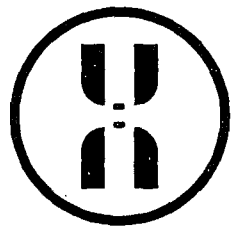


DUNCAN GOENKA



**UNIMERS
INDIA
LIMITED**

20th Annual Report 2007 - 2008



UNIMERS INDIA LIMITED

BOARD OF DIRECTORS

Mr. G. P. Goenka	Chairman
Mr. Sukhendu Ray	Director
Mr. Shrivardhan Goenka	Director
Mr. Tan Chean Liang Kelvin	Director
Mr. R. S. Agarwal	Director
Mr. V. B. Dalal	Director (resigned w.e.f. Oct 22, 2008)
Mr. M. K. Mittal	Director (IFCI Nominee Withdrawn w.e.f. March 24, 2008)
Mr. S. P. Gupta	Whole Time Director

BANKERS

State Bank of India
State Bank of Travancore
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.com
Internet: www.unimers.com

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 Twentieth Annual General Meeting of the members of UNIMERS INDIA LIMITED will be held on Wednesday, the 31st day of December, 2008 at 10:00 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, 2008 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Shrivardhan Goenka who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sukhendu Ray who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT M/s. Lodha & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company, from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting at such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors, plus reimbursement of out-of-pocket expenses."

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

S. P. Gupta
Wholetime Director

Place: Mumbai
Dated: November 28, 2008

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 Resolution in respect of Item No. 4 is proposed as a Special Resolution as the combined holding of Financial Institutions/ Nationalised Banks/ Insurance Companies, etc. exceeds the limits prescribed by in Section 224A of the Companies Act, 1956.
- c) The Register of Members and Share Transfer Books of the Company will be closed from 30th December, 2008 to 31st December, 2008 (both days inclusive).
- d) 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.
- e) Members are requested to bring their copies of the Annual Report at the time of attending the meeting.
- f) 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.
- g) 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	Mr. Shrivardhan Goenka	Mr. Sukhendu Ray
Date of Birth	09.08.1975	29.11.1922
Date of Appointment	24.07.2002	05.03.2002
Qualifications	B. Com, Master of Business Administration from Kellogg School of Management, Northwestern University, USA.	B. Sc, CA (UK)
Experience	Mr. S. Goenka is on the Board of number of group companies.	Mr. Ray worked with Kettlewell Bullen & Co. Ltd. and thereafter with Guest Keen Williams Ltd., then a subsidiary of Guest Keen & Nestlefold Ltd. He retired from Guest Keen Williams Limited as Managing Director and Chief Executive of the Company.
Directorships held in other Public companies	<ol style="list-style-type: none"> 1. Andhra Cements Ltd. 2. Continous Forms (Calcutta) Ltd. 3. Duncans Tea Ltd. 4. Odyssey Travels Ltd 5. Shubh Shanti Services Ltd 6. Star Paper Mills Ltd. 7. Stone India Ltd. 	<ol style="list-style-type: none"> 1. Asiatic Oxygen Ltd. 2. Henkel India Ltd. 3. Henkel Marketing India Limited 4. International Combustion (India) Ltd. 5. Nagarjuna Agrichem Ltd. 6. Stone India Ltd.
Chairmanship/Membership of Board Committees of other public Companies	<ol style="list-style-type: none"> 1. Star Paper Mills Limited - Audit Committee - Member 2. Andhra Cements Limited - Project Monitoring Committee - Member 	<ol style="list-style-type: none"> 1. Stone India Limited - Audit committee - Chairman Investor Grievance-Chairman 2. Asiatic Oxygen Ltd Audit committee - Chairman. 3. Henkel India Ltd. - Audit committee - Member 4. International Combustion (India) Ltd Audit committee - Chairman Investor Grievance - Member 5. Nagarjuna Agrichem Ltd. Audit committee - Chairman.
Number of shares held	7	-



UNIMERS INDIA LIMITED

DIRECTORS' REPORT

To the Members of the Company for the year ended 31st March 2008

The Board of Directors present the Twentieth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2008.

1. FINANCIAL HIGHLIGHTS

	Year ended 31.03.2008 (Rs. in lacs)	Year ended 31.03.2007 (Rs. in lacs)
Sales (Net of Excise duty)	520.13	4276.08
Gross Profit/(Loss) before interest and depreciation	(958.01)	(454.09)
Profit/(Loss) before tax and extra-ordinary items	(1837.12)	(1343.92)
Extra-ordinary items	-	(39.45)
Fringe benefit tax	3.18	5.93
Deferred tax	2935.50	-
Profit/(Loss)	1095.19	(1389.30)
Loss brought forward from previous year	(6251.58)	(4862.27)
Less: Adjustment for reduction of Share Capital	3710.47	-
Balance carried to Balance Sheet	(1445.92)	(6251.58)

2. OPERATIONS

During the year under review, the Company produced 586 MT of EPDM as against 3657 MT in the previous year. The production decreased by about 84% as the plant operations could not be stabilised after fire incident.

The Company sold 431 MT in the domestic market against the 3091 MT in the previous year and exported 6 MT only. Though the sales realisations improved over the previous year, the margins were adversely affected due to abnormal increase in the input costs. The problem was further aggravated due to requirement of additional working capital, which could not be arranged. Consequently, the production was suspended in October, 2007.

3. RESTRUCTURING:

Pursuant to the terms of Restructuring Package approved under Corporate Debt Restructuring Mechanism (CDR) by the CDR Empowered Group, the Company had filed a Petition with Hon'ble High Court of Judicature at Bombay for reduction of the issued and paid up equity capital of the Company by 70% from Rs.53,00,66,650 Equity Shares of Rs.10/- each fully paid up to Rs.15,90,19,990/- divided into 1,59,01,999 Equity Shares of Rs.10/- each fully paid up. The said Scheme has been approved by the Hon'ble High Court of Bombay and accordingly, fresh shares were issued in the ratio of Three (3) Equity Shares of Rs.10/- each against every Ten (10) Equity Shares of Rs.10/- each held.

The Company had approached its lenders with a proposal to rework the CDR package in the light of the changed circumstances following the fire accident and cessation of plant operation. At the instance of the lenders, a Techno-Economic Viability study was carried out by a reputed international consulting firm which concluded that under the subsisting circumstances of volatile raw material costs and downward pressure on the product prices, the operations of the Company are not viable and are not very encouraging. The Company is now in the process to work out alternate restructuring proposals, including reduction of debt, unlocking of asset values and diversification.

In order to restrict its recurring liabilities, the Company has declared closure under the relevant provisions of The Industrial Disputes Act, 1947 effective from June 26, 2008. The Employees' Union has approached the Industrial Court and the matter is pending. The management has been advised that the closure is in line with the legal provisions.

4. EMPLOYEE RELATIONS:

Employee relations continued to be cordial during the year under review.

5. 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 31.3.2008 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	54	Whole Time Director	General Management	26,23,657	B.Tech (Chemical Engineering) and MBA	June 28,2007	31	Consolidated Fibres & Chemicals Limited	Executive Director

6. SAFETY, HEALTH & ENVIRONMENT POLICY

The Company's operations are conducted with utmost regard to safety and health of personnel, plant, machinery and the environment. It is the best endeavour of the management to follow and sustain standards and procedures related to Safety, Health and Environment.

7. DEMATERIALISATION OF COMPANY'S EQUITY SHARES

The Company's 82.62 % equity shares have been dematerialised.

8. 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.

9. DIRECTORS

Mr. M. K. Mittal, who was appointed as a Nominee Director of IFCl Limited w.e.f. January 25, 2007 ceased to be director w.e.f. March 24, 2008, consequent to withdrawal of nomination by IFCl. Mr. V.B.Dalal resigned from the Board with effect from 22nd October, 2008.

M/s. S. V. Goenka and Sukhendu Ray retire by rotation and, being eligible, offer themselves for reappointment.

10. CORPORATE GOVERNANCE

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

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to major departures;
- b) 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, 2008;
- c) 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;
- d) the Accounts have been prepared on a going concern basis.

