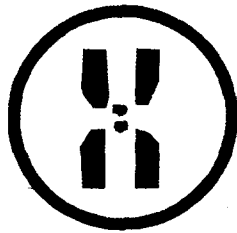


DUNCAN GOENKA



**UNIMERS
INDIA
LIMITED**

21st Annual Report 2008 -2009



UNIMERS INDIA LIMITED

BOARD OF DIRECTORS

| | |
|----------------------------|---|
| Mr. G. P. Goenka | Chairman |
| Mr. Sukhendu Ray | Director |
| Mr. Shrivardhan Goenka | Director (resigned w.e.f. Jan 31, 2009) |
| Mr. Tan Chean Liang Kelvin | Director (resigned w.e.f. April 29, 2009) |
| Mr. R. S. Agarwal | Director |
| 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 Twenty first Annual General Meeting of the members of UNIMERS INDIA LIMITED will be held on Tuesday, the 29th day of September 2009 at 10:30 a.m. at Rotary Club of Navi Mumbai, Rotary Centre, next to Sacred Heart Convent School, Sector-6, Vashi, Navi Mumbai 400 703 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended March 31, 2009 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. R. S. Agarwal 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 appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For UNIMERS INDIA LIMITED

S. P. Gupta
Wholetime Director

R. S. Agarwal
Director

Place : Mumbai

Dated : August 28, 2009

Registered Office:

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

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and Share Transfer Books of the Company will be closed from 25th September, 2009 to 29th September, 2009 (both days inclusive).
- c) Members / proxies are requested to bring the attendance slip duly filled in for attending the meeting. No duplicate will be issued at the venue of the meeting.
- d) Members are requested to bring their copies of the Annual Report at the time of attending the meeting.
- e) The Shareholders are requested to send all their correspondence, in respect of shares etc. to Adroit Corporate Services Private Limited 19, Jaferbhoy Industrial Estate, 1st Floor, Makhwana Road, Marol Naka, Mumbai 400 059.
- f) As required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/ re-appointed are given hereunder.

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

| Particulars | Mr. R. S. Agarwal | Mr. Sukhendu Ray |
|---|--|--|
| Date of Birth | 02.10.1942 | 29.11.1922 |
| Date of Appointment | 12.04.2006 | 05.03.2002 |
| Qualifications | B.Sc, BE (Chemical Engg.), Diploma in Industrial Engineering, Proficiency in Boiler Operation Engineering | B. Sc, CA (UK) |
| Experience | 9 1/2 years industrial experience as Process Engineer in a leading paper mill of Northern India (1965-1974). Worked with IDBI for 28 years and retired as Executive Director of IDBI | Worked with Kettlewell Bullen & Co. Ltd. and thereafter with Guest Keen Williams Ltd., then a subsidiary of Guest Keen & Nettlefold 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. Madras Cement Ltd. 2. Torrent Cables Ltd. 3. Surya Lakshmi Cotton Mills Ltd. 4. Surya Lata Spinning Mills Ltd. 5. Elegant Marbles & Grani Industries Ltd. 6. Deccan Cements Ltd. 7. NRC Ltd. 8. Ramco Industries Ltd. 9. Videocon Industries 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. Madras Cement Ltd. - Audit committee - Chairman 2. Torrent Cables Ltd. - Audit committee - Chairman 3. Surya Lakshmi Cotton Mills Ltd - Audit committee - Member 4. Surya Lata Spinning Mills Ltd. Audit committee - Member 5. Elegant Marbles & Grani Industries Ltd. Audit committee - Member 6. Deccan Cements Ltd. Audit committee - Member 7. NRC Ltd. Audit committee - Member 8. Ramco Industries Ltd. Audit committee - Member 9. Videocon Industries Ltd. Audit 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 - Member. |
| Number of shares held | - | - |

**DIRECTORS' REPORT**

To the Members of the Company for the year ended 31st March 2009

The Board of Directors present the Twenty First Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2009.

