.83	21.94

Deferred Tax Asset has been recognized on carry forward of Business Losses and unabsorbed depreciation on the assumption that the company would make profit in coming years and set off such losses.

## Unno Industries Ltd.

### 11. Earnings Per Share

Particulars	2009-10	2008-09
(a) Loss Before Tax Add deferred Tax Current Year	-650.726	-687.833
(b) Total Number of Equity Shares of Rs. 10/- each at the beginning of the year	65,00,000	65,00,000
(c) Total Number of Equity Shares of Rs. 10/- each at the End of the year	65,00,000	65,00,000
(d) Weighted average number of equity shares of Rs. 10/- each Of the end of the year for calculation of basic & diluted EPS	65,00,000	65,00,000
(e) Basic & Diluted Earnings per share (In Rs.)	(0.13)	(0.11)

### 12. Segmental Reporting

The Business segment has been considered as the primary segment for disclosure. The category included in each of the reported business segment are as follows:

- Loans to parties
- Share Trading

The above business segment have been identified considering

- The nature of service
- The deferring risk and return

Revenues and expenses have been accounted for based on the basis of their relationship to the operating activities of the segment. Revenues and expenses, which related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un allocable Assets / Liabilities.

#### Segmental Reporting for the year ended 31.03.2010

(Rs. In Laacs)

Particulars	Finance		Share Trading		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
<b>Revenue</b>						
Segment Revenue	67.40	58.97	(25.28)	(32.33)	42.12	26.63
Expenditure-Direct	15.68	8.51	0.00	0.00	15.68	8.51
<b>Result</b>						
Segment Result	51.72	50.45	(25.28)	(32.33)	26.44	18.12
Less: Un allocable Income & Expenses					32.94	24.82
Profit/(Loss) before Taxation					(6.51)	(6.71)
<b>Other Information</b>						
Segment Assets	1366.76	796.94	101.20	126.20	1467.96	923.15
Un allocable Assets					31.81	59.09
Total Assets					1499.78	982.24
Segment Liability	786.02	416.47	0.00	0.00	935.95	416.47
Segment Provisions	57.15	51.93	7.20	7.20	64.35	59.13
Un allocable Liability & Provisions					0.61	505.62
Total Liability					1000.91	982.24
Depreciation					1.02	0.91

# Unno Industries Ltd.

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## RELATED PARTY DISCLOSURE

### 13. Related Party Transaction :

- a. Related parties where control exists : None  
b. Key Management Personnel : Mr Narendra Kumar Gangwal , Managing Director  
: Mr. Pradeep Patni, Non- Executive Director  
c. Relative(s) of Key Management Personnel : Mr. Pranay Gangwal, Mrs. Purna Jain, Mrs. Priti Jain, Rahul Jain,  
Prateek Jain, Nirmala Jain, Pramila Jain, Pradeep Patni HUF,  
Shilpi Gangwal,

d. The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the company.

e. Particulars of transaction and balances with related parties

Particulars	Controlling Parties(a)	Key Management Personnel (b)	Relatives of KMP (c)	Total
<b>Transaction</b>				
Funds Received & Outstanding as on 31.03.2010	-	80.35	250.45	330.80