

Courier

DCS/COMP/NM/112/2014-15

October 29, 2014

The Company Secretary / Compliance Officer
Unimers India Ltd
2/2, Thane-Belapur Road
TTC Industrial Estate, D Block, MIDC, Turbhe
Navi Mumbai – 400705
Maharashtra

Dear Sir/Madam,

Sub: Audit Reports filed by listed companies

This has reference to the provisions of Clause 31(a) of the Listing Agreement and SEBI Circulars pertaining to the "Manner of Dealing with Audit Reports filed by Listed Companies" dated August 13, 2012 and June 05, 2013 which inter-alia mandated listed companies to submit either Form A (Unqualified / Matter of Emphasis Report) or Form B (Qualified / Subject to / Except for Audit Report) along with the company's Annual Report to the Stock Exchange.

As per the provisions of the said circulars, the qualifications raised by the Statutory Auditors in their Audit Report, would be scrutinized by the Qualified Audit Review Committee (QARC) constituted by SEBI.

Accordingly, after scrutiny and discussion by QARC and thereafter by FRRB and as directed by SEBI, you are advised to:

Restate the Financial Statements pertaining to Financial Year 2012-13 giving effect to the qualifications*, in terms of Clause 31A of the Listing Agreement and in terms of SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI's Clarificatory Circular CIR/CFD/DIL/9/2013 dated June 05, 2013.

(* Refer Annexure-I for details)

You are requested to take note of the same and comply accordingly, under information to the Exchange.

In case you need any clarifications on the above, you may please contact Mr. Nitesh Mhatre on 02222728880 / Ms. Dhara Barot on 22728559 / Mr. Rakesh Parekh on 22728307 (email rakesh.parekh@bseindia.com, dhara.barot@bseindia.com) for assistance.

Yours truly,



Netra Sahani
D.G.M - Listing Compliance



Abhijit Pai
A.G.M – Listing Compliance

ANNEXURE I:

Unimers India Ltd

Auditor Qualification:

The accumulated losses of the Company as at the yearend exceeds its entire net worth, however the Company has been advised that since certain conditions as per the Sick Industrial Companies (Special Provisions) Act, 1985 were not being met, it was not eligible to make a reference to BIFR. However, should the legal status as regards the validity of the closure of the plant change, appropriate steps will have to be taken by the company in this regard. Moreover the plant operations were suspended since October, 2007 and thereafter formally closed and workers retrenched effective from 26th June, 2008. These financial statements have however been prepared by the management on a "going concern" basis, considering the various revival/restructuring options being pursued by the management. This being a technical matter and in view of uncertainty we are unable to express an opinion as to whether the company can now operate as going concern. However, as explained should the company be unable to continue as a going concern, the extent of the effect of the resultant adjustment to the accumulated losses, assets and liabilities as at the year end and loss for the year is presently not ascertainable.

The company has not carried out impairment test as required by AS-28 "Impairment of Assets", in respect of Building, Plant & Machinery and Furniture & Fixtures. We are unable to express an opinion as to when and what to extent the carrying value of Building, Plant & Machinery and Furniture & Fixtures would be recovered in view of the suspension of all manufacturing activities since October, 2007 (subsequently formally closed and workers retrenched effective from 26th June, 2008). The impact whereof on the loss for the year, accumulated losses, assets and liabilities as at the year end is presently not ascertainable.

Other than stated in para "g" below, liability as may arise towards interest/compound interest/ penalty on delayed/non-payment to certain lenders/trade payables/ statutory/ workers dues has not been ascertained and not provided for.

The company has not provided interest payable of Rs.383.15 Lakhs (Previous Year Rs.305.52 Lakhs) in respect of public debentures Rs. 705.46 Lakhs (Previous year 383.96 Lakhs) in respect of secured/unsecured loans and Rs.341.48 Lakhs (Previous year Rs.159.46 Lakhs) in respect of certain other liabilities. As explained the management is in discussions with the parties concerned in respect of interest payable and is hopeful of its waiver.