



UNIMERS INDIA LIMITED

BOARD OF DIRECTORS

Mr. G. P. Goenka	Chairman
Mr. R. S. Agarwal	Director
Dr. P. P. Shastri	Director
Mr. S.P. Gupta	Wholetime Director

BANKERS

State Bank of India
State Bank of Bikaner & Jaipur
Bank of India

AUDITORS

Lodha & Co.

REGISTERED OFFICE & FACTORY

2/2, TTC Industrial Area (D Block)
MIDC, Thane-Belapur Road,
Turbhe, Navi Mumbai 400 705
email: secretarial@unimers.in
Internet: www.unimers.in

REGISTRAR & TRANSFER AGENT

Adroit Corporate Services Pvt. Ltd.,
19, Jaferbhoy Industrial Estate,
1st Floor, Makhwana Road,
Marol Naka, Mumbai 400 059
Tel. Nos.: 2859 0942/ 2850 3758

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UNIMERS INDIA LIMITED

NOTICE:

NOTICE is hereby given that the Twenty Three Annual General Meeting of the members of **UNIMERS INDIA LIMITED** will be held on Wednesday, the 28th day of September, 2011 at 10:30 a.m. at Rotary Club of Navi Mumbai, Rotary Centre, next to Sacred Heart Convent School, Sector-6, Vashi, Navi Mumbai 400 703 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended March 31, 2011 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Dr. P. P. Shastri who holds office till the ensuing Annual General Meeting, and being eligible, offers himself for appointment.
3. To appoint a Director in place of Shri R. S. Agarwal, who retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For **UNIMERS INDIA LIMITED**

S. P. Gupta
Wholetime Director

Place : Mumbai

Dated : September 2, 2011

Registered Office:

2/2, TTC Indl. Area, (D Block)
MIDC, Thane - Belapur Road,
Turbhe, Navi Mumbai - 400 705

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY 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.
- b) The Register of Members and Share Transfer Books of the Company will be closed from September 26, 2011 to September 28, 2011 (both days inclusive).
- c) Members / proxies are requested to bring the attendance slip duly filled in for attending the meeting. No duplicate will be issued at the venue of the meeting.
- d) Members are requested to bring their copies of the Annual Report at the time of attending the meeting.
- e) The Shareholders are requested to send all their correspondence, in respect of shares etc. to Adroit Corporate Services Private Limited 19, Jaferbhoy Industrial Estate, 1st Floor, Makhwana Road, Marol Naka, Mumbai 400 059.
- f) As required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/ re-appointed are given hereunder.

BRIEF RESUME OF PERSONS PROPOSED TO BE APPOINTED / RE-APPOINTED AS DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING:

Particulars	Dr. P. P. Shastri	Mr. R. S. Agarwal
Date of Birth	10.05.1948	02.10.1942
Date of Appointment	31.10.2009	12.04.2006
Qualifications	M.A.(Eco); PG Degree in Demography (UK); PhD (Economics)	B.Sc, BE (Chemical Engg.), Diploma in Industrial Engineering, Proficiency in Boiler Operation Engineering
Experience	More than 30 years in the areas of mutual funds, debts and capital markets and demography	9 1/2 years industrial experience as Process Engineer in a leading paper mill of Northern India (1965-1974). Worked with IDBI for 28 years and retired as Executive Director of IDBI
Directorships held in other Public companies	<ol style="list-style-type: none"> 1. S V C Super Chem Ltd. 2. Velagapudi Steels Ltd. 3. Somaya Julu & Co. Ltd. 	<ol style="list-style-type: none"> 1. Madras Cement Ltd. 2. Ramcos Sytemes Ltd 3. Surya Lakshmi Cotton Mills Ltd. 4. Surya Lata Spinning Mills Ltd. 5. Elegant Marbles & Granite Industries Ltd. 6. Deccan Cements Ltd. 7. NRC Ltd. 8. Ramco Industries Ltd. 9. Videocon Industries Ltd. 10. Videocon Gernal Insurance Co. Ltd.
Chairmanship/Membership of Board Committees of other public Companies	<ol style="list-style-type: none"> 1. Somaya Julu & Co. Ltd. - Audit Committee - Member 	<ol style="list-style-type: none"> 1. Madras Cement Ltd. - Audit committee - Chairman 2. G. V. K. Jaipur Expressway Pvt. Ltd. - Audit committee - Member 3. Surya Lakshmi Cotton Mills Ltd. - Audit committee - Member 4. Surya Lata Spinning Mills Ltd. - Audit committee - Member 5. Elegant Marbles & Grani Industries Ltd. - Audit committee - Member 6. NRC Ltd. - Audit committee - Member 7. Ramco Industries Ltd. - Audit committee - Chairman 8. Videocon Industries Ltd. - Audit committee - Member
Number of shares held	-	

**DIRECTORS' REPORT****To the Members of the Company for the year ended 31st March 2011**

The Board of Directors present the Twenty Third Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2011.

1. FINANCIAL HIGHLIGHTS:

Particulars	Year ended 31.03.2011 (Rs. in lacs)	Year ended 31.03.2010 (Rs. in lacs)
Sales (Net of Excise duty)	-	0.46
Gross Profit/(loss) before Interest and Depreciation	(112.15)	(266.10)
Profit/(loss) before tax and exceptional items	(927.70)	(1102.70)
Less: Exceptional items	236.11	-
Add: Deferred Tax Assets	-	(516.48)
Profit/(Loss)	(1163.82)	(1619.38)
Loss brought forward from previous year	(4121.54)	(2502.16)
Balance carried to Balance Sheet	(5285.37)	(4121.54)

2. OPERATIONS:

During the year under review, the Company did not carry out any production activity, the factory being closed with effect from June 26, 2008.

3. RESTRUCTURING

Subsequent to the lenders not agreeing to consider the Company's proposal for a reworking of the CDR package, the management is actively exploring various other options for restructuring the business and financials of the Company, including unlocking asset values and entering into other business or product lines. To this end approval of shareholders had been obtained in December 2008 as per provisions of Sec 293 (1) (a) of The Companies Act, 1956, which will be implemented in terms of the directions of Hon'ble Company Law Board in a matter pending before it. As part of this ongoing exercise, the Company entered into an arrangement for assignment of leasehold rights of land during the previous year and advance received has been utilised, inter alia, to settle part of the liabilities of the Company. However, the global financial crisis and certain impediments having affected its implementation, the management is pursuing the matter for an early resolution. The option of establishing of manufacturing operations at another site offering better competitive advantages in terms of supply chain logistics, input availability and costs is being actively pursued and a clearer picture on this front is expected to emerge by the end of the current fiscal.

4. NET WORTH STATUS AND IMPLICATIONS

The net worth of the Company has fully eroded during the year ended March 31, 2011. However, the management has received legal opinion to the effect that no reference need be made to BIFR, as certain conditions required for the same as per the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the Company under the present circumstances.

5. EMPLOYEE RELATIONS:

Subsequent to closure under the relevant provisions of The Industrial Disputes Act, 1947 which was declared with effect from June 26, 2008, the employees' union had preferred to move the Industrial Court in the matter. The matter is pending in the Hon'ble Court. The management has been advised that the closure is in line with relevant legal provisions.

6. PARTICULARS OF EMPLOYEES:

As per provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (particulars of Employees) Rules, 1975, as amended the name and other particulars of the employee as on 31.3.2011 is given below:-

Sr. No	Name	Age	Designation	Nature of duties	Remuneration (In Rs.)	Qualification	Date of commencement of employment	Experience	Last Employment held	
									Organisation	Designation
1	Mr. S.P.Gupta	56	WholeTime Director	General Management	1,30,655	B.Tech (Chemical Engineering) and MBA	June 28,2007	32	Consolidated Fibres & Chemicals Limited	Executive Director

7. SAFETY, HEALTH & ENVIRONMENT POLICY:

After the closure of manufacturing operations, the Company continues to follow applicable practices relating to safety and health of personnel, plant, machinery and the environment, to the extent relevant and feasible.

8. DEMATERIALISATION OF COMPANY'S EQUITY SHARES:

87.97 % of the Company's equity shares have been dematerialised.

9. THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

Information required under the Companies Act (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is set out in Annexure "A" and forms part of this report.

10. DIRECTORS:

Dr. P. P. Shastri retires by rotation, offers himself for appointment as director, You are requested to appoint him.

Mr R. S. Agarwal retires by rotation, and being eligible, offers himself for re-appointment. You are requested to appoint him.

11. CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance is annexed hereto and forms part of this Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to major departures;
- such accounting policies as were reasonable and prudent were selected in preparation of the Accounts and applied consistently. Further judgements and estimates that were reasonable and prudent were also made in the course of preparation of Accounts so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year ended 31st March, 2011;
- proper and sufficient care was taken 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;
- the Accounts have been prepared on a going concern basis.

13. AUDITORS:

M/s. Lodha & Co., Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting. They have expressed their willingness to continue in office if appointed.

14. AUDITORS' REPORT:

Observations of the Auditors in their Report are largely self explanatory. However, for the sake of additional clarity, the relevant observations of the Auditors' at Para No 3 (a), (b), (e) and 4 is further explained as follows - Your attention is drawn to para '3 and '4" of this report as well as Note B.4 of Notes to Accounts. In the view of the Board, the ongoing efforts towards restructuring of the Company's business are likely to fructify and hence treatment of accounts on a 'going concern' basis is appropriate.