12. 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.

13. AUDITOR'S REPORT:

Observations of the Auditors in their Report are self explanatory. As regard the observation relating to preparation of accounts as a 'going concern' and recognition of deferred tax asset, the same have been adequately explained in the Notes to the Accounts.

14. ACKNOWLEDGMENT

The Board of Directors take this opportunity to thank the Financial Institutions, Bankers, Customers and suppliers for their continued support and co-operation. The Board of Directors of the Company wish to place on record its appreciation to all the employees of the Company for their support.

For and on behalf of the Board

Place : Mumbai
Dated: November 28, 2008

R. S. Agarwal
Director

S. P. Gupta
Wholetime Director



UNIMERS INDIA LIMITED

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

The design of the Plant incorporates the latest technology for the conservation of energy. The total energy consumption and energy consumption per unit of production as per Form 'A' is annexed herewith.

(II) TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R&D)

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

As the production operations could be carried out for only a few months during the year, 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. 32.97 lacs.

(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.

(III) 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 Board

Place : Mumbai

Dated: November 28, 2008

R. S. Agarwal
Director

S. P. Gupta
Wholetime Director

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	3283880 kwh	9851622 kwh
	Total amount	Rs. 232.25 lacs	Rs. 495.78 lacs
	Rate / Unit	Rs. 7.07	Rs. 5.03
	b. Own generation	NIL	NIL
	(I) Through diesel generator unit		
	Unit per ltr. of diesel oil	N.A.	N.A.
	Cost/Unit		
	(II) Through stream turbine generator	N.A.	N.A.
2	Coal	NIL	NIL
3.	Furnace oil		
	Quantity	742.00 K.Ltrs	2677.00 K.Ltrs
	Total amount	Rs. 125.06 lacs	Rs. 477.41 lacs
	Average rate	Rs. 16855/K.Ltrs	Rs. 17721/K.Ltrs
4.	Others	NIL	NIL
B.	Consumption per unit of production		
	Products	EPDM RUBBER	EPDM RUBBER
	Electricity	5.599 Mwh/MT	2.694 Mwh/MT
	Furnace oil	1.2653 K.ltrs / MT	0.7231 K.ltrs / MT
	Coal	NIL	NIL
	Diesel	NIL	NIL

* Jan. 2008 to Mar. 2008 only minimum Demand Charges.

For and on behalf of the Board

Place : Mumbai

Dated: November 28, 2008

R. S. Agarwal
Director

S. P. Gupta
Wholetime Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. Industry Structure and Developments

Unimers India Ltd. is the only manufacturer of EPDM in India. The technology has been received from the world renowned erstwhile M/s. Uniroyal Chemical Co. of U.S.A. The EPDM grades (Trade name 'Herelene') manufactured by UNIMERS INDIA LIMITED are suitable for a wide range of applications.

b. Opportunities and Threats

The Company used to command a significant share of the domestic market. However, the suspension of operations for nearly nine months after the fire accident in October 2006, coupled with competition from EPDM manufactures located in US, Europe, Brazil, steep increase in raw material prices and consequent erosion of working capital, resulted in low capacity utilization in 2007-08. The volatile crude prices scenario, which has a direct impact on the prices of the Company's raw materials, coupled with the global downturn and liquidity crisis, does not augur well for the Company's business in the near term.

c. Risks and concerns

Hardening prices for refinery products like Ethylene, Propylene and Furnace Oil would influence EPDM production cost. The high debt portfolio and shortage of working capital is another 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 and internal audits carried out by professional and reputed external agencies have not highlighted any major discrepancies, omissions and the like.

e. Financial and Operational Performance

After the fire accident of October 2006, there was severe stress on the working capital availability. With the help of some working capital limits released by banks and advances received from distributors, production operations were resumed from June 2007. However, because of unfavourable input price situation as well as lower than desirable sales realizations as a consequence of availability of cheaper imported materials, operations had to be suspended from October 2007.

f. Outlook

The Company was forced to suspend production activity from October 2007 because of non-availability of adequate working capital, steep increase in input costs and availability of cheaper imported EPDM. 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. As the business outlook for EPDM Rubber in the immediate future is not very positive, the management is actively exploring various restructuring alternatives.

g. Material Developments in Human Resources / Industrial Relations fronts

Employee relations continue to be cordial. Training and Development activities are identified, organized and progress monitored as part of Human Resource Development activities.



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)	Non Executive
Mr. Sukhendu Ray	Non - Executive & Independent
Mr. Shrivardhan Goenka	Non Executive
Mr. Tan Chean Liang Kelvin	Non Executive
Mr. R. S. Agarwal	Non-Executive & Independent
Mr. S.P.Gupta (Appointed as Additional & Wholetime Director w.e.f. 28/06/2007)	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	6	5	No	8	-	-
Mr. Sukhendu Ray	6	3	No	6	-	-
Mr. Shrivardhan Goenka	6	5	No	6	1	-
Mr. Tan Chean Liang Kelvin	6	Nil	No	-	-	-
Mr. R. S. Agarwal	6	5	Yes	7	6	1
Mr. V. B. Dalal *	6	6	Yes	3	1	2
Mr. M. K. Mittal **	6	5	N.A.	-	-	-
Mr. L. K. Guglani ***	6	2	N.A.	2	-	-
Mr. S.P.Gupta ****	6	4	Yes	1	-	-

* Resigned with effect from 22nd October, 2008.
 ** Nomination withdrawn by IFCI and hence has ceased to be a director
 *** Resigned as Managing Director w.e.f. 28th June, 2007.
 **** Appointed as Additional Director & Wholetime Director w.e.f.28th June, 2007

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

During the year 2007-08, six Board Meetings were held on 30th May, 2007; 28th June, 2007; 24th July, 2007; 24th October, 2007; 25th January, 2008 and 31st March, 2008.

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 Non-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 three members of which two Members are Non-Executive Independent Directors and one member is a Non-Executive Director. The Share/ Debenture Transfer Committee of Executives comprises of Wholetime 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, 2008



UNIMERS INDIA LIMITED

The Audit Committee comprises of three Non-Executive Directors of which two are 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, Chariman
2. Mr. Sukhendu Ray
3. Mr. Shrivardhan Goenka

Mr. V.B.Dalal who was a member of the Audit Committee has resigned with effect from 22nd October, 2008.

(d) Audit Committee Meetings and Attendance during the financial year ended March 31, 2008

During the financial year ended March 31, 2008, Five Audit Committee Meetings were held on 30th May, 2007; 28th June, 2007; 24th July, 2007; 24th October, 2007 and 25th January, 2008. 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	4
Mr. Sukhendu Ray	5	3
Mr. Shrivardhan Goenka	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 on March 31, 2009 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 has been constituted on April 12, 2006 and comprises of the following members:

1. Mr. R. S. Agarwal, Chairman
2. Mr. V. B. Dalal (resigned w.e.f. Oct 22, 2008)
3. Mr. Sukhendu Ray

The Remuneration Committee met once on 28th June, 2007 in which M/s. R.S.Agarwal and V.B.Dalal were present.

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 Wholetime 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, 2008 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	12,500/-	-	-	-	-	-	12,500/-
Mr. Sukhendu Ray	7,500/-	7,500/-	-	-	-	-	15,000/-
Mr. Shrivardhan Goenka	12,500/-	12,500/-	-	-	-	-	25,000/-
Mr. Tan Chean Liang Kelvin	-	-	-	-	-	-	-
Mr. R. S. Agarwal	12,500/-	10,000/-	-	2,500/-	-	-	25,000/-
Mr. V. B. Dalal	15,000/-	-	10,000/-	2,500/-	-	-	27,500/-
Mr. M. K. Mittal	12,500/-	-	-	-	-	-	12,500/-
Mr. L. K. Guglani	-	-	-	-	-	6,12,117/-	6,12,117/-
Mr. S.P.Gupta	-	-	-	-	-	25,15,657/-	25,15,657/-
Total (Rs.)	72,500/-	30,000/-	10,000/-	5,000/-	-	31,27,774/-	32,45,274/-

iii. Investor's Grievances Committee

The Investors' Grievance Committee comprises of the following members:

Mr. V. B. Dalal, Chairman (resigned w.e.f. Oct 22, 2008)
Mr. S.P.Gupta

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, 2008

Four Committee Meetings were held during the financial year ended March 31, 2008. 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. V. B. Dalal	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 - Wholetime Director
Mr. K. S. Ravi - Sr. Manager (Finance & Accounts)

Share / debenture Transfer Committee Meetings and Attendance during the financial year ended March 31, 2008

Twenty Four Committee Meetings were held during the financial year ended March 31, 2008, which were attended by both the members mentioned above.