1. FINANCIAL HIGHLIGHTS:

| Particulars | Year ended 31.03.2009 (Rs. in lacs) | Year ended 31.03.2008 (Rs. in lacs) |
|--|---|---|
| Sales (Net of Excise duty) | 308.67 | 520.13 |
| Gross Profit/(loss) before Interest and Depreciation | (438.53) | (958.01) |
| Profit/(loss) before tax and exceptional items | (1167.15) | (1837.12) |
| Less: Exceptional items | 120.00 | - |
| Less: Fringe Benefit Tax/prior year tax | 11.24 | 3.18 |
| Add: Deferred Tax Asset | 242.15 | 2935.50 |
| Profit/(Loss) | (1056.24) | 1095.19 |
| Loss brought forward from previous year | (1445.92) | (6251.58) |
| Less: Adjustment for reduction of Share Capital | - | 3710.47 |
| Balance carried to Balance Sheet | (2502.16) | (1445.92) |

2. OPERATIONS:

During the year under review, the Company did not carry out any production activity.

The Company sold 244 MT of EPDM Rubber in the domestic market against 431 MT in the previous year. Though sales realisations improved over the previous year, margins were adversely affected due to abnormal increase in the input costs.

3. RESTRUCTURING

The Company had approached its lending banks and institutions for a reworking of the CDR Package in December, 2006. The consultants appointed at the behest of the lenders opined that in view of the volatile crude price scenario and other market uncertainties, the business outlook for EPDM Rubber in the near term is not very positive, and the Company operations outlook needs to be classified as 'not viable' for the present. In the light of the consultants' report, the lenders were unable to accept the Company's proposals for financial restructuring. The management is actively exploring various other options for restructuring the business and financials of the Company, including unlocking asset values and entering into other business or product lines. One of the options actively being considered, is establishing of manufacturing operations at another site offering better competitive advantages in terms of supply chain logistics, input availability and costs. To this end approval of shareholders has been obtained in December, 2008 as per provisions of Sec 293 (1) (a) of The Companies Act, 1956, which will be implemented in terms of the directions of Hon'ble Company Law Board in a matter pending before it. As part of this ongoing exercise, the Company entered into an arrangement for assignment of land during the year and advance received has been utilised, inter alia, to settle part of the liabilities of the Company. However, the global financial crisis and certain impediments having affected its implementation, the management is seeking appropriate advice before charting out further course of actions.

4. EMPLOYEE RELATIONS:

Considering the continuing difficult market conditions and the reluctance of lending institutions to approve further restructuring, the Company decided to effect permanent closure of its manufacturing operations at Navi Mumbai. Accordingly, closure under the relevant provisions of The Industrial Disputes Act, 1947 was declared with effect from June 25, 2008. The employees union has preferred to move the Industrial Court against this closure decision. The matter is pending. The management has been advised that the closure is in line with relevant legal provisions.

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 31.3.2009 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 | 55 | WholeTime Director | General Management | 27,38,373 | 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 the highest possible standards and procedures related to Safety, Health and Environment.

7. DEMATERIALISATION OF COMPANY'S EQUITY SHARES:

87.66 % of the Company's 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. Tan Chean Liang Kelvin, who was appointed as a Non-Executive Director w.e.f. June 28, 2007 ceased to be director w.e.f. February 27, 2009, Mr. S. Goenka resigned from the Board with effect from 31st January, 2009.

Mr. R. S. Agarwal and Mr. 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 forms part of this Report.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to major departures;
- such accounting policies as were reasonable and prudent were selected in preparation of the Accounts and applied consistently. Further judgements and estimates that were reasonable and prudent were also made in the course of preparation of Accounts so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year ended 31st March, 2009;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Accounts have been prepared on a going concern basis.

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. AUDITORS' REPORT:

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

14. ACKNOWLEDGEMENT:

The Board of Directors takes 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 wishes to place on record its appreciation to all the employees of the Company for their support.