15. ACKNOWLEDGEMENT:

The Board of Directors takes this opportunity to thank the Financial Institutions, Bankers and other stakeholders for their continued support and co-operation.

For and on behalf of the Board

S. P. Gupta
Wholetime Director

G. P. Goenka
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE 'A'

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(I) CONSERVATION OF ENERGY

Manufacturing operations were closed during the year.

(II) TECHNOLOGY ABSORPTION

Technology obtained from foreign collaborators had been fully absorbed. The company had also been able to develop in-house such process technologies as were required to produce products in line with changing and localised customer needs.

(III) RESEARCH AND DEVELOPMENT (R&D)

(a) Specific areas in which Research and Development is carried out by the Company:

As the production operations have been closed, no new development activities could be carried out.

(b) Benefits derived as a result of R&D efforts:

No new development activities having been carried out, no additional benefits were derived during the year.

(c) Expenditure on R& D Technical Sales Service Centre is Rs. NIL.

(d) Future plan of action:

The future courses of action relating to R&D would be drawn out after finalisation and implementation of the business restructuring plans.

(IV) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars regarding foreign exchange earnings and outgo appears in Schedule 16 to the Notes to Accounts.

For and on behalf of the Board

S. P. Gupta
Wholetime Director

G. P. Goenka
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

'FORM A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption

		Current year	Previous year
1.	Electricity		
	a. Purchase Unit	-	-
	Total amount (Rs in Lakhs)	-	-
	Rate / Unit	-	-
	b. Own generation	-	-
	(I) Through diesel generator unit	-	-
	Unit per ltr. of diesel oil	-	-
	Cost/Unit	-	-
	(II) Through stream turbine generator	-	-
2.	Coal	-	-
3.	Furnace oil	-	-
	Quantity	-	-
	Total amount	-	-
	Average rate	-	-
4.	Others	-	-
	B. Consumption per unit of production	-	-
	Products	-	-
	Electricity	-	-
	Furnace oil	-	-
	Coal	-	-
	Diesel	-	-

For and on behalf of the Board

S. P. Gupta
Wholetime Director

G. P. Goenka
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. Industry Structure and Developments

In view of the continuing difficult market conditions and serious apprehensions about the long term viability of the business, the Company had closed its manufacturing undertaking with effect from June 26, 2008.

b. Opportunities and Threats

The Company is actively pursuing the option of relocating the manufacturing operations to another site offering better competitive advantages in terms of supply chain logistics, input availability and costs.

c. Risks and concerns

The high debt portfolio, in the absence of revenue stream, is currently cause for concern

d. Internal Control Systems and their adequacy

The Management has ensured that necessary internal control systems are created and maintained in all departments. These internal control procedures are adequate and commensurate with the size of the Company and nature of its business. The statutory audit has not highlighted any major discrepancies, omissions and the like.

e. Financial and Operational Performance

Unfavorable input price situation as well as lower than desirable sales realizations as a consequence of availability of cheaper imported materials, and shortage of adequate working capital funds lead to suspension of operations in October 2007 and closure of the manufacturing undertaking from June 26, 2008

f. Outlook

The Company had approached its lending banks and institutions for a reworking of the CDR Package, but in view of the volatile crude price scenario and other market uncertainties, the lenders were unable to accept the Company's proposals. The management is actively exploring various restructuring alternatives, including relocation of plant to a more favourable site.

g. Material Developments in Human Resources / Industrial Relations fronts

Consequent upon closure of the manufacturing undertaking, there is no significant activity on this front.

The below mentioned bodies corporate constitute a "group" pursuant to inter-se transfer of shares amongst group companies as per SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 :

1. Albert Trading Company Pvt. Ltd.	19. North India Fertiliser Limited
2. Andhra Cements Ltd.	20. NRC Ltd.
3. Bargate Communications Pvt. Ltd.	21. Octave Technologies Pvt. Ltd.
4. Boydell Media Pvt. Ltd.	22. Odyssey Travels Ltd.
5. Continuous Forms (Calcutta) Ltd.	23. Orchard Holdings Pvt. Ltd.
6. Dail Consultants Ltd.	24. Pentonville Software Ltd.
7. Duncans Agro Chemicals Ltd.	25. Pallmall Edusystems & Medicare Services Pvt. Ltd
8. Duncans Industries Ltd	26. Sewand Investments Pvt. Ltd.
9. Duncans Tea Ltd.	27. Santipara Tea Company Ltd.
10. Duncans Tea House Pvt. Ltd	28. Shubh Shanti Services Ltd.
11. Gujarat Carbon & Industries Ltd.	29. Silent Valley Investment Co. Ltd.
12. Infratech Software Services Pvt. Ltd.	30. Skylight Trading Co. Ltd.
13. ISG Traders Ltd.	31. Sprint Trading Co. Ltd.
14. Julex Commercial Co. Ltd.	32. Star Paper Mills Ltd.
15. Kavita Marketing Pvt. Ltd.	33. Stone India Ltd.
16. Leyden Leasing & Financial Services Ltd.	34. Stone Intermodal Private Ltd
17. Marleybone Travels & Resorts Pvt. Ltd.	35. Skylark Rubber Products Ltd
18. Napier Softech Pvt. Ltd.	



REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with Stock Exchange, the following is a report on Corporate Governance code as implemented by your Company.

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages attainment of (i) market Leadership with: "First Choice" status in the domestic market (ii) significant export business (iii) development of appropriate competencies across the organization and (iv) strive to obtain a fair return on invested capital.

2. Board of Directors

Composition and Status of Directors:

Name of the Director	Status (Executive, Non-Executive and Independent)
Mr. G. P. Goenka (Chairman)	Promoter, Non Executive
Mr. R. S. Agarwal	Independent & Non - Executive
Dr. P. P. Shastri	Independent & Non - Executive
Mr. S.P.Gupta (Whole Time Director)	Executive

Attendance at the Board Meetings, at the last AGM, outside Directorships and other Board Committees:

Name of Director	Held During the Year	Board Meetings Attended during the Year	Attendance at Last AGM	Other Directorships (other than Pvt. Ltd. Companies)	No of Memberships/ Chairmanships of other committees	
					Member	Chairman
Mr. G. P. Goenka	5	1	No	7	2	-
Mr. R. S. Agarwal	5	4	Yes	9	7	2
Mr. P. P. Shastri	5	5	No	3	1	-
Mr. S. P. Gupta	5	5	Yes	1	-	-

Number of Board of Directors Meeting held and the dates on which held:

During the year 2010-11, Five Board Meetings were held on 26th April, 2010; 10th August, 2010, 18th August 2010, 8th November, 2010, 7^h February 2011

3. Board Committees

Currently, the Board has four Committees - Audit Committee, Investor Grievances Committee, Remuneration Committee and Share / Debenture Transfer Committee. As on date, the Audit Committee comprises of three members of which two Members are Non-Executive Independent Directors and one member is a Executive Director. The Investor Grievances Committee comprises of two Members. The Chairman of the said Committee is Non-Executive Director. The Remuneration Committee comprises of two Independent Directors. The Share/ Debenture Transfer Committee of Executives comprises of Whole Time Director and Sr. Manager (Finance & Accounts) of the Company.

The Board is responsible for the constitution, co-opting and fixing the terms of reference for Committee members of the said Committees.

i. Audit Committee**Terms of reference****(a) Primary objectives of the Audit Committee:**

The Audit Committee acts as a link between the Statutory Auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements and other management information and adequacy of provisions of liabilities. The primary objective of the Audit Committee (the "Committee") is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process by the management, and the independent auditor, and notes the process and safeguards employed by each.

(b) Scope of the Audit Committee:

1. Provide an open avenue of communication between the independent auditor and the Board of Directors ("BOD")
2. Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve the payment for other services
3. Meet four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
4. Confirm and assure the independence of the external auditor.
5. Review with independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
6. Consider and review with the independent auditor the adequacy of internal controls including the computerised information system controls and security;
7. Reviewing with the management, the quarterly financial statements before submission to the Board for approval
8. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - (a) Any changes in the accounting policies and practices
 - (b) The going concern assumption
 - (c) Compliance with accounting standards
 - (d) Compliance with stock exchange and legal requirements concerning financial statements
 - (e) Significant adjustment arising out of audit
9. Consider and review with the management and the independent auditor;
 - (a) Significant findings during the year, including the status of previous audit recommendations,
 - (b) Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
10. Review of the following information:
 - (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions submitted by the management;
 - (c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors

**(c) Composition of the Audit Committee as on March 31, 2011**

The Audit Committee comprises of one Executive Director and two Non-Executive Independent Directors. Mr. R. S. Agarwal, a Non-Executive Independent Director acts as the Chairman of the Committee. The Audit Committee is constituted in accordance with the Corporate Governance Code of the Listing Agreement and the provisions of the Companies Act, 1956. The statutory auditors are invited to the Audit Committee Meetings whenever required. The quorum for the Audit Committee Meeting is two members.

The composition of the Audit Committee as on date is as follows:

1. Mr. R. S. Agarwal, Chairman
3. Dr. P. P. Shastri
4. Mr. S. P. Gupta

(d) (d) Audit Committee Meetings and Attendance during the financial year ended March 31, 2011

During the Financial year 2010-11, Five Audit Committee Meetings were held on 23rd April, 2010; 10th August, 2010, 18th August, 2010, 8th November and 7th February, 2011. The table hereunder gives the attendance record of the Audit Committee members.