Compliance Officer: Consequent to the resignation of Ms. Mittal Mehta, Company Secretary, who was the Compliance Officer, Mr. K.S.Ravi has been nominated as Compliance Officer by the Board of Directors.



UNIMERS INDIA LIMITED

Number of investors' complaints received during the year - 887
 Number not solved to the satisfaction of investors - Nil
 Number of pending share / debenture transfer - Nil
 There are no outstanding complaints in as on March 31, 2008.

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
2005 AGM	27.09.2005	Vashi, Navi Mumbai	10.00 A.M.	NIL
2006 EGM	14.06.2006	Vashi, Navi Mumbai	10.00 A.M.	1
2006 AGM	26.09.2006	Vashi, Navi Mumbai	10.00 A.M.	NIL
2007 AGM	07.09.2007	Vashi, Navi Mumbai	11.00 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 retired by rotation every year and if eligible, offer themselves for re-appointment at every Annual General Meeting. Mr. S V Goenka and Mr. Sukhendu Ray retire by rotation and being eligible offer themselves 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 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:

Free Press Journal (English)
& Navashakti (Marathi)

(b) Any website, where displayed:

Yes - www.unimers.com

(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 a part of annual report or not:

Yes

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. Wholtime 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 : 31st December, 2008, 10:00 A.M.
Rotary Club of Navi Mumbai, Rotary Centre,
Next to Sacred Heart Convent School, Sector - 6, Vashi,
Navi Mumbai 400 703
- (ii) Financial Calendar 2008-09 (tentative and subject to change) : **Financial reporting for quarter ended**
June 30, 2008 : By July 31, 2008
September 30, 2008 : By October 31, 2008
December 31, 2008 : By January 31, 2009
March 31, 2009 : By June 30, 2009
- (iii) Dates of book closures : December 30th 2008 to December 31st, 2008 (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 2008-09 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

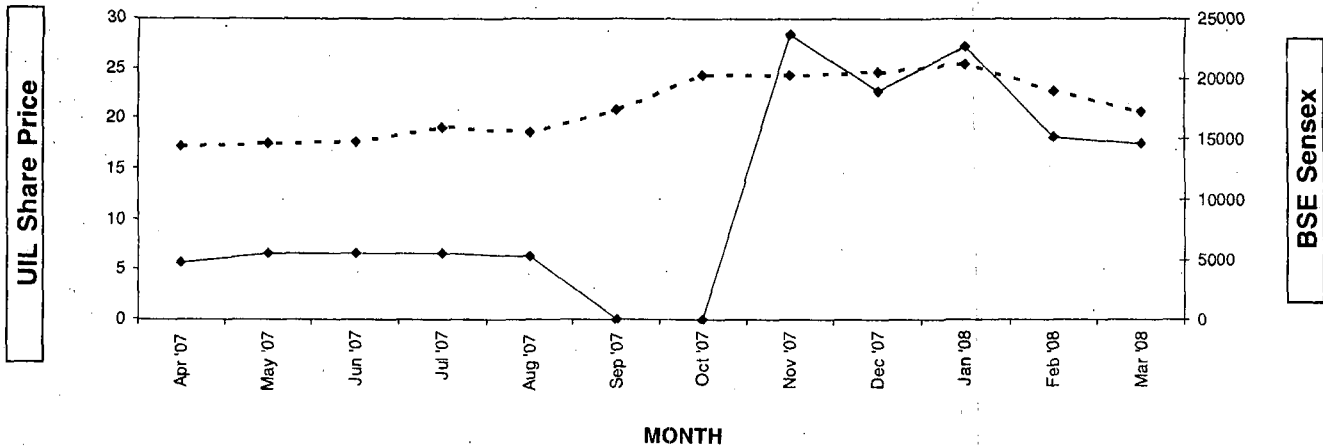
Monthly high and low at the Bombay Stock Exchange Limited for financial year ended 31st March, 2008:

Month	High (Rs.)	Low (Rs.)	BSE Sensex (High)
April, 2007	5.76	4.19	12043
May, 2007	6.60	5.02	12612
June, 2007	6.56	5.02	10609
July, 2007	6.59	4.80	10930
August, 2007	6.38	4.85	11724
September, 2007	-	-	12454
October, 2007	-	-	13024
November, 2007	28.45	18.40	13774
December, 2007	22.75	19.45	13972
January, 2008	27.10	16.00	14283
February, 2008	18.10	13.35	14652
March, 2008	17.50	11.40	13308



UNIMERS INDIA LIMITED

(xi) Performance in comparison to BSE Sensex:



(xii) **Registrar & Transfer Agent:** Adroit Corporate Services Pvt. Ltd.
 19, Jaferbhoy Industrial Estate,
 1st Floor, Makwana Road,
 Marol Naka, Mumbai 400 059

(xiii) 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 11251.

(xiv) Distribution of Shareholding as on 31st March, 2008

No. of Shares Held	No. of Folios	Percentage	No. of Shares	Percentage
1 - 500	68257	98.80	1233355	7.76
501 - 1000	385	0.56	279405	1.76
1001 - 2000	215	0.31	315037	1.98
2001 - 3000	87	0.13	226230	1.42
3001 - 4000	32	0.05	111768	0.70
4001 - 5000	33	0.05	152556	0.96
5001 - 10000	38	0.06	263130	1.65
10001 & above	39	0.06	13320518	83.77
TO TAL	69086	100.00	15901999	100.00

	<u>No. of shareholders</u>	<u>No. of shares</u>
No. of shareholders in Physical mode	58292	2764548
No. of shareholders in Electronic mode	10794	13141051

(xv) Share Holding Pattern as on March 31, 2008

CATEGORY	NO OF SHARES	% OF SHAREHOLDING
Promoters	8010380	50.37
Foreign Collaborator (UCC)	247500	1.56
Financial Institutions & Banks	3796403	23.87
Mutual Fund & UTI	1320	0.01
Bodies Corporate	1023479	6.44
NRI	3124	0.02
Indian Public	2819793	17.73
Total	15901999	100.00

(xvi) Dematerialisation of shares and liquidity : 82.62
 No. of shares dematted as on March 31, 2008 : 13141051

As on March 31, 2008 the paid up 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.

(xvii) 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.

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

(xix) 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

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

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, 2008.