For and on behalf of the Board

S. P. Gupta
Wholetime Director

R. S. Agarwal
Director

G. P. Goenka
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE 'A'

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

(I) CONSERVATION OF ENERGY

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

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

(III) RESEARCH AND DEVELOPMENT (R&D)

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

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

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

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

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

(d) Future plan of action:

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

(IV) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board

S. P. Gupta
Wholetime Director

R. S. Agarwal
Director

G. P. Goenka
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

'FORM A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption

| | | Current year | Previous year |
|----|---------------------------------------|---------------------|----------------------|
| 1. | Electricity | | |
| | a. Purchase Unit | - | 3283880 kwh |
| | Total amount | 22.47 | Rs.232.25 lacs |
| | Rate / Unit | - | Rs.7.07 |
| | b. Own generation | - | NIL |
| | (I) Through diesel generator unit | - | N.A. |
| | Unit per ltr. of diesel oil | - | |
| | Cost/Unit | - | |
| | (II) Through stream turbine generator | - | N.A. |
| 2. | Coal | - | NIL |
| 3. | Furnace oil | - | |
| | Quantity | - | 742.00 K.Ltrs |
| | Total amount | - | Rs.125.06 lacs |
| | Average rate | - | Rs.16855/K.Ltrs |
| 4. | Others | - | NIL |
| B. | Consumption per unit of production | | |
| | Products | - | EPDM |
| | Electricity | - | RUBBER |
| | Furnace oil | - | 5.599 Mwh/MT |
| | Coal | - | 1.2653 K.ltrs / MT |
| | Diesel | - | NIL |
| | | - | NIL |

For and on behalf of the Board

S. P. Gupta
Wholetime Director

R. S. Agarwal
Director

G. P. Goenka
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. Industry Structure and Developments

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

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 manufacturers 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 has resulted in the EPDM business becoming unviable in the near term.

c. Risks and concerns

The high debt portfolio, especially in the absence of stable revenue streams, is currently cause for concern

d. Internal Control Systems and their adequacy

The Management has ensured that necessary internal control systems are created and maintained in all departments. These internal control procedures are adequate and commensurate with the size of the Company and nature of its business. The statutory 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

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

f. Outlook

The Company had approached its lending banks and institutions for a reworking of the CDR Package, but in view of the volatile crude price scenario and other market uncertainties, the lenders were unable to accept the Company's proposals. 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

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

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

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



REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

Composition and Status of Directors:

| Name of the Director | Status (Executive, Non-Executive and Independent) |
|---|--|
| Mr. G. P. Goenka (Chairman) | Promoter, Non Executive |
| Mr. Sukhendu Ray | Independent & Non - Executive |
| Mr. R. S. Agarwal | Independent & Non - Executive |
| Mr. S.P.Gupta (Whole Time Director) | Executive |
| Mr. Shrivardhan Goenka (Resigned w.e.f. 31/01/2009) | Promoter, Non Executive |
| Mr. Tan Chean Liang Kelvin (Resigned w.e.f. 29/04/2009) | Independent & Non Executive |
| Mr. V. B. Dalal (Resigned w.e.f. 22/10/2008) | Non Executive |

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

| Current y | 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 | 2 | No | 7 | 2 | - |
| Mr. Sukhendu Ray | 6 | 1 | No | 6 | 3 | 4 |
| Mr. Shrivardhan Goenka* | 6 | 4 | No | 7 | 2 | - |
| Mr.Tan Chean Liang Kelvin** | 6 | Nil | No | - | - | - |
| Mr. R. S. Agarwal | 6 | 6 | Yes | 9 | 8 | 2 |
| Mr. V. B. Dalal *** | 6 | 2 | No | 2 | 3 | 1 |
| Mr. S.P.Gupta | 6 | 6 | Yes | 1 | - | - |

* Resigned as Director w.e.f. 31st January, 2009

** Resigned as Director w.e.f. 29th April, 2009

*** Resigned as Director w.e.f. 22nd October, 2008

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

During the year 2008-09, six Board Meetings were held on 28th April, 2008; 25th July, 2008; 25th October, 2008; 14th November, 2008, 28th November, 2008 and 31st January, 2009.

3. Board Committees

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

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

I. Audit Committee

Terms of reference

(a) Primary objectives of the Audit Committee:

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

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

(b) Scope of the Audit Committee:

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

**(c) Composition of the Audit Committee as on March 31, 2009**

The Audit Committee comprises of one Executive Director and two 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, Chairman
2. Mr. Sukhendu Ray
3. Mr. Shrivardhan Goenka (resigned w.e.f. 31st January, 2009).
4. Mr. S. P. Gupta (appointed w.e.f. 31st January, 2009).