Name of the Audit Committee Members	No. of meetings held	No. of meetings attended
Mr. R. S. Agarwal	5	5
Dr. P. P. Shastri	5	5
Mr. S. P. Gupta	5	5

The Committee has recommended to the Board the appointment of M/s. Lodha & Co., Chartered Accountants, as the statutory and independent auditors of the Company for the Financial Year ending March 31, 2012 and that necessary resolution for appointing them as auditors be placed before the shareholders.

ii. Remuneration Committee:

The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives including the Executive Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.

The Remuneration Committee had been constituted on April 12, 2006 and comprised of the following members:

1. Mr. R. S. Agarwal, Chairman

Remuneration Policy:

The Non-Executive Directors of the Company are paid sitting fees for attending the Board Meetings. The appointment and remuneration of the Managing Director and Whole Time Directors is governed by resolutions passed by the Remuneration Committee, Board of Directors and shareholders of the Company, which covers terms of such appointment, read with the service rules of the Company. Remuneration paid to the Managing Director and Whole Time Director is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General Meetings.

Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

Details of Remuneration to all the Directors for the Financial Year ended March 31, 2011 are as under:

Name of the Directors	Sitting Fees (Rs.)					Salary & Perks (Rs.)	Total (Rs.)
	Board Meetings	Audit Committee Meetings	Investors' Grievance Committee	Remuneration Committee	Share/ Debenture Transfer Committee		
Mr. G. P. Goenka	2500	-	-	-	-	-	-
Mr. R. S. Agarwal	7500	12,500	7500	-	-	-	30,000
Dr. P. P. Shastri	7500	12,500	-	-	-	-	20,000
Mr. S.P.Gupta	-	-	-	-	-	-	-
Total (Rs.)	17,500	25,000	7500	-	-	-	50,000

iii. Investors' Grievance Committee

The Investors' Grievance Committee comprises of the following members:

Mr. R.S.Agarwal, Chairman (Appointed w.e.f. January 31, 2009)

Mr. S.P.Gupta, (Appointed w.e.f. June 28, 2007)

The Investors' Grievance Committee meets at periodic intervals to look into the redressing of shareholders, debenture holders and investors complaints related to transfer of shares/ debentures, non-receipt of Balance Sheet, non-receipt of declared dividends, etc.

Investors' Grievance Committee Meetings and Attendance during the financial year ended March 31, 2011

Four Committee Meetings were held during the financial year ended March 31, 2011. The table hereunder gives the attendance record of the Investors' Grievance Committee members.

Name of the Investors' Grievance Committee Members	No. of meetings held	No. of meetings attended
Mr. R. S. Agarwal	4	4
Mr. S. P. Gupta	4	4

iv. Share / Debenture Transfer Committee of Executives

The powers of transfer and other related matters have been delegated to 'The Share / Debenture Transfer Committee' of Executives. It comprises of the following members:

Mr. S.P.Gupta, - Whole Time Director

Mr. K. S. Ravi - Sr.Manager (Finance & Accounts)

Share / Debenture Transfer Committee Meetings and Attendance during the financial year ended March 31, 2011

Twenty Three Committee Meetings were held during the financial year ended March 31, 2011, which were attended by the members mentioned above.

Compliance Officer: Mr. K. S. Ravi.

Number of investors' complaints received during the year - 125

Number not solved to the satisfaction of investors - Nil

Number of pending share / debenture transfer - Nil

There are no outstanding complaints as on March 31, 2011.



4. General Body Meeting

Location and time of the General Meetings held during last 3 years -

Year	Date	Venue	Time	No. of Special Resolutions passed through Postal Ballot
2008 AGM	31.12.2008	Vashi, Navi Mumbai	10.00 A.M.	1
2009 AGM	29.09.2009	Vashi, Navi Mumbai	10.30 A.M.	NIL
2010 AGM	27.09.2010	Vashi, Navi Mumbai	10.30 A.M.	NIL

The Special Resolutions were passed on show of hands and polls were not asked for.

5. Disclosures regarding appointment/ reappointment of Directors/ Nominee Director

According to Articles of Association of the Company, one third of the Directors retires by rotation every year and if eligible, offer themselves for re-appointment at every Annual General Meeting. Mr. R. S. Agarwal retires by rotation and being eligible offers himself for reappointment. Dr P. P. Shastri, who was appointed as an additional director with effect from Oct 31, 2009 holds office till the ensuing AGM, and being eligible, has offered himself for reappointment.

6. Disclosures

(i) Related Party Transactions:

During the year, Company had sale / purchase transactions in normal course of business with its Associate Companies. All transactions were carried out on arms length basis. None of the transactions with any of the related parties were in conflict with the interest of the Company. Remuneration to Directors disclosed in Clause 3 (ii) above.

(ii) Compliances by the Company:

There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years period.

(iii) Access of personnel to the Audit Committee:

The Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behaviour, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

(iv) Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:

The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the listing agreement excepting the constitution of Remuneration Committee.

7. Means of communication

- (i) Half yearly report sent to each household of shareholders: No
Quarterly Results
- (a) Which newspapers normally published in: The Age
- (b) Any website, where displayed: Yes - www.unimers. in
- (ii) Whether it also displays official news releases: No
- (iii) Presentation made to Institution Investor or to the Analysts: No
- (iv) Whether Management Discussion & Analysis Report is Yes
a part of annual report or not:

8. Report on Corporate Governance:

The Company has obtained a Certificate from the statutory auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 which is Annexed herewith.

9. CEO Declaration:

As required by clause 49 of the Listing Agreement, the CEO i.e. Whole Time Director's declaration on compliance of the Company's Code of Conduct is Annexed herewith.

10. General Shareholder information:

- (i) Date, time and venue of Annual General Meeting of Shareholders
28th September, 2011 at 10:30 am at Rotary Club of Navi Mumbai, Rotary Centre, Next to Sacred Heart Convent School, Sector -6, Vashi, Navi Mumbai 400 703
- (ii) Financial Calendar 2011-12
(tentative and subject to change)
Financial reporting for quarter ended
June 30, 2011 : August 02, 2011
September 30, 2011 : By November 14, 2011
December 31, 2011 : By February 14, 2012
March 31, 2012 : By May 14, 2012
- (iii) Dates of book closures
26th to 28th September (both days inclusive)
- (iv) Dividend Payment
The Company has not declared any dividend
- (v) Registered Office
2/2, TTC Industrial Area,
D-Block, MIDC, Thane Belapur Road,
Turbe, Navi Mumbai - 400 705
Website: www.unimers.com
- (vi) Listing on Stock Exchange
Bombay Stock Exchange Limited
- (vii) Stock Exchange Code
524264

Annual Listing fees for 2010-11 has been paid to the above Stock Exchange.

(viii) Demat ISIN No. for NSDL / CDSL - INE 980B01039

(ix) Share Transfer Agent - In view of Common Agency requirement by SEBI, Company had appointed M/s. Adroit Corporate Services Pvt. Ltd. as its Registrars and Share Transfer Agents.

(x) Stock Market price data

Monthly high and low at the Bombay Stock Exchange Limited for financial year ended 31st March, 2011:

Month	High (Rs.)	Low (Rs.)	BSE Sensex (High)
April, 2010	16.65	13.06	18047.86
May, 2010	16.85	13.00	17536.86
June, 2010	16.55	12.00	17919.62
July, 2010	16.55	13.85	18237.56
August, 2010	16.99	12.01	18475.27
September, 2010	17.75	12.15	20267.98
October, 2010	17.40	13.65	20854.55
November, 2010	16.50	12.70	21108.64
December, 2010	16.00	12.55	20552.03
January, 2011	15.40	13.00	20664.80
February, 2011	15.49	11.22	18690.97
March, 2011	13.99	10.51	19575.16



UNIMERS INDIA LIMITED

(xi) **Registrar & Transfer Agent:** Adroit Corporate Services Pvt. Ltd.

19, Jaferbhoy Industrial Estate,

1st Floor, Makwana Road,

Marol Naka, Mumbai 400 059

(xii) **Share transfer system:**

Transfer of shares are processed by Share Transfer Agent viz. M/s. Adroit Corporate Services P. Ltd. and approved by Share / Debenture Transfer Committee of Executives. The transferred certificates are returned within a period of 30 days from the date of receipt subject to the documents being valid and complete in all respects. Total number of shares transferred in physical form during the year under review is 1447

(xiii) **Distribution of Shareholding as on 31st March, 2011**

No. of Shares Held	No. of Folios	Percentage	No. of Shares	Percentage
1 - 500	66074	99.03	1111441	6.99
501 - 1000	307	0.46	225944	1.42
1001 - 2000	176	0.26	259855	1.63
2001 - 3000	45	0.07	118019	0.74
3001 - 4000	27	0.04	96971	0.61
4001 - 5000	21	0.03	98179	0.62
5001 - 10000	35	0.05	242592	1.53
10001 & above	35	0.05	13748998	86.47
TOTAL	66720	100.00	15901999	100.00

No. of shareholders

No. of shares

No. of shareholders in

8924

1913501

Physical mode

No. of shareholders in

58694

13988498

Electronic mode

(xiv) Share Holding Pattern as on March 31, 2011

CATEGORY	NO OF SHARES	% OF SHAREHOLDING
Promoters	8531726	53.65
Foreign Collaborator (UCC)	247500	1.56
Financial Institutions & Banks	881029	5.54
Mutual Fund & UTI	1320	0.01
Bodies Corporate	3688758	23.20
NRI	4012	0.03
Indian Public	2547654	16.01
Total	15901999	100.00

- (xv) Dematerialisation of shares and liquidity : 87.97%
 No. of shares dematerialised as on March 31, 2011 : 13988498

As on 31st March, 2011 the paid up Equity Share capital of the Company stood reduced to Rs 15.90 crore comprising of 1.59 crore equity shares of Rs. 10/- each, consequent to reduction of capital in terms of the Scheme approved by the Hon'ble Bombay High Court.