S.P.GUPTA
WHOLETEIME DIRECTOR

Date : November 28, 2008
Place: Navi Mumbai

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, 2008, 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

Place : Mumbai
Dated: November 28, 2008

R. P. BARADIYA
Partner
Membership No. 44101

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 2007-08 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

K. S. RAVI
SR. MANAGER (FINANCE & ACCOUNTS)

Date : November 28, 2008
Place: Navi Mumbai



AUDITORS' REPORT

To
The Members
UNIMERS INDIA LIMITED,

1. We have audited the attached Balance Sheet of Unimers India Limited as at 31st March, 2008 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. B 1 of Schedule 16 of Significant Accounting Policies and Notes on Financial Statements. The accumulated losses of the Company as at the year end exceeds 50% of its net worth. Besides, plant operations were suspended since October 2007 and thereafter 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 restructuring package sanctioned by the Corporate Debt Restructuring cell (CDR) of the Financial Institutions and Banks, which is under implementation. 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 profits for the year is presently not ascertainable.
 - (b) Note no. B 2 of Schedule 16 of the financial statements regarding pending settlement of the insurance claim lodged by the Company in respect of the fixed assets destroyed in fire.
 - (c) Note no. B 8(b) of Schedule 16 of the financial statements regarding the accounts of certain Debtors, Creditors, Banks/Lenders and Loans and advances being subject to confirmations, reconciliations, and adjustments, if any, having consequential impact on the profit for the year, assets, liabilities and accumulated losses as at the close of the year, the amounts whereof are presently not ascertainable.
 - (d) Note no. B 15 of Schedule 16 regarding Company having not deposited long outstanding amount of Rs.7,520,885 to the Investor Education & Protection Fund.
 - (e) Note no. B 4(f) and 4(g) of Schedule 16 regarding Company having not paid installments due in respect of certain debts as per the CDR Package/settlement and the lenders having the right to revoke the package/settlement in case of non-fulfillment of commitments by the Company and further that they also have the right to convert entire/part of loans outstanding into Equity. Further, pending approval of CDR Core Group, accounting impact of the amount settled with UTI has not been given.
4. (a) In view of suspension of the plant operations since October 2007 and subsequent closure and retrenchment of employees w.e.f. 26th June 2008, we are unable to express an opinion as to:
 - (i) When and to what extent the carrying value of Rs.312,813,714 of Building, Plant & Machinery, other assets and Consumable Stores would be recovered. Besides, the management has not ascertained the impairment loss, in respect of the above as required to be accounted for in accordance with the Accounting Standard 28- 'Impairment of Assets'.
 - (ii) When and to what extent the Deferred Tax Assets recognised of Rs.293,549,887 would reverse.

- (b) We are also unable to express an opinion as to when and to what extent long overdue Sundry Debtors and Advances aggregating to Rs.5,337,997 would be recovered. The Management is, however, hopeful of recovery/settlement in the above cases and accordingly, as explained, provision as may be required would not be significant.
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:
- 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 except what is stated in para 3(c) above;
 - 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;
 - 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;
 - 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 what is stated in para 4(a)(i) above;
 - On the basis of written representations received from the Directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of Section 274 (1)(g) of the Act;
 - In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to what is stated in paragraphs 3 and 4 above, the impact in respect of which on the profit for the year, assets, liabilities and accumulated losses as at the close of the year cannot be presently ascertained and read together with Note no. B 12(a) of Schedule 16 regarding pending approval of Central Government in respect of MD's remuneration, Note no. B 14 of Schedule 16 regarding resignation 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:
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - 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

Place: Mumbai
Dated: November 28, 2008

R. P. Baradiya
Partner
Membership No.: 44101



UNIMERS INDIA LIMITED

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 2008.

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 reasonable intervals during the year and no discrepancies were noticed on such verification. (Refer Note B 2 of Schedule 16)
- (c) No substantial part of fixed assets has been disposed off during the year.
2. (a) The Inventory excluding those lying with third parties has been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties have substantially been confirmed by them.
- (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.

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. The Company has an internal audit system commensurate with the size and nature of its business.
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 generally 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, 2008 for a period of more than six months from the date they became payable except the ones mentioned herein below:

Name of the statute	Nature of dues	Amount (Rs. In Lacs)*	Period to which the amount relates	Due date	Date of Payment
The Companies Act, 1956	Investor education and protection fund	75.21	1991	1998	Still Unpaid

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

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
10. The Company's accumulated losses as at 31st March, 2008 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. The Company has defaulted in repayment of dues considering the terms of the CDR Package as per details hereunder:

Nature of Due	Amount (Rs. in lacs)	Paid On
Debenture Holders - Principal	185.71	Still Pending
Interest	284.87	
Financial Institutions - Principal	923.42	Still Pending
Interest	321.08	

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.
20. The Company has not raised any money by public issues during the year.
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

R. P. Baradiya
Place: Mumbai
Dated: November 28, 2008

Partner
Membership No.: 44101



UNIMERS INDIA LIMITED

BALANCE SHEET AS AT 31.3.2008

	Schedule No.	31.3.2008 Rupees	31.3.2007 Rupees
1. SOURCES OF FUNDS			
(1) SHAREHOLDERS FUNDS :			
(a) Share Capital	1	267,019,990	638,066,650
(b) Advance against share Capital	2	112,427,970	112,427,970
(2) LOAN FUNDS :			
(a) Secured Loans	3	475,890,005	418,762,263
(b) Unsecured Loans	4	76,482,514	74,249,647
TOTAL		931,820,479	1,243,506,530
2. APPLICATION OF FUNDS			
(1) FIXED ASSETS :			
(a) Gross Block	5	1,303,814,216	1,302,961,509
(b) Less : Depreciation and amortisation		712,566,635	663,973,929
(c) Net Block		591,247,581	638,987,580
(d) Capital work in progress		29,315,791	25,792,221
		620,563,372	664,779,801
DEFERRED TAX ASSET(NET)		293,549,887	-
(Refer Note B 9(a) of Schedule 16)			
(2) CURRENT ASSETS, LOANS AND ADVANCES :			
(a) Inventories	6	64,913,525	64,129,369
(b) Debtors	7	20,920,911	9,789,620
(c) Cash and Bank Balances	8	7,361,701	17,697,949
(d) Loans and Advances	9	41,559,643	44,569,843
		134,755,780	136,186,781
LESS :			
CURRENT LIABILITIES AND PROVISIONS			
(a) Liabilities	10	259,691,289	174,954,595
(b) Provisions	11	1,949,404	7,663,084
		261,640,693	182,617,679
NET CURRENT ASSETS		(126,884,913)	(46,430,898)
(3) PROFIT AND LOSS ACCOUNT		144,592,131	625,157,627
TOTAL		931,820,479	1,243,506,530
Significant Accounting Policies and Notes on Financial Statements	16		

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

For LODHA & CO
Chartered Accountants

R. P. BARADIYA
Partner
Membership No.: 44101

R. S. Agarwal
Director

S. P. Gupta
Wholetime Director

Place : Mumbai
Dated: November 28, 2008

20TH ANNUAL REPORT 2007-2008



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2008

	Schedule No.		For the Year Ended 31.3.2008 Rupees	For the Year Ended 31.3.2007 Rupees
INCOME				
Gross Sales		60,607,914	487,721,604	
Less : Excise Duty		8,594,884	60,113,735	
Net Sales		52,013,030	427,607,869	
Other Income	12	7,289,490	59,302,520	47,240,167
				474,848,036
EXPENDITURE				
Raw Materials Consumed		71,615,288	305,250,906	
Other Expenses	13	112,114,204	189,164,108	
(Increase)/Decrease in finished goods and work- in- progress	14	(28,625,921)	155,103,571	25,842,305
				520,257,319
PROFIT / (LOSS) BEFORE INTEREST AND DEPRECIATION			(95,801,051)	(45,409,283)
Depreciation and amortisation		48,592,707	48,596,759	
Interest and Other Finance Charges	15	39,318,333	87,911,040	40,386,598
				88,983,357
PROFIT / LOSS BEFORE TAXATION & EXCEPTIONAL ITEMS			(183,712,091)	(134,392,640)
Exceptional items (Net) (Refer Note B 2 Schedule 16)			-	(3,944,700)
Fringe Benefit Tax			(318,960)	(593,230)
Deferred tax (Refer Note no. B 9(a) of Schedule 16)			293,549,887	-
PROFIT / LOSS AFTER TAXATION & EXCEPTIONAL ITEMS			109,518,836	(138,930,570)
Balance brought forward from previous year		(625,157,627)		(486,227,057)
Less:-Adjustment for reduction of Share Capital (Note no. B 4(b) of Schedule 16)		371,046,660	(254,110,967)	-
BALANCE CARRIED TO BALANCE SHEET (LOSS)			(144,592,131)	(625,157,627)
Earning Per Share (Refer note B 16 of the schedule 16)				
- Basic			2.94	(2.64)
- Diluted			2.70	(2.64)
Significant Accounting Policies and Notes to the Financial Statements	16			

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

For LODHA & CO
Chartered Accountants

R. P. BARADIYA
Partner
Membership No.: 44101

R. S. Agarwal
Director

S. P. Gupta
Wholetime Director

Place : Mumbai
Dated: November 28, 2008



UNIMERS INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008

	31.3.2008 (RUPEES)	31.3.2007 (RUPEES)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax and Exceptional Items	183,712,091	134,392,640
Adjustments for:		
Provision for Doubtful Advances	1,310,966	-
Depreciation	48,592,707	48,596,759
Finance lease payment	53,195	9,029
Other provision	225,003	536,263
Bad & doubtful debts	1,641,655	-
Sundry Credit balances written back	(1,829,900)	(526,544)
Interest Received	(734,431)	(887,139)
Interest Paid	39,318,333	40,386,598
	88,577,528	88,114,966
Operating profit/(loss) before Exceptional Items & Change in Working Capital	(95,134,563)	(46,277,674)
Exceptional Item	-	(3,944,700)
Operating profit/(loss) before working Capital Changes	(95,134,563)	(50,222,374)
Adjustments for: (Increase)/Decrease		
Trade & Other Receivables	(12,772,946)	38,630,240
Loans and Advances	(356,998)	(3,199,615)
Inventories	(784,157)	16,012,760
Trade Payables	86,702,169	17,865,397
	72,788,069	69,308,782
Cash generated from operations	(22,346,494)	19,086,408
Direct Taxes Paid(FBT/wealth tax)	(323,848)	(583,741)
Taxes paid /Received net of Tds	(72,402)	130,484
Cash generated from Operating Activities	(22,742,744)	18,633,151
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,376,277)	(26,372,386)
Interest Received	2,863,065	558,073
Finance lease payment(principal portion)	(267,581)	(62,076)
Cash generated from Investing Activities	(1,780,793)	(25,876,389)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Payments to long term borrowings	(4,458,734)	(75,782,325)
Proceeds from Advance money towards share capital	-	112,427,970
Proceeds from borrowings	2,232,867	-
Interest paid	(9,315,830)	(43,995,641)
Lease rent paid(Interest portion)	(53,195)	(9,029)
Proceeds from Cash credit borrowings (Net)	26,521,069	15,451,580
Cash generated from Financing Activities	(14,926,177)	8,092,555
Net Increase in Cash and Cash Equivalents	(9,597,361)	849,317
Opening Balance of Cash and Cash Equivalents	10,696,713	9,847,396
Closing Balance of Cash and Cash Equivalents	1,099,352	10,696,713

- 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.3,182,050 (as at 31st March, 2007 Rs.3,906,729) 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

On behalf of the Board

For LODHA & CO
Chartered Accountants

R. P. BARADIYA
Partner
Membership No.: 44101

R. S. Agarwal
Director

S. P. Gupta
Wholetime Director

Place : Mumbai
Dated: November 28, 2008

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SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE 1	31.03.2008 Rupees	31.3.2007 Rupees
SHARE CAPITAL		
AUTHORISED		
60,000,000, Equity shares of Rs.10 each	600,000,000	600,000,000
25,000,000, 0.5% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10 each	250,000,000	250,000,000
	<u>850,000,000</u>	<u>850,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
15,901,999 Equity Shares (Previous year 53,006,665) of Rs. 10 each fully paid up	159,019,990	530,066,650
10,800,000, 0.5% Cumulative Non-Convertible Redeemable Preference Shares of Rs 10 each (Redeemable at par at the end of 9 th year from the date of allotment i.e October 16,2003 or earlier at the option of the Company)	108,000,000	108,000,000
	<u>267,019,990</u>	<u>638,066,650</u>

SCHEDULE 2	31.03.2008 Rupees	31.3.2007 Rupees
Advance against Share Capital	112,427,970	112,427,970
	<u>112,427,970</u>	<u>112,427,970</u>

SCHEDULE 3	31.03.2008 Rupees	31.3.2007 Rupees
SECURED LOANS		
(1) (a) Debentures	92,885,000	92,892,000
Repayable within one year Rs.37,149,800 (Previous Year Rs.18,578,400) Interest Accrued and Due Thereon	28,487,096	20,798,171
928,850 (Previous year 928,920)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.		
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
(Refer Note no. B 4(a) of Schedule 16) Repayable within one year Rs.81,099,954 (Previous Year Rs.52,704,566)		
Interest Accrued and Due Thereon	53,454,550	40,632,501
1,853,610 (Previous Year 1,853,610) Secured Zero Coupon Non Convertible Debentures of Rs.100 each (ZCNCD's) redeemable in 20		



quarterly installments commencing from April 1, 2006 in respect of SASF, IFCI, LIC and from July 1, 2006 in respect of ICICI. 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 financial institutions.

(2) Term Loans from financial institutions

From Financial Institutions/ Banks

(a) UTI (Refer Note no. B 4(f) of Schedule 16)	38,989,414	38,989,414
Repayable within one year Rs. 38,989,414 (Previous Year Rs.38,989,414)		
Interest Accrued and Due Thereon	9,044,489	5,441,453
(b) IFCI ** (Refer Note no. B 4(a) of Schedule 16)		
Repayable within one year Rs. 1,080,000 (Previous Year Rs.648,000)	2,161,775	2,161,775
Interest Accrued and Due Thereon	1,142,254	892,957

Term Loans from financial institutions 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) Funded Interest Term Loan (FITL)	11,611,718	11,611,718
Interest Accrued and Due Thereon	1,581,244	623,277

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 except book debts) both present and future subject to prior charges created in favour of company's bankers for financing the working capital requirements.

(b) Working Capital Loan	94,193,653	65,439,717
Interest Accrued and Due Thereon	3,374,532	315,000

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 Secured Non Convertible Debentures.

* Includes Rs. 32,107,810 (previous year Rs. 32,107,810) to be converted into equity)	475,890,005	418,762,263
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** Includes Rs.757,850 (previous year Rs. 757,850) to be converted into equity)

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SCHEDULE 4

31.3.2008
Rupees

31.3.2007
Rupees

UNSECURED LOANS

Long Term Loans

Intercorporate deposits	63,660,829	53,427,962
18% Unsecured Redeemable Non Convertible Debentures of Rs.100 each (Repayable after dues of Secured lenders have been paid)	10,000,000	10,000,000
Peerless General Finance and Investment Company 'Limited.	-	7,500,000

Short Term Loans

From others	-	500,000
from body corporate	549,736	549,736
Interest accrued and due	2,271,948	2,271,948
	<u>76,482,513</u>	<u>74,249,646</u>

SCHEDULE 5

SCHEDULE OF FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT BOOK VALUE)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	COST AS ON 01.04.2007	ADDITIONS	DEDUCTIONS	COST AS ON 31.3.2008	AS ON 31.3.2007	CHARGE FOR THE YEAR	WRITTEN BACK ON DEDUCTION	AS ON 31.3.2008	AS ON 31.3.2008	AS ON 31.3.2007
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
LEASE HOLD LAND	331,791,737	-	-	331,791,737	3,608,793	237,973	-	3,846,766	327,944,971	328,182,944
BUILDING	79,519,749	-	-	79,519,749	26,629,671	2,056,336	-	28,686,007	50,833,742	52,890,078
PLANT & MACHINERY	868,586,997	43,687	-	868,630,684	615,830,031	45,424,859	-	661,254,890	207,375,794	252,756,966
MACHINERY SPARES	5,021,987	-	-	5,021,987	5,021,987	-	-	5,021,987	-	-
FURNITURE & FIXTURES AND OFFICE EQUIPMENTS	9,978,530	123,344	-	10,101,874	7,085,769	526,563	-	7,612,332	2,489,542	2,892,759
VEHICLES *	8,062,509	685,676	-	8,748,185	5,797,677	346,976	-	6,144,653	2,603,532	2,264,833
TOTAL	1,302,961,509	852,707	-	1,303,814,216	663,973,928	48,592,707	-	712,566,635	591,247,581	638,987,580
PREVIOUS YEAR	1,302,381,344	580,165	-	1,302,961,509	615,377,171	48,596,759	-	663,973,926	638,987,580	687,004,173
Capital Work in progress (Incl. advances on capital account)									29,315,791	25,792,221
GRAND TOTAL									620,563,372	664,779,801

* Acquired on hire purchase basic Rs. 10.36 Lakhs (Previous year Rs. 4.32 Lacs), Net block Rs. 10.09 Lakhs (Previous year Rs. 4.07 Lakhs) Registered in the name of a Director on behalf of the company.