- (xvi) Outstanding GDRs/ADRs/Warrants or any other convertible instruments, conversion date and likely impact on equity : The Company has not issued any of the said instruments.

- (xvii) Plant location : 2/2, TTC Industrial Area, (D-Block),
 M.I.D.C, Thane Belapur Road,
 Turbhe, Navi Mumbai 400 705

- (xviii) Shareholders correspondence should be addressed to : Adroit Corporate Services Pvt. Ltd.
 19, Jaferbhoy Industrial Estate,
 1st Floor, Makwana Road,
 Marol Naka, Mumbai 400 059

Shareholders holding shares in electronic mode should address all their correspondence through their respective Depository Participant.



UNIMERS INDIA LIMITED

DECLARATION - CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct applicable for the financial year ended 31st March, 2011.

For UNIMERS INDIA LIMITED

S. P. GUPTA

WHOLETIME DIRECTOR

Place : Mumbai

Date : September 2, 2011

To,
The Board of Directors
Unimers India Limited
TTC Industrial Area, (D Block), MIDC,
Thane-Belapur Road, Turbhe,
Navi Mumbai 400 705

I, K.S.Ravi, Sr.Manager (Finance & Accounts) of Unimers India Limited, do hereby certify that:

- a) I have reviewed the financial statements and the cash flow statement of the Company for the year 2010-11 and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware of and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated wherever applicable to the auditors and the audit committee:-
 - (i) significant changes in internal control over financial reporting, if any during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting

For UNIMERS INDIA LIMITED

K.S.RAVI

SR.MANAGER (FINANCE & ACCOUNTS)

Place : Mumbai

Date : September 2, 2011

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

To the Members of

M/s. Unimers India Limited

We have examined the compliance of the conditions of Corporate Governance by **M/s. Unimers India Limited** for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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 LODHA & COMPANY
Chartered Accountants

A. M. Hariharan
Partner

Membership No. 38323

Place : Mumbai

Date : September 2, 2011



AUDITORS' REPORT

To

The Members

UNIMERS INDIA LIMITED,

1. We have audited the attached Balance Sheet of Unimers India Limited as at 31st March, 2011 and the annexed Profit & Loss Account and also Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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.
2. We conducted our audit in accordance with the 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 statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We draw attention to:
 - (a) Note no. B1 and B4 of Schedule 14 of Significant Accounting Policies and Notes on Financial Statements. The Company has incurred loss in the current period as well as in the preceding period and the accumulated losses as at the period end have exceeded its entire net worth and reference has to be made to the Board for Industrial and Financial Reconstruction. However, as per expert opinion obtained the company is not required to make a reference to BIFR. Besides, 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 actively 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 a going concern. However, as explained, should the Company be unable to continue as a going concern, the extent of the effect of the resultant adjustments to the accumulated losses, assets and liabilities as at the year end and loss for the year is presently not ascertainable.
 - (b) The Company has not carried out impairment test as required by Accounting Standard (AS) 28 'Impairment of Assets', particularly in respect of Building and Plant & Machinery as explained in note A5 of Schedule 14 of Significant Accounting Policies and Notes on Financial Statements. We are unable to express an opinion as to when and to what extent the carrying value of Building and Plant & Machinery would be recovered in view of the suspension of all manufacturing activities, the impact whereof on the loss for the period, accumulated losses, assets and liabilities as at the period end is presently, not ascertainable.
 - (c) Note no. B 8(b) of Schedule 14 of the financial statements regarding the accounts of certain Creditors of Rs. 31,557,964, Bank balances (Dr) of Rs. 167,192 and Loans and advances recoverable of Rs. 4,883,983 being subject to confirmations, reconciliations, and adjustments, if any, having consequential impact on the loss for the year, assets, liabilities and accumulated losses as at the close of the year, the amounts of adjustment if any, are presently not ascertainable and therefore not provided for.
 - (d) Exceptional item of Rs. 23,611,485 represents amount payable to Union covered workers (Net of already provided Rs. 120 Lacs in the year 2008-09). This amount was due to be paid by 31st March, 2011 but could not be paid because of financial stringencies. Consequently further liability, if any, in this regard has not been provided for, amount being unascertainable, as explained.
 - (e) Note no. B 15 of Schedule 14 regarding Company having not deposited long outstanding amount of Rs.16,469,354 to the Investor Education & Protection Fund and consequential liability of interest / other charges on the same.
 - (f) Further, we are unable to express an opinion as to when and what extent the carrying value of Raw Material of Rs 1,360,944 Stores and Spares of Rs 8,940,526 would be recover in view of the suspension of production in October, 2007 and deterioration of quality, if any.

- (g) (i) Note no. B9 (a) of Schedule 14 of the said Schedule regarding recognition of deferred tax asset of Rs. 266,117,387 on the basis that there would be sufficient future income. However, in our opinion there is no virtual certainty of future profitability and therefore deferred tax asset recognized should be reversed.
- (ii) Note no. B 4(b) of Schedule 15 of the financial statements regarding non-provision of interest liability aggregating to Rs. 31,756,177 on assigned loans and debentures on the basis that the management is expecting waiver thereof.
4. We further report that, without considering matters mentioned in para 3(a) to (f) above, the effect of which could not be determined, had the observation made by us in para 3(g) above been considered the loss for the year would have been Rs. 414,255,291 (as against the reported figure of Rs 116,381,727), accumulated losses would have been Rs. 826,410,235 (as against the reported figure of Rs 528,536,671) and secured loans would have been Rs 613,323,008 (as against the reported figure of Rs.581,566,831).
5. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (hereinafter referred to as the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
6. Further to our comments in the Annexure referred to in paragraph (5) 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 purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Act, to the extent applicable except as stated in Para 3(b) above.
- e) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Section 274 (1)(g) of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements subject to what is stated in paragraphs 3 and 4 above, and read together with Note no. B 12(a) of Schedule 14 regarding pending approval of Central Government in respect of managerial remuneration, Note no. B 13 regarding interest liability in respect of dues to micro, small and medium enterprises, Note no. B 14 of Schedule 14 regarding appointment of Company Secretary and other notes in the said Schedule and those appearing elsewhere in the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For LODHA & COMPANY
Chartered Accountants

A. M. Hariharan
Partner

Membership No. 38323
Firm Registration No.:301051E

Place : Mumbai

Date : September 2, 2011



Annexure referred to in paragraph 4 of our report of even date to the Members of UNIMERS INDIA LIMITED on the financial statements for the year ended 31st March 2011.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All fixed assets have been physically verified by the management at the year end which is considered reasonable no discrepancies were noticed on such verification.
(c) No substantial part of fixed assets has been disposed of during the year.
2. (a) The inventory has been physically verified by the management at reasonable intervals during the year.
(b) The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventories as compared to book records.
3. Read with what is stated in point 5 below, during the year, the Company has not taken/granted any loans, secured or unsecured, from/to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us having regard to the explanations that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is adequate internal control system commensurate with the size of the Company and 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 system.
5. We are informed by the management that as per the legal opinion obtained by them, the transactions with other companies in which Directors of the Company and who are also holding the positions as directors in the other companies (not holding shares exceeding 2% of paid up capital) are not required to be entered in the register maintained under sub-section (1) of Section 301 of the Act. In view of above, there are no entries recorded in the Register maintained under Section 301 of the Act.
6. The Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and Rules framed thereunder.
7. During the year, no internal audit has been carried out.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub - section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and according to the books and records as produced to and examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with appropriate authorities and there were no undisputed amounts outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable except as mentioned below:

Name of the statute	Nature of dues	Amount (Rs. in lacs)*	Period to which the amount relates	Due date
The Companies Act, 1956	Investor Education and Protection Fund	164.69	1991-2003	1998-2011

* it does not include interest and other charges as may be leviable owing to non payment of the aforesaid amount.

- (b) According to the records of the Company and information and explanations given to us by the management, the details of disputed Excise Duty, Custom Duty, Service Tax, Income Tax, Wealth Tax and Cess which have not been deposited are as under:

Nature of Dues	Year	Forum where dispute is Pending	Amount (Rs)
Sales Tax	1999-2000	Dy. Comm	1,349,213
Sales Tax	2000-2001	App. Tribunal	191,264
Excise Duty	Oct'2006	CESTAT	6,226,499
Cess Liability	Oct'2007	NMMC	117,785

10. The Company's accumulated losses as at 31st March, 2011 are more than fifty percent of its net worth. The Company has incurred cash losses during the current financial year and in the immediately preceding financial year.
11. During the year, the Company has defaulted in repayment of dues to financial institutions and debentures holders as per details below:

Nature of Dues	Amount (Rs. in lacs)	Paid On
Financial Institutions - Principal Interest	1194.37 898.38	Still Pending
Debenture Holders - Principal Interest	557.31 549.88 (upto March, 2008)	Still Pending

(*) - Also refer para 3 (c) of the main report.