SCHEDULE 6

31.3.2008
Rupees

31.3.2007
Rupees

INVENTORIES (As valued, verified and certified by Management)

At cost or net realisable value whichever is lower

Stores (including in transit)	20,195,313	22,194,913
Packing Materials	280,415	565,393
Raw materials (including in transit)	15,709,609	41,266,795
Finished goods	28,728,189	102,268
	<u>64,913,526</u>	<u>64,129,369</u>

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SCHEDULE 7	31.3.2008	31.3.2007
	Rupees	Rupees
DEBTORS		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months :		
Considered good	19,179,000	-
Considered doubtful	13,776,587	12,134,932
	<u>32,955,587</u>	<u>12,134,932</u>
Other debts considered good	1,741,911	9,789,620
	<u>34,697,498</u>	<u>21,924,552</u>
Less : Provision for doubtful debts	13,776,587	12,134,932
	<u>20,920,911</u>	<u>9,789,620</u>
SCHEDULE 8	31.3.2008	31.3.2007
	Rupees	Rupees
CASH AND BANK BALANCES		
Cash on hand and cheque on hand	25,767	79,072
Balances with scheduled banks		
on Current Account	960,940	7,365,003
on Warrant Account	3,080,299	3,096,320
on Term deposits-margin money	3,294,695	4,010,554
on Warrant account deposits	-	3,147,000
	<u>7,361,701</u>	<u>17,697,950</u>
SCHEDULE 9	31.3.2008	31.3.2007
	Rupees	Rupees
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	26,786,185	34,662,145
Considered Doubtful	10,159,932	8,848,966
	<u>36,946,117</u>	<u>43,511,111</u>
Less : Provision for Doubtful Advances	10,159,932	8,848,966
	<u>26,786,185</u>	<u>34,662,145</u>
Deposit with public bodies and others (net of provisions)	14,332,477	9,539,119
Advance taxes paid (net of provisions Rs, Nil, Previous Year Rs. Nil)	440,981	368,579
	<u>41,559,643</u>	<u>44,569,843</u>
SCHEDULE 10	31.3.2008	31.3.2007
	Rupees	Rupees
LIABILITIES		
Sundry creditors (Refer Note no. B 13 of Schedule 16 in respect of Micro, Small and Medium Enterprises)	97,792,591	109,693,580
Advances from customers	738,545	830,190
Other Liabilities	127,138,341	30,392,942
Investor' Education & Protection Fund shall be credited by		
- Public issue refund	7,520,885	7,520,885
(Refer Note B 15 of Schedule 16)		
Interest accrued but not due on Secured Loan	26,500,927	26,516,998
	<u>259,691,289</u>	<u>174,954,595</u>

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SCHEDULE 11	31.3.2008 Rupees	31.3.2007 Rupees
PROVISIONS		
Wealth tax	4,888	7,806
Superannuation	930,070	1,368,785
Gratuity	755,017	4,635,025
Leave Encashment	259,429	1,651,468
	<u>1,949,404</u>	<u>7,663,084</u>

SCHEDULE 12	31.3.2008 Rupees	31.3.2007 Rupees
OTHER INCOME		
Interest on deposits(Tax deducted at source Rs.101,239 [Previous year Rs.94.517])	734,431	887,139
Insurance claim	-	26,737
Scrap sales	472,735	407,908
Export incentive	129,150	456,977
Provision no longer required written back (Including Rs.3,545,807 in respect of Retirement Benefits)	5,375,717	526,544
Foreign Exchange Gain (Net)	470,842	-
Miscellaneous income	106,615	14,311
Insurance claim received on goods lost in fire (refer to note no.B 2 of Schedule 16)	-	44,920,551
	<u>7,289,490</u>	<u>47,240,167</u>

SCHEDULE 13	31.3.2008 Rupees	31.3.2007 Rupees
OTHER EXPENSES		
Salaries, Wages & Bonus	23,075,258	25,166,291
Contribution to Provident and Other Funds	1,590,866	2,910,725
Staff Welfare Expenses	3,669,693	3,079,189
Power & Fuel	35,731,396	97,019,299
Water charges	1,433,767	2,517,437
Consumable Stores and Auxilliary Chemicals	8,050,216	11,443,808
Labour Charges	1,257,733	2,296,736
Rates and Taxes	2,613,975	2,394,486
Repairs and Maintenance		
- Plant and Machinery	5,648,870	5,455,314
- Building	812,306	2,850
- Others	305,906	611,122
Excise Duty on stocks	208,787	-3,470,671
Rent	102,000	179,050
Insurance	1,645,382	2,875,455
Selling & Distribution Expenses	1,330,919	5,830,342
Cash Discount	1,413,991	5,539,127
Commission on Sales	1,397,114	7,570,061
Auditors' Remuneration (Refer Note no. B 18 of Schedule 16)	843,197	835,310
Managerial Remuneration	3,235,774	1,107,839
Directors Fees	112,500	127,500
Restructuring Expenses	656,500	500,905
Provision for Bad and Doubtful Debts /advances	2,952,621	0
Legal & professional charges	5,758,951	3,417,083
Miscellaneous Expenses	8,266,482	11,754,850
	<u>112,114,204</u>	<u>189,164,108</u>



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SCHEDULE 14	31.3.2008	31.3.2007
	Rupees	Rupees
(INCREASE) / DECREASE IN STOCK		
OPENING STOCK		
Finished Goods (Manufactured)	102,268	25,944,573
CLOSING STOCK		
Finished Goods (Manufactured)	28,728,189	102,268
(INCREASE)/DECREASE	(28,625,921)	25,842,305

SCHEDULE 15	31.3.2008	31.3.2007
	Rupees	Rupees
INTEREST AND OTHER FINANCE CHARGES		
- On Debentures	7,688,925	7,641,072
- on Zero Coupon Non Convertible Debentures	12,822,049	11,728,070
- On other Fixed Term loans	3,852,333	3,305,497
- On other loan		631,577
- On Cash Credit & Others	12,957,457	10,574,564
- Finance Charges	1,997,569	6,505,818
	39,318,333	40,386,598

SCHEDULE 16

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2008.

(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.

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.144,592,130 (Previous Year Rs.625,157,627) as against paid up share capital of Rs 267,019,990, (Previous Year Rs.638,066,650) these financial statements have been prepared by the Management on a "going concern" basis taking into account the financial support of promoters/shareholders, the long term restructuring package agreed and finalized with financial institutions and banks including one time settlement with UTI and the various revival / restructuring options being actively pursued by the management.
2. There was a fire on October 24, 2006 in the finishing area of the plant resulting in destruction of fixed assets. The amount spent on reconstruction / repair of fixed assets damaged or destroyed in the fire, has been disclosed under the head Capital Work In Progress. The Company has received an adhoc payment of Rs.30,000,000 against the claim from the insurance Company and the same is disclosed under the head Other Liabilities. The management is confident of recovering most of the replacement cost of Machinery on settlement of the claim and there will be no loss in this respect.
3. In view of accumulated losses, no transfer has been made to the Debenture Redemption Reserve in respect of secured and unsecured Non Convertible Debentures.
4. (a) The Corporate Debt Re-structuring cell (CDR) of Financial institutions and Banks has sanctioned a comprehensive restructuring package of Company's debts and liabilities which, inter alia, provide for reduction of rate of interest on secured



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and unsecured loans, waiver of a part of overdue interest, reschedulement of repayment of loans, reduction in equity capital (existing by 70 %), conversion of certain debts / outstandings into equity/funded interest term loan, induction of fresh capital by promoters etc. ZCNCD's owed to IDBI have been assigned to Stressed Assets Stabilization Fund (SASF), a trust constituted by Government of India under the trust deed dated September 24, 2004. SASF, IFCI, ICICI, LIC, State Bank of India, State Bank of Travancore, State Bank of Bikaner & Jaipur and Bank of India have also given sanctions in line with the re structuring package sanctioned by CDR.

- (b) During the year, on receipt of approval from Registrar of Companies, the Paid Up Equity Share Capital has been reduced by Rs.371,046,660 and adjusted against the debit balance of accumulated losses of Rs.625,157,627.
 - (c) Interest liability has been provided for as per the CDR Package.
 - (d) As per the requirement of the CDR group, a reputed consulting firm was appointed to carry out a techno-economic viability study of the Company's EPDM business. The report of the consultants, concluded that the EPDM business in the current circumstances is no longer viable. The Company is in discussions with its lenders to work out a feasible restructuring scheme
 - (e) The Company has settled at group level an unsecured loan of Rs.7,500,000 (Previous Year Rs.7,500,000) from M/s. Peerless General Finance and Investment Company Limited. The said loan has been transferred to one of the group companies viz. ISG Traders Limited.
 - (f) ASREC (India) Ltd. (agency appointed by UTI for recovery of its dues) has sanctioned settlement proposal in respect of dues payable by the Company to UTI including waiver of over due interest. Pending approval of the same by CDR, effect of the same has not been given in these accounts. In view of the fire incident on October 24, 2006, the Company has requested ASREC (India) Ltd., for further time for repayment of amount payable under the above settlement.
 - (g) Lenders shall have the right to revoke the package in case of non-fulfillment of commitments by the Company/ Promoters. Besides in the event of default, the lenders shall have the right to convert entire / part of loans outstanding into equity.
5. The Company revalued its Land, Building and certain Plant and Machinery as on April 1, 1996 based on the valuation made by an independent firm of Consulting Engineers, Surveyors and Government Approved Valuers using standard indices. Accordingly, the original cost of the above assets as on April 1, 1996 was restated at estimated market value arrived after adjusting the depreciation on the estimated replacement cost.
6. Contingent Liabilities not provided for in respect of

	Year ended March 31, 2008 Rupees	Year ended March 31, 2007 Rupees
a) Outstanding Guarantees given by banks	3,024,000	NIL
b) Claims against the Company relating to Income Tax, Sales Tax, Excise Duty, suppliers, Local Authority etc. not acknowledged as debts.	29,329,352	51,914,613
c) Other Matters.	125,000	125,000
d) Arrears of Fixed Preference Dividend.	3,240,000	2,160,000
e) The Company has retrenched total workforce w.e.f 26th June, 2008 in view of the closure of Plant since October 2007 and offered them the compensation as per the Industrial Disputes Act, which the workmen have not accepted and have gone to Industrial Court for redressal of their grievances. Liability in respect of the same is not ascertainable.		

7. (a) Duncan 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 is Rs.94,207,936 (Previous year Rs. 77,051,435) including FITL Rs.11,611,718 (Previous year Rs.11,611,718) Letters of Credit and Bank Guarantees Rs. 3,024,000 (Previous year Rs. Nil).

(b) All the Working Capital loans (including interest accrued and due) have been / are being personally guaranteed by a director of the Company.

8. (a) In the opinion of the Board, 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.

9. a) Deferred Tax Asset/Liability
During the current financial year, the Company has accounted for deferred tax in accordance with Accounting Standard

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22 - "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. The Management is of the opinion that there will be sufficient future income against which the deferred tax assets will be fully realized and therefore recognized Net Deferred Tax Assets of Rs.293, 549,887.

The details of the same are as follows:

	31st March 2008 Rs.	31st March 2007 Rs.
Deferred Tax Asset		
Unabsorbed Depreciation and business loss	306,588,376	17,515,679
Deferred Tax Liability		
Difference between Tax and W.D.V of fixed assets	13,038,489	17,515,679
Net Deferred Tax Assets	293,549,887	NIL

b) No current tax provision has been made in the accounts in absence of taxable profits.

10. Disclosures as required by Accounting Standard 19 "Leases"

a) Finance Lease where Company is a lessee

The Company has entered into lease arrangement for vehicles with banks. The lease arrangements are non-cancelable finance leases.

The future commitments under this arrangement are as follows:-

	March 31, 2008 Rs.	March 31, 2007 Rs.
Minimum lease payments		
Due within one year	268,005	151,260
Due later than one year and not later than 5 years	641,525	252,100
Later than 5 years	Nil	Nil
Total	909,530	403,360
Present value of minimum lease payments	Rs.	Rs.
Due within one year	23,003	18,416
Due later than one year and not later than 5 years	6,357	5,042
Later than 5 years	Nil	Nil
Total	29,360	23,458

b) Operating Lease where the Company is a lessee:

(i) The Company has taken various residential / commercial premises under cancelable Operating Leases. The Lease Agreements are usually renewable by mutual consent on mutually agreeable terms

(ii) The rental expense in respect of Operating Leases is charged as rent under Schedule '12'.

11. Related parties Disclosures: (as identified and Certified by the management)

(1) Parties where control exists NIL

(2) (i) Associate/ Group Companies :

a) With whom the Company had transactions during the year:-

Duncans Industries Ltd, Shubh Shanti Services Ltd, Star Paper Mills Ltd, ISG Traders Limited.

b) Others - with whom Company had no transactions

Albert Trading Co. Pvt. Ltd., Andhra Cements Limited, Bargate Communications Pvt. Limited, Boydell Media Pvt. Ltd., Continuous Forms (Calcutta) Ltd., Dail Consultants Ltd., Duncans Agro Chemicals Limited, Duncans Biotech Limited, Duncans Tea House Pvt. Ltd., Duncans Tea Limited, Gujarat Carbon And Industries Limited, Infratech Software Services Ltd., Julex Commercial Co. Ltd., Kavita Marketing Pvt. Ltd., Leyden Leasing & Financial Services Ltd., Marlybone Travels & Resorts Pvt. Ltd., Napier Softech Pvt. Ltd, Octave Technologies Pvt. Ltd., Odyssey Travels Limited, Orchard Holdings Private Limited, Pallmall Edusystems & Medicare Services Pvt. Ltd., Pentonville Software Ltd., Santipara Tea Company Limited, Sewand Investments Pvt. Limited, Silent Valley Investments Limited, Skylark Rubber Products Limited, Agraganya Tradeco Pvt Ltd, Skylight Trading Company Limited, Sprint Trading Company Limited, Stone India Limited.



UNIMERS INDIA LIMITED

(ii) Key Management Personnel

Managing Director : Mr. L. K. Guglani (Till June-07)
Whole Time Director : Mr. S. P. Gupta (Since July-07)

(iv) Transaction with related parties :

	Duncan Industries Ltd.	ShubhShanti Services Ltd.	NRC Ltd.	Araganya Tradeco Pvt.Ltd.	Others	Key Management Personnel	Total
Receiving of Services	44,009 (32,773)	- (222,750)	- (9,000)	- (-)	6,000 (-)	-	50,009 (264,523)
Finance Received	- (-)	2,200,000 (-)	- (-)	- (-)	8,032,867 (9,234,070)	-	10,232,867 (9,234,070)
Share Application money received	- (-)	- (62,427,970)	- (50,000,000)	- (-)	- (-)	-	- (112,427,970)
Guarantees by Associate Companies	154,100,000 (154,100,000)	- (-)	- (-)	- (-)	- (-)	-	154,100,000 (154,100,000)
Outstanding Payables	1,095,735 (1,054,721)	43,238,712 (41,038,712)	7,609 (7,609)	21,938,986 (21,938,986)	9,032,867 (2,056,174)	-	75,313,909 (66,096,202)
Managerial Remuneration	-	-	-	-	-	3,235,774 (1,107,839)	3,235,774 (1,107,839)

Notes: i) Figures in the brackets relates to previous year.

ii) No amounts in respect of related parties have been written off/written back/provided for during the year.