12. During the year, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual fund benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. As the Company is not dealing or trading in shares, securities, debentures and other investments the provisions of clause 4(xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
17. The Company hasn't raised any short term funds during the year.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered and recorded in the Register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the year or in the recent past.
20. The Company has not raised any money by public issues during the year or in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

**For LODHA & COMPANY
Chartered Accountants**

**A. M. Hariharan
Partner**

**Membership No.: 38323
Firm Registration No.:301051E**

**Place : Mumbai
Date : September 2, 2011**

**UNIMERS INDIA LIMITED****BALANCE SHEET AS AT 31.03.2011**

	Schedule No	As At 31.03.2011 Rupees		As At 31.03.2010 Rupees
1. SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS :				
Share Capital	1		267,019,990	267,019,990
LOAN FUNDS :				
Secured Loans	2	581,566,831		552,512,457
Unsecured Loans	3	<u>31,975,316</u>	<u>614,972,147</u>	<u>22,185,316</u>
T O T A L			<u>880562137</u>	<u>841,717,763</u>
2. APPLICATION OF FUNDS				
FIXED ASSETS :				
	4			
(a) Gross Block		1,303,830,566		1,303,830,566
(b) Less : Depreciation and amortisation		<u>858,155,045</u>		<u>809,739,455</u>
(c) Net Block		<u>445,675,521</u>	<u>445,675,521</u>	<u>494,091,111</u>
DEFERRED TAX ASSET (NET) (Refer Note B 8(a) of Schedule 14)			266,117,387	266,117,387
CURRENT ASSETS, LOANS AND ADVANCES :				
(a) Inventories	5	10,301,469		16,933,996
(b) Debtors	6	-		-
(c) Cash and Bank Balances	7	755,728		3,025,050
(d) Loans and Advances	8	<u>81,744,527</u>		<u>84,358,501</u>
		<u>92,801,724</u>		<u>104,317,546</u>
LESS :				
CURRENT LIABILITIES AND PROVISIONS				
(a) Liabilities	9	452,028,611		434,310,350
(b) Provisions	10	<u>540,556</u>		<u>652,876</u>
		<u>452,569,167</u>		<u>434,963,226</u>
NET CURRENT ASSETS			(359,767,442)	(330,645,679)
PROFIT AND LOSS ACCOUNT (LOSS)			528,536,671	412,154,944
T O T A L			<u>880,562,137</u>	<u>841,717,763</u>
Significant Accounting Policies and Notes on Financial Statements	14			

The Schedules referred to herein form an integral part of the Financial Statements
As per attached report of even date

On behalf of the Board of Directors

For LODHA & CO
Chartered Accountants

A. M. Hariharan
Partner

S. P. Gupta
Whole time Director

R. S. Agarwal
Director

Place : Mumbai
Date : September 2, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	Schedule No	For the Year Ended 31.03.2011 Rupees	For the Year Ended 31.03.2010 Rupees
INCOME			
Gross Sales		-	50,628
Less : Excise duty		-	3,854
Net Sales		-	46,774
Other Income	11	57,820	65,322
		57,820	112,097
EXPENDITURE			
Other Expenses	12	11,273,103	26,724,425
PROFIT / (LOSS) BEFORE INTEREST AND DEPRICIATION		(11,215,283)	(26,612,328)
Depreciation and amortisation		48,415,590	48,507,179
Interest and Other Finance Charges	13	33,139,369	83,660,220
PROFIT/(LOSS) BEFORE TAXATION & EXCEPTIONAL ITEMS		(92,770,242)	(110,272,549)
Exceptional items (Net) Refer Note B 3(a) of Schedule 14		(23,611,485)	-
Deferred tax(Refer to note no B 8 (a)of Schedule 14		-	(51,648,262)
PROFIT/(LOSS) AFTER TAXATION & EXCEPTIONAL ITEMS		(116,381,727)	(161,938,761)
Balance of loss brought forward from previous year		(412,154,944)	(250,216,183)
BALANCE CARRIED TO BALANCE SHEET (LOSS)		(528,536,671)	(412,154,944)
Earnings Per Share (Refer note B 14 of Schedule 14)			
- Basic		(7.36)	(10.22)
Significant Accounting Policies and Notes on Financial 14 Statements			

The Schedules referred to herein form an integral part of the Financial Statements
As per our report of even date

On behalf of the Board of Directors

For LODHA & CO
Chartered Accountants

A. M. Hariharan
Partner

S. P. Gupta
Whole time Director

R. S. Agarwal
Director

Place : Mumbai
Date : September 2, 2011



UNIMERS INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.3.2011 (RUPEES)	31.3.2010 (RUPEES)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax and after exceptional Items	116,381,727	110,270,249
Adjustments for:		
Depreciation	48,415,590	48,507,179
Finance lease payment	-	47,601
Provisions for slow and non-moving inventories	4,868,193	7,223,476
Provision-bonus/leaveencashment/superannuation	-	811,514
Sundry Credit balances written back	-	(47,545)
Interest Received	-	(17,777)
Interest Paid/provision	33,139,369	35,153,041
Exceptional Items	23,611,485	-
	<u>110,034,637</u>	<u>91,677,489</u>
Operating profit/(loss) before working Capital Changes	(6,347,090)	(18,592,760)
Adjustments for: (Increase)/Decrease		
Trade & Other Receivables	-	35,516,740
Loans and Advances	3,427,972	15,109,488
Inventories	1,764,334	105,785
Trade Payables	(9,772,124)	(41,144,477)
Cash generated from operating activities	(4,579,819)	9,587,536
Cash generated from operations	(10,926,909)	(9,005,224)
Taxes Paid (Net of refund of taxes)	-	117,174
Net Cash generated from Operating Activities	<u>(10,926,908)</u>	<u>(8,888,048)</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	-	17,777
Finance lease payment(principal portion)	-	(207,799)
Net Cash generated from Investing Activities	-	<u>(190,022)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings-ICDS	9,790,000	17,360,750
Interest paid-net provision	(165)	(7,443,237)
Lease Rent paid(Interest portion)	-	(47,601)
Cash Credit borrowings (Net)	(318,250)	68,861
Net Cash generated from Financing Activities	<u>9,471,585</u>	<u>9,938,773</u>
Net Increase in Cash and Cash Equivalents	(1,455,323)	858,403
Opening Balance of Cash and Cash Equivalents	1,913,636	1,055,233
Closing Balance of Cash and Cash Equivalents	458,314	1,913,636

Notes :

1. The above Cash flow statement has been prepared under the indirect method setout in AS-3 issued by the Institute of Chartered Accountants of India.
2. Figures in brackets indicate cash outflow.
3. Margin money of Rs 2,70,000 (as at March'31st,10 Rs1,084,000) has been excluded from cash and cash equivalent and included in other receivables
4. Previous year's figures have been regrouped/rearranged wherever necessary, to conform to the current year's presentation.

As per our report of even date
For LODHA & CO
Chartered Accountants

On behalf of the Board of Directors

A. M. Hariharan
Partner

S. P. Gupta
Whole time Director

R. S. Agarwal
Director

Place : Mumbai
Date : September 2, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	31.3.2010 (RUPEES)	31.3.2009 (RUPEES)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
18,000,000, Equity shares of Rs.10 each	180,000,000	180,000,000
25,000,000, 0.5% Cumulative Non Convertible Redeemable Preference Shares of Rs.10 each	250,000,000	250,000,000
	<u>430,000,000</u>	<u>430,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
159,01,999, Equity Shares of Rs.10 each fully paid up	159,019,990	159,019,990
10,800,000 ,0.5% Cumulative Non-Convertible Redeemable Preference Shares of Rs 10 each (Redeemable at par at the end of 9th year from the date of allotment i.e October 16, 2003 or earlier at the option of Company)	108,000,000	108,000,000
	<u>267,019,990</u>	<u>267,019,990</u>
SCHEDULE 2		
SECURED LOANS		
	31.3.2010 (RUPEES)	31.3.2009 (RUPEES)
(1) (a) Debentures	92,885,000	92,885,000
928,850 (Previous year 928,850) 12.5% (subsequently 13% from August 1, 2001 up to 31.3.2005 and from 1.4.2005 onwards 8.25%) Secured Redeemable Non-Convertible Debentures of Rs.100 each repayable in five equal annual installments commencing from March 31,2008. (Refer Note B 3 of Schedule 14) Repayable within one year Rs92,885,000.(Previous Year Rs.74,308,000)		
Interest Accrued and Due thereon	54,988,023	54,988,023
These are secured by a second, subservient and subordinate 'charge on the Company's immovable properties, both present and future and a second subservient charge by way of hypothecation on Company's movables (save and except book debts) subject to prior charges created in favour of Company's bankers on the Company's stocks of raw materials, semi-finished and finished goods, consumable stores, spares and such other movables (As agreed to by the Trustees) for 'working capital requirements.		
b) Zero Coupon Non Convertible Debentures (ZCNCD)	138,964,280	138,964,280
Interest Accrued and Due thereon	96,013,446	79,986,605
(Refer Note B3 of Schedule 14) 1,853,610 (previous year 1,853,610) Secured Zero Coupon Non Convertible Debentures of Rs.100 each redeemable in 20 quarterly installments commencing from April 1, 2006 in respect of SASF, IFCI and LIC and from Oct 17,2008 in respect of a body corporate (assigned by ICICI Bank). These are secured by way of mortgage, by deposit of title deeds of all the immovable properties and a subservient charge by way of hypothecation of all moveable assets The mortgage and charge referred to above shall rank pari passu with mortgages created and/or to be created in favour of term lenders.		



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(2) Term Loans :

from IFCI	2,161,775	2,161,775
Interest Accrued and Due thereon	2,046,940	1,716,912
from a Body Corporate (assigned by SUUTI on Feb 26, 2009) (Repayable within one year Rs.38,989,414 (previous year Rs. 38,989,414))	38,989,414	38,989,414
Interest Accrued and Due thereon (Refer Note B 3 of Schedule 14)	21,774,236	17,009,428

Term Loans from financial institutions/others are secured by way of joint mortgage by deposit of the title deeds in respect of all the immovable properties of the Company both present and future, and a subservient charge by way of hypothecation of all movable assets (save and except book debts) both present and future subject to prior charges created in favour of the Company's bankers for financing the working capital requirements. The amounts taken on account of foreign currency loan are repayable in Indian Rupees. The mortgage and charges created in favour of the financial institutions and banks for the rupee term loans shall rank paripassu with the mortgage and charges created in favour of the financial institutions for the foreign currency loans.

3. Other Loans from Banks/a Body Corporate (assigned by SBT on March 31, 2009)

Funded Interest Term Loan (FITL)	11,611,718	11,611,718
Interest Accrued and Due Thereon	4,455,145	3,497,178

To be secured by way of joint mortgage by deposit of the title deeds in respect of all the immovable properties of the company both present and future, subservient charge by way of hypothecation of all movable properties (save and expect book debts) both present and future subject to prior charges created in favor of company's bankers for financing the working capital requirements/others.

Working Capital Loan	88,669,760	88,988,010
Interest Accrued and Due Thereon	29,007,094	21,714,114

Secured by joint hypothecation of entire present and future stocks of raw materials, finished and semi-finished goods, stores and process chemicals, outstanding monies receivable, book debts, etc. in favour of a consortium of banks on a paripassu basis and a subservient charge on the Company's immovable properties both present and future subject to prior charges created in favour of Term Lenders for their term loans and debenture holders of Debentures.

581,566,831	552,512,457
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31.3.2011 (RUPEES)	31.3.2010 (RUPEES)
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SCHEDULE 3

UNSECURED LOANS

Short Term Loans

From Body Corporates	31,433,353	21,643,353
Interest accrued and due	541,963	541,963
	31,975,316	2,185,316

31.3.2011
(RUPEES) 31.3.2010
(RUPEES)

SCHEDULE 4

INVENTORIES(As valued,verified and certified by management)

At cost or net realisable value whichever is lower

Stores	8,940,526	15,300,297
Packing Materials	-	126,610
Raw Materials (including in transit)	1,360,944	1,507,089
	<u>10,301,469</u>	<u>16,933,996</u>

SCHEDULE 5

SCHEDULE OF FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT BOOK VALUE)			DEPRECIATION AND AMORTISATION				NET BLOCK		
	COST AS ON 01.04.2009 Rupees	ADDITIONS Rupees	DEDUCT- IONS Rupees	COST AS ON 31.3.2010 Rupees	AS ON 1.4.2009 Rupees	CHARGE FOR THE YEAR Rupees	WRITTEN BACK ON DEDUCTION Rupees	AS ON 31.3.2010 Rupees	AS ON 31.3.2010 Rupees	AS ON 31.3.2009 Rupees
LEASE HOLD LAND	331,791,737	-	-	331,791,737	4,322,712	237,973	-	4,560,685	327,231,052	327,469,025
BUILDING	79,519,749	-	-	79,519,749	32,798,679	2,056,336	-	34,855,015	44,664,735	46,721,071
PLANT & MACHINERY	868,647,034	-	-	868,647,034	752,122,141	45,534,130	-	797,556,271	71,090,762	116,524,892
MACHINERY SPARES	5,021,987	-	-	5,021,987	5,021,987	-	-	5,021,987	-	-
FURNITURE & FIXTURES AND OFFICE EQUIPMENTS	10,101,874	-	-	10,101,874	8,509,892	277,456	-	8,787,348	1,314,526	1,591,982
VEHICLES *	8,748,185	-	-	8,748,185	6,964,045	409,695	-	7,373,740	1,374,445	1,784,140
TOTAL	1,303,830,566	-	-	1,303,830,566	809,739,455	48,415,589	-	858,155,045	445,675,521	494,091,111
PREVIOUS YEAR	1,303,830,566	-	-	1,303,830,566	761,232,277	48,507,179	-	809,739,455	494,091,111	
Capital Work in progress (Incl. advances on capital account)										
GRAND TOTAL										

* Acquired on the hire purchase basis Rs.10.36 (Previous year Rs.10.36 lakhs).Net Block Rs7.16 lakhs (previous year Rs.9.03 lakhs) Registered in the name of a Director of behalf of the Company.

31.3.2011
(RUPEES) 31.3.2010
(RUPEES)

SCHEDULE 6

DEBTORS

(Unsecured)

Debts outstanding for a period exceeding
six months :

Considered good

Considered doubtful

Other debts considered good {Refer note 7(b) of Schedule 14}

Less :Provision for doubtful debts

-	-
<u>15,915,383</u>	<u>15,915,383</u>
15,915,383	15,915,383
-	-
<u>15,915,383</u>	<u>15,915,383</u>
15,915,383	15,915,383
<u>-</u>	<u>-</u>

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	31.3.2011 (RUPEES)	31.3.2010 (RUPEES)
SCHEDULE 7		
CASH AND BANK BALANCES		
Cash on hand and cheque on hand	11,150	13,957
Balances with scheduled banks		
on current account	307,386	1,759,900
on warrant account	27,415	27,415
on Term Deposits - Margin Money	270,000	1,084,000
on Term Deposits-others	139,778	139,778
	<u>755,728</u>	<u>3,025,050</u>
<hr/>		
	31.3.2011 (RUPEES)	31.3.2010 (RUPEES)
SCHEDULE 8		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	76,726,370	79,015,039
Considered Doubtful	13,829,565	13,829,565
	<u>90,555,936</u>	<u>92,844,605</u>
Less : Provision for Doubtful Advances	13,829,565	13,829,565
	<u>76,726,370</u>	<u>79,015,039</u>
Deposit with public bodies and others (net of provisions)	4,883,983	5,209,288
Advance Taxes paid (net of provisions)	134,174	134,174
	<u>81,744,527</u>	<u>4,358,501</u>
<hr/>		
	31.3.2011 (RUPEES)	31.3.2010 (RUPEES)
SCHEDULE 9		
LIABILITIES		
Sundry Creditors		
-Due to Micro, Small & Medium Enterprises (Refer Note 12 of Schedule 14)	1810657	1,810,657
-Others (Refer note 7(b) of Schedule 14)	44,615,508	51,483,821
Advances from :		
- Customers	852,283	852,283
- Others (Refer Note B 3(e) of Schedule 14)	276,250,000	276,250,000
Other Liabilities	120,979,278	96,392,704
Investor' Education & Protection Fund		
-Public issue refund (Refer Note B 13 of Schedule 14)	7,520,885	7,520,885
	<u>452,028,611</u>	<u>434,310,350</u>
<hr/>		
	31.3.2011 (RUPEES)	31.3.2010 (RUPEES)
SCHEDULE 10		
PROVISIONS		
Superannuation	365,160	477,480
Leave Entitlement	175,396	175,396
	<u>540,556</u>	<u>652,876</u>

	31.3.2011 (RUPEES)	31.3.2010 (RUPEES)
SCHEDULE 11		
OTHER INCOME		
Interest on Deposits (Tax deducted at source Rs.Nil, Previous year Rs.Nil)	-	17,777
Scrap sales	57,820	-
Provision no longer required written back (Net of receivables written off Current Year Rs NIL Previous year Rs.47,545)	-	47,545
	<u>57,820</u>	<u>65,322</u>

	31.3.2010 (RUPEES)	31.3.2009 (RUPEES)
SCHEDULE 12		
OTHER EXPENSES		
Salaries, Wages & Bonus	130,655	4,169,127
Contribution to Provident and Other Funds	-	150,411
Staff Welfare Expenses	-	12,331
Power & Fuel	126,690	53,699
Water charges	22,743	77,295
Labour Charges	-	25,000
Rates and Taxes	2,005,098	2,022,444
Repairs and Maintenance - Others	1,200	8,955
Travel & conveyance	391,893	778,399
Communication Expenses	234,042	213,772
Security Charges	1,224,000	1,220,000
Hire Charges DG Set/others	168,250	370,800
Insurance	88,868	420,965
Selling & Distribution Expenses	630	200
Commission on Sales	-	6,631,701
Auditors' Remuneration (Refer Note B 16 of Schedule 14)	500,000	500,000
Directors Fees	50,000	70,000
Legal & Professional fees	1,070,775	1,621,664
Provision for Bad and Doubtful Debts	-	150,000
Provision for slow and non-moving Inventories	4,868,193	7,223,476
Miscellaneous Expenses	390,066	504,186
	<u>11,273,103</u>	<u>26,724,425</u>



	31.3.2011	31.3.2010
	(RUPEES)	(RUPEES)
SCHEDULE 13		
INTEREST AND OTHER FINANCE CHARGES		
- on ZCNCD	16,026,841	14,770,089
- On Term Loan	5,094,836	4,695,323
- On Cash Credit	12,005,400	15,674,961
- Finance Charges	12,292	12,668
	<u>33,139,369</u>	<u>35,153,041</u>

SCHEDULE 14 SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting policies and Notes to Accounts forming part of the financials statements for the year ended 31st March, 2011

(A) ACCOUNTING POLICIES**1. ACCOUNTING METHODOLOGY**

The accounts have been prepared on historical cost basis of accounting, on an accrual basis and comply with the Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956, to the extent applicable. All expenses and income to the extent considered payable and receivable with reasonable certainty are accounted for on accrual basis. Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

2. USE OF ESTIMATES

The presentation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities, and the disclosures of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively.