12. Managing/Whole time Director's remuneration:

	Amount as on March 31, 2008	Amount as on March 31, 2007
	Rupees	Rupees
Salaries & allowances	3,091,774	1,041,258
Contribution to Provident fund	144,000	66,581

a) The Company has applied to Central Government for necessary approval for an amount of Rs.1,291,774 paid in excess as per Schedule XIII of the Companies Act, 1956 towards Managerial remuneration and the same is pending.

b) The above figure does not include provision for leave encashment and gratuity as separate actuarial valuations are not available for them.

13. 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	4,810,657
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	-

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.

14. 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.

15. Amount outstanding to be credited to Investor Education Protection Fund is Rs.7, 520,885. Further based on a legal opinion obtained by the Company, interest on debentures, outstanding for more than 7 years, aggregating to Rs.6, 019,521 (Previous Year Rs.6, 956,113) has not been included in the aforesaid amount as the Debenture Holders have rescheduled the payment of the abovementioned amount vide resolutions passed in Debenture Holders General Meetings dated August 4, 2003 and June 15, 2006.

16 Earnings per Share

	Year ended 31st March 2008	Year ended 31st March 2007
A. Numerator:		
Profit/(Loss) after taxation (Rs.)	109,518,835	(138,930,570)
Less: Preference Shares Dividend for the year including dividend distribution tax	(1,080,000)	(1,080,000)
Numerator for Basic/Diluted EPS Calculation	108,438,835	(140,010,570)
B. Denominator:		
Weighted average number of shares Outstanding during the year		
- Basic	36,887,424	53,006,665
- Diluted	40,173,990	53,006,665
C. Earnings Per Share:		
Earnings per Share in Rs.		
- Basic	2.94	(2.64)
- Diluted	2.70	(2.64)
D. Nominal value per Equity Share		
	10	10

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

18. Auditors' Remuneration

	Year ended March 31, 2008 Rupees	Year ended March 31, 2007 Rupees
a Audit Fees	475,000	475,000
b Limited review	343,141	350,310
c Out of pocket expenses (incl. service tax for Rs.23777/- previous year Rs.101,661)	25,056 843,197	101,661 926,971



UNIMERS INDIA LIMITED

19. (a) Raw Materials and Packing Materials Consumed:

	Quantity MT	Year Ended * March 31, 2008		Year Ended March 31, 2007	
		Rupees	Quantity MT	Rupees	Quantity MT
Ethylene	493.71	293,58,341	2200.430 *	140,681,561	
Propylene	348.125	170,36,234	1525.300	73,290,829	
Diene	36.004	4,892,475	186.694	24,176,760	
Others		26,804,427		67,101,756	
		<u>71,615,288</u>		<u>305,250,906</u>	

* The above does not include goods destroyed in fire Rs 3,413,689 of 32.250 MT

(b) Consumption of indigenous and imported Raw Material and Packing Materials

	%	Year Ended March 31, 2008		Year Ended March 31, 2007	
		Rupees	%	Rupees	%
Indigenous	86.50	61,940,631	82.06	249,877,295	
Imported	13.50	9,674,637	17.94	55,373,611	
	<u>100.00</u>	<u>71,615,288</u>	<u>100.00</u>	<u>305,250,906</u>	

(c) Consumption of indigenous and imported stores:

	%	Year Ended March 31, 2008		Year Ended March 31, 2007	
		Rupees	%	Rupees	%
Indigenous	74.71	5,668,969	89.93	8,299,233	
Imported	25.29	4,75,646	10.07	9,29,340	
	<u>100.00</u>	<u>6,144,615</u>	<u>100.00</u>	<u>9,228,573</u>	

(d) Capacities and Production:

	Capacities (per annum)			
	Licensed		Production Installed	
	As At March 31, 2008 MT	As At March 31, 2007 MT	As At March 31, 2008 MT	As At March 31, 2007 MT
EPM/EPDM Rubber	10,000	10,000	586.413	3656.669
	(10,000)	(10,000)		

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

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(e) Quantitative information with respect to manufactured finished goods

Particulars	Year Ended March 31, 2008		Year Ended March 31, 2007	
	Quantity MT	Value Rupees	Quantity MT	Value Rupees
Opening Stock: EPM/EPDM Rubber	0.700	102,268	177.0578	22,363,508
Sales: EPM/EPDM Rubber (less material return)	436.705	52,013,030	3623.750	428,052,001
Consumed for conversion EPM/EPDM Rubber-Lost in fire	-	-	13.938	-
	-	-	195.339	-
Closing Stock EPM/EPDM/Rubber	150.408	28,728,189	0.700	102,268

Particulars	Year Ended March 31, 2008		Year Ended March 31, 2007	
	Quantity MT	Value Rupees	Quantity MT	Value Rupees
Opening Stock: IMPACT MODIFIERS	-	-	5.726	6,38,289
Processed during the year: IMPACT MODIFIERS	-	-	22.134	-
Sales: IMPACT MODIFIERS Loss on Fire	-	-	17.405	2,797,250
	-	-	10.455	-
Closing Stock: IMPACT MODIFIERS	-	-	-	-

20. CIF Value of Imports	Year ended March 31, 2008		Year ended March 31, 2007	
		Rupees		Rupees
Raw Material		61,41,415		43,997,378
Components & Spare Parts		-		6,571,135

21. Expenditure in foreign currency	Year ended March 31, 2008		Year ended March 31, 2007	
		Rupees		Rupees
Foreign Travel		-		86,465
Others		-		23,646

22. Earnings in foreign currency	Year ended March 31, 2008		Year ended March 31, 2007	
		Rupees		Rupees
Export Sales		693,267		58,342,665

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



UNIMERS INDIA LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2008

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

I. Registration Details

Registration No. State Code

Balance Sheet Date Date Month Year

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

Public Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

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

Total Liabilities	<input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="3"/>	Total Assets	<input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="2"/>
Sources of Funds		Reserves and Surplus	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Paid-up Capital	<input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="9"/>	Unsecured Loans	<input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="2"/>
Secured Loans	<input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="0"/>		
Application of Funds		Investments	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Net Fixed Assets	<input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="3"/>	Miscellaneous Expenditure	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Net Current Assets	<input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="5"/>		
Accumulated Losses	<input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="2"/>		

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

Turnover	<input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="3"/>	Total Expenditure	<input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="4"/>
+ - Profit Before Tax	<input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="2"/>	Profit After Tax	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="9"/>

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

Profit per Share in Rs. Dividend Rate

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

Product Description

Product Code No.

Signatures to Schedules 1 to 16

On behalf of the Board

For LODHA & CO
Chartered Accountants

R. P. BARADIYA
Partner
Membership No.: 44101

R. S. Agarwal
Director

S. P. Gupta
Wholetime Director

Place : Mumbai
Dated: November 28, 2008



UNIMERS INDIA LIMITED

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

L. F. No.	
No. of Share Held	

ATTENDANCE SLIP

I / We hereby record my / our presence at the 20th Annual General Meeting of the Company to be held on Wednesday, December 31, 2008 at 10.00 a.m. at Rotary Club of 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

NOTE

- You are requested to sign and hand over this slip at the entrance.
- 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.

----- TEAR HERE -----



UNIMERS INDIA LIMITED

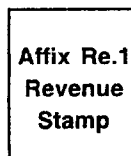
Regd. Office : 2/2, TTC Indl. Area, (D Block), MIDC, Thane-Belapur Road,
Turbhe, Navi Mumbai - 400 705

L. F. No.	
No. of Share Held	

FORM OF PROXY

I/We _____ of _____
 _____ in the district of _____ being
 a Share Holder / Share Holders of the above named Company hereby appoint _____
 _____ of _____ in the district of _____
 _____ or failing him _____
 _____ 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, December 31, 2008 at 10.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2008



NOTE :

- 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.
- Proxy need not be a member of the Company.

TEAR HERE

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.