3. REVENUE RECOGNITION

Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the Customers. Sales are net of sales return and trade discounts.

4. FIXED ASSETS

a) Fixed Assets are carried at cost/book value and include amount added on revaluation. Depreciation is provided on revalued cost of assets (excluding land) on Straight Line Method, at rates prescribed under Schedule XIV of the Companies Act, 1956. Cost of leasehold land/land development is being amortised over the period of the lease. In respect of additions to fixed assets, depreciation is being calculated on pro-rata basis from the month of such addition.

b) Depreciation on Assets is provided as per Straight Line Method.

c) Financial Leases - Assets under hire purchase are capitalised and depreciated as per estimated useful life of the asset.

5. IMPAIRMENT OF ASSETS

In accordance with AS 28 on 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, where the impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whether the carrying amount of such assets exceeds its recoverable amount impairment loss is recognized in the profit and loss account. Impairment, if any, will be recognized in the accounts in the year in which an asset is identified as impaired.

6. INVENTORIES

Inventories are valued at lower of cost and estimated net realisable value. Valuation of finished goods represents direct cost and an appropriate portion of factory overheads which are incurred in bringing them to their present location and conditions and includes Central Excise Duty payable. . Weighted Average method is used for determination of cost.

7. TAXATION

- a) Income tax expense comprise current tax and fringe benefit tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year)
- b) The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.
- c) Deferred tax is recognised, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset including asset arising from unabsorbed depreciation and losses carried forward, is not recognised unless there is virtual certainty that sufficient future taxable income will be available against which deferred tax can be realised.

8. EMPLOYEE BENEFITS**a) Gratuity:**

Liability under the payment of Gratuity Act, 1972 is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each financial year.

b) Provident Fund:

Retirement benefits in the form of Provident Fund / Pension Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

c) Leave Entitlement:

Liability towards Leave Entitlement Benefit is provided for as at the Balance Sheet date as per the actuarial valuation taken at the end of the year.

Actuarial gains/ losses are immediately taken to Profit and Loss account and are not deferred.

9. TRANSACTION OF FOREIGN CURRENCY ITEMS

- a) Foreign Currency transactions are recorded at the rate of exchange prevailing on the date of the transaction.
- b) Foreign Currency transactions remaining unsettled as on the last day of the financial year are translated at the exchange rate prevailing as on the date of Balance Sheet. The resultant difference, if any, is dealt with in the Profit and Loss Account. Premium in respect of forward exchange contracts is recognised over the life of the contracts.

10. BORROWING COSTS

Borrowing costs attributable to acquisition and construction of qualifying asset are capitalized as a part of the date when such asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Profit and Loss Account.

11. PROVISIONS AND CONTINGENT LIABILITIES

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation that the likelihood of outflow resources is remote, no provision or disclosure is made.

(B) NOTES TO THE ACCOUNTS

1. Although the accumulated losses as at the year end amounted to Rs.528,536,671 (Previous Year Rs.412,154,944) as against paid up share capital of Rs.267,019,990, (Previous Year Rs.267,019,990) these financial statements have been prepared by the Management on a "going concern" basis taking into account the financial support of promoters/ shareholders and the various revival / restructuring options being actively pursued by the management, including relocation of manufacturing operations.
2. In view of accumulated losses, no transfer has been made to the Debenture Redemption Reserve in respect of secured and unsecured Non Convertible Debentures.
3. Restructuring and networth status
- a) After the CDR 'Rework' proposal was rejected by the lenders, the Company had declared formal closure of its manufacturing operations with effect from June 26, 2008 as per the relevant provisions of The Industrial Disputes Act, 1947. The legal dues and compensation payable to the workmen affected by the closure have been duly provided



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in the accounts (Rs. 120 lacs provided in previous year and Rs. 236.11 Lacs provided in the Current year and Disclosed in exceptional items) in terms MOU for settlement Settlement into in this regard. As the same could not be paid before 31st March 2011, the employees union has preferred to move to the Industrial Courts on the issue and the matter is still pending before the Hon'ble Court.

- b) Interest liability has not been provided on assigned loans and debentures as revised terms are in the process of being negotiated and in the opinion of the management, no further liability is expected.
- c) During the year ended March 31, 2009 the Company had obtained the approval of shareholders through postal ballot for a resolution proposed as per Sec 293 (1) (a) of The Companies' Act, 1956. A shareholder had filed a petition before the Hon'ble Company Law Board opposing the postal ballot exercise carried out by the Company. The Hon'ble CLB, while allowing the postal ballot process to be completed and results to be declared, restrained the Company from disposing of any of its fixed assets and subjected the result of the postal ballot to the final outcome of the petition. The petition is still pending before the Hon'ble CLB Bench.
- d) The Company continues to actively pursue the possibility of establishing manufacturing operations at another site offering better competitive advantages in terms of supply chain logistics, input availability and cost. The Management expects to arrive at some preliminary conclusions on this option during the year.
- e) As part of restructuring, during 2008-09 the Company had also entered into an arrangement for assignment of lease hold rights of its land and part advance received has been utilised, inter alia, to settle certain liabilities of the company.
- f) The net worth of the Company has fully eroded during the year ended March 31, 2010. However, the management has received legal opinion to the effect that no reference need be made to BIFR, as certain conditions required for the same as per the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the Company under the present circumstances.

4. Revaluation

- (a) The Company had revalued the land, building and certain plant and machinery as on April 1, 1996 based on the valuation made by M/s P.C. Gandhi & Associates, an independent firm of consulting Engineers, Surveyors and Government Approved Valuers vide their report dated 30th April, 1997. Accordingly, the original costs of the above assets as on April 1, 1996 have been restated at estimated market value arrived after adjusting the depreciation on the estimated replacement cost. The resultant increase in net book value arising on revaluation amounting Rs. 428,593,000 was transferred to Revaluation Reserve Account during the period ended 31st August, 1997. The following re-valued amounts remain substituted for the historical cost in the gross block of fixed assets:

(Amount in Rs)

	Historical Cost	Revalued Cost	Revaluation
Land	17,655,737	331,791,737	314,136,000
Buildings	52,377,749	79,519,749	27,142,000
Plant & Machinery	781,332,034	868,647,034	87,315,000
Total	851,365,520	1,279,958,520	428,593,000

Depreciation attributable to the enhanced value of the assets arising on the revaluation amounting to Rs. 3,221,890 (Previous year Rs. Nil) has been transferred from Revaluation Reserve Account to the credit of the Profit and Loss Account for the period ended 31st August, 1997.

- (b) Revaluation Reserve amounting to Rs 428,593,000 had been adjusted to the then accumulated losses pursuant to scheme of restructuring approved by the Hon'ble High Court of Bombay vide its order dated April 23, 2001.

5. Contingent Liabilities not provided for in respect of:

		Year ended 31 st March, 2011 Rupees	Year ended 31 st March, 2010 Rupees
a)	Outstanding Guarantees given by banks	-	1,084,000
b)	Claims against the Company relating to (including interest or penalty upto the date of demand):-		
	Excise Duty	6,226,499	6,226,499
	Sales Tax	3,140,477	5,437,647
	Cess Liability	2,835,224	2,835,224
	MIDC Charges	10,831,716	25,524,142
	Suppliers	1,681,414	1,681,414
c)	Other Matters	125,000	125,000
d)	Arrears of Fixed Preference Dividend (Including Dividend Tax)	4,979,032	4,351,430
e)	Liability as may arise in respect of matter as referred in 4(a) above and further interest liability/penalty if any as may arise in the matters mentioned in para 6(b) above, amount		

6. (a) Duncans Industries Limited has given corporate guarantees favoring consortium banks for Rs.154,100,000 (Previous year Rs.154,100,000) for Company's working capital facilities and amount due to the banks/other is Rs.88,669,760 (Previous year Rs. 88,988,010) including FITL Rs.11,611,718 (Previous year Rs.11,611,718) Letters of Credit and Bank Guarantees Rs. Nil (Previous year Rs. 1,084,000).
- (b) All the Bank Working Capital Loans (including interest accrued and due) have been / are being personally guaranteed by a director of the Company.
7. (a) In the opinion of management, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- (b) The accounts of certain Sundry Debtors, Sundry Creditors, Banks, Advances and Lenders are subject to confirmation/reconciliations and adjustments, if any. The Management does not expect any material difference affecting the current year's financial statements.
8. a) **Deferred Tax Asset/Liability**
The Company has recognize the revised net deferred tax asset in accordance with Accounting Standard 22 - "Accounting for Taxes on Income" issued by The Management is of the opinion that there will be sufficient future income against which such deferred tax assets will be fully realised.
The details of the same are as follows:

	31st March, 2011 Rs.	31st March, 2010 Rs.
<u>Deferred Tax Asset</u>		
Unabsorbed Depreciation and Business Loss	266,117,387	266,117,387
<u>Less:Deferred Tax Liability</u>		
Difference between Tax and W.D.V of fixed assets	-	-
Net Deferred Tax Assets	266,117,387	266,117,387

- b) No current tax provision has been made in the accounts in absence of taxable profits.
10. Details of transactions with related parties as identified by the management in accordance with Accounting Standard -18 of the Companies Accounting Standard Rules, 2006 are as follows:
- (1) **Key Management Personnel:**
Whole Time Director : Mr. S. P. Gupta
- (2) **Associates/ Group Companies with whom the company has entered into the transaction during the year:**
ISG Traders Limited, Shubh Shanti Services Limited
- (3) The following transactions were carried out with each type of the above related parties, associates / group companies in the ordinary course of business and at arm's length :

Name	ShubhShanti Services Ltd	ISG Traders Limited	Key Management Personnel
Services Received	-	-	-
Finance Received	(32,500)	(-)	-
WTD remuneration	-	7,390,000 (6,000,000)	-
Closing Balance Payable	1,433,500 (1,433,500)	21,272,867 (13,882,867)	1,30,655 (1,984,981)

Notes: Figures in the brackets relates to previous year.

11. Managing/Whole time Director's remuneration:

	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
Salaries & allowances	1,30,655	1,984,981
Contribution to Provident Fund		-



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The Company has applied to Central Government for necessary approval for an amount of Rs. 2,098,147 (relating to earlier years) paid in excess as per Schedule XIII of the Companies Act, 1956 towards Managerial remuneration and the same is awaited.

12. Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Sr. No.	Particulars	Amount (Rs.)
a)	Principal amount remaining unpaid	1,810,657
b)	Interest paid in terms of Section 16	-
c)	Interest due and payable for the period of delay in payment	(*)
d)	Interest accrued and remaining unpaid	(*)
e)	Interest due and payable even in succeeding years	(*)

(*) - Amounts not determined.

The Company has compiled the above information based on verbal confirmations from suppliers. As at the year end, no supplier has intimated the Company about its status as a Micro or Small Enterprise or its registration under the Micro, Small and Medium Enterprise Development Act, 2006

13. After the resignation of Company Secretary w.e.f June 30, 2007, the Company is making concerted efforts to appoint a Company Secretary required to be appointed under Section 383A of the Companies Act, 1956.

14. Amount overdue to be credited to Investor Education Protection Fund is Rs.16,469,354 The above excludes Rs. 5,766,966 interest on Debenture being unfunded

15 Earnings per Share

		Year Ended March 31, 2011	Year Ended March 31, 2010
A.	Numerator:		
	Profit/(Loss) after taxation (Rs.)	(116,381,727)	(161,938,761)
	<u>Less:</u> Preference Shares Dividend for the year including dividend distribution tax	(627,602)	(623,430)
	Numerator for Basic\Diluted EPS Calculation	(117,009,329)	(162,562,191)
B.	Denominator:		
	Weighted average number of shares Outstanding during the year		
	- Basic	15901999	15901999
	- Diluted	-	-
C.	Earnings Per Share:		
	Earnings per Share in Rs.		
	- Basic	(7.36)	(10.22)
	- Diluted	-	-
D.	Nominal value per Equity Share	10	10

16. The Company is primarily engaged in one Segment i.e. EPDM rubber.

17. Auditors' Remuneration

	31st March, 2011	31st March, 2010
	Rupees	Rupees
Audit Fees	350,000	350,000
Limited review	150,000	150,000
Out of pocket expenses (excluding Service Tax)	-	-
	500,000	500,000

18. (a) Raw Materials and Packing Materials Consumed, Consumption of indigenous and imported raw material and packing materials, Consumption of indigenous and imported stores:

	Year Ended	Year Ended
	31st March, 2011	31st March, 2010

(b) Capacities and Production:	NIL	NIL
--------------------------------	-----	-----

Capacities (per annum)

Production

	Licensed As on	Installed As on	Year Ended	Year Ended
	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2010
	MT	MT	MT	MT
EPM/EPDM	10,000	10,000	-	-
Rubber	(10,000)	(10,000)		

Note: Installed capacity is as certified by the management and accepted by auditors, being a technical matter.

18. Figures of the previous year have been re-grouped/re-arranged wherever necessary to conform to current year's presentation.

By Order of the Board
For **UNIMERS INDIA LIMITED**

S. P. Gupta
Whole time Director

R. S. Agarwal
Director



UNIMERS INDIA LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2011

(C) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No. : 4 5 3 7 2 O F 1 9 8 7

State Code: 1 1

Balance Sheet Date : 3 1 0 3 1 1
Date Month Year

II. Capital raised during the year (Amount in Rs.Thousands)

Public Issue : N I L

Rights Issue : N I L

Bonus Issue : N I L

Private Placement : N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities: 1 3 3 3 1 3 1

Total Assets: 0 8 0 4 5 9 5

Sources of Funds

Paid up Capital : 2 6 7 0 1 9

Reserves and Surplus N I L

Secured Loans : 5 8 1 5 6 6

'Unsecured Loans: 3 1 9 7 5

Application of Funds

Net Fixed Assets 4 4 5 6 7 6

Investments N I L

Net Current Assets - 3 5 9 7 6 7

Miscellaneous Expenditure N I L

Accumulated Losses 5 2 8 5 3 7

IV. Performance of Company (Amount in Rs.Thousands)

Turnover : 0 0 0 0 0

Total Expenditure : 9 2 7 7 0

+ - Profit Before Tax

+ - Profit After Tax

- 1 1 6 3 8 2

- 1 1 6 3 8 2

(Please tick appropriate box + for Profit - for Loss)

Loss per Share in Rs. - 7 3 6

Dividend Rate

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Product Description E P M \ E P D M R U B B E R

Product Code No. 9 0 0 2

Signatures to Schedules 1 to 14

For and on behalf of

LODHA & CO

Chartered Accountants

On Behalf of the Board

A. M. Hariharan
Partner

S. P. Gupta
Whole time Director

R. S. Agarwal
Director

Mumbai :
Dated : September 2, 2011

23RD ANNUAL REPORT 2010 - 2011



UNIMERS INDIA LIMITED

REGISTERED OFFICE : 2/2, TTC Industrial Area (D Block) MIDC, Thane-Belapur Road,
Turbhe, Navi Mumbai 400 705

ATTENDANCE SLIP

L. F. No.	
No. of Shares Held	

I / We hereby record my / our presence at the 23rd Annual General Meeting of the Company to be held on Wednesday, 28th day of September, 2011 at 10:30 a.m. at Rotary Club Navi Mumbai, Rotary Centre, Next to Sacred Heart Convent School, Sector-6, Vashi, Navi Mumbai - 400 703.

NAME OF THE SHARE HOLDER
(IN BLOCK LETTERS)

SIGNATURE OF THE HOLDER

NAME OF THE PROXY
(IN BLOCK LETTERS)

SIGNATURE OF THE PROXY

Notes :

1. You are requested to sign and hand over this slip at the entrance.
2. If you intend to appoint a proxy to attend the meeting instead of your self, the proxy form must be deposited at the Registered Office of the Company at 2/2, TTC Indl. Area, (D Block), MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai - 400 705 not less than 48 hours before the time for holding the Meeting.



UNIMERS INDIA LIMITED

REGISTERED OFFICE : 2/2, TTC Industrial Area (D Block) MIDC, Thane-Belapur Road,
Turbhe, Navi Mumbai 400 705

FORM OF PROXY

L. F. No.	
No. of Shares Held	

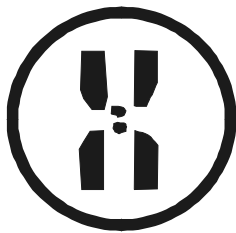
I / We _____ of _____ (town/village) in the district of _____ being a Share Holder / Share Holders of the above named Company hereby appoint _____ of _____ in the district of _____ as my / our proxy to vote for me / us on my / our behalf at the Meeting of the Share Holders of the Company to be held on Wednesday, September 28, 2011 at 10.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Note :

1. The Proxy forms must be deposited at the Registered Office of the Company at 2/2, TTC Industrial Area (D Block) MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai 400 705 not less than 48 hours before the time for holding the meeting.
2. Proxy need not be a member of the Company.

(Affix
Rupee 1/-
Revenue
Stamp.)



UNIMERS INDIA LIMITED

23rd Annual Report 2010 -2011

BOOK-POST

TO,

If not delivered please return to :

UNIMERS INDIA LIMITED

2/2, TTC industrial Area, (D. Block),

Thane, - Belapur Road, Turbhe,

Navi Mumbai - 400 705.

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