(d) Audit Committee Meetings and Attendance during the financial year ended March 31, 2009

During the financial year ended March 31, 2009, Five Audit Committee Meetings were held on 28th April, 2008; 25th July, 2008; 25th October, 2008, 28th November, 2008 and 31st January, 2009. The table hereunder gives the attendance record of the Audit Committee members.

| Name of the Audit Committee Members | No. of meetings held | No. of meetings attended |
|-------------------------------------|----------------------|--------------------------|
| Mr. R. S. Agarwal | 5 | 5 |
| Mr. Sukhendu Ray | 5 | 1 |
| Mr. Shrivardhan Goenka | 5 | 4 |

The Committee has recommended to the Board the appointment of M/s. Lodha & Co., Chartered Accountants, as the statutory and independent auditors of the Company for the Financial Year ending March 31, 2010 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 Mr. R.S.Agarwal and Mr. 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 Whole Time Director is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General Meetings. Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

Details of Remuneration to all the Directors for the Financial Year ended March 31, 2009 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 | 5,000 | - | - | - | - | - | 5,000 |
| Mr. Sukhendu Ray | 2,500 | 2,500 | - | - | - | - | 5,000 |
| Mr. Shrivardhan Goenka | 10,000 | 10,000 | - | - | - | - | 20,000 |
| Mr. Tan Chean Liang Kelvin | - | - | - | - | - | - | - |
| Mr. R. S. Agarwal | 15,000 | 12,500 | 2,500 | - | - | - | 30,000 |
| Mr. V. B. Dalal | 5,000 | - | 5,000 | - | - | - | 10,000 |
| Mr. S.P.Gupta | - | - | - | - | - | 26,76,373 | 26,76,373 |
| Total (Rs.) | 37,500 | 25,000 | 7,500 | - | - | 26,76,373 | 27,46,373 |

iii. Investors' Grievance Committee

The Investors' Grievance Committee comprises of the following members:

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

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

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

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

Investors' Grievance Committee Meetings and Attendance during the financial year ended March 31, 2009

Three Committee Meetings were held during the financial year ended March 31, 2009. 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 (resigned w.e.f. Oct 22, 2008) | 3 | 2 |
| Mr. R. S. Agarwal | 3 | 1 |
| Mr. S. P. Gupta | 3 | 3 |

iv. Share / Debenture Transfer Committee of Executives

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

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

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

Share / Debenture Transfer Committee Meetings and Attendance during the financial year ended March 31, 2009

Twenty Four Committee Meetings were held during the financial year ended March 31, 2009, which were attended by the members mentioned above.

Compliance Officer: Mr. K. S. Ravi.

Number of investors' complaints received during the year - 955

Number not solved to the satisfaction of investors - Nil

Number of pending share / debenture transfer - Nil

There are no outstanding complaints as on March 31, 2009.

**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 |
|----------|------------|--------------------|------------|---|
| 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 |
| 2008 AGM | 31.12.2008 | Vashi, Navi Mumbai | 10.00 A.M. | 1 |

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 retire by rotation every year and if eligible, offer themselves for re-appointment at every Annual General Meeting. Mr. R. S. Agarwal 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 (ii) above.

(ii) Compliances by the Company:

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

(iii) Access of personnel to the Audit Committee:

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

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

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

7. Means of communication

- (i) Half yearly report sent to each household of shareholders: No
Quarterly Results
- (a) Which newspapers normally published in: 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. Whole Time Director's declaration on compliance of the Company's Code of Conduct is Annexed herewith.

10. General Shareholder information:

- (i) Date, time and venue of Annual General Meeting of Shareholders 29th September, 2009, 10:30 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 2009-10 (tentative and subject to change) **Financial reporting for quarter ended**
June 30, 2009 : By July 31, 2009
September 30, 2009 : By October 31, 2009
December 31, 2009 : By January 31, 2010
March 31, 2010 : By June 30, 2010
- (iii) Dates of book closures 25th September, 2009 to 29th September, 2009 (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 2009-10 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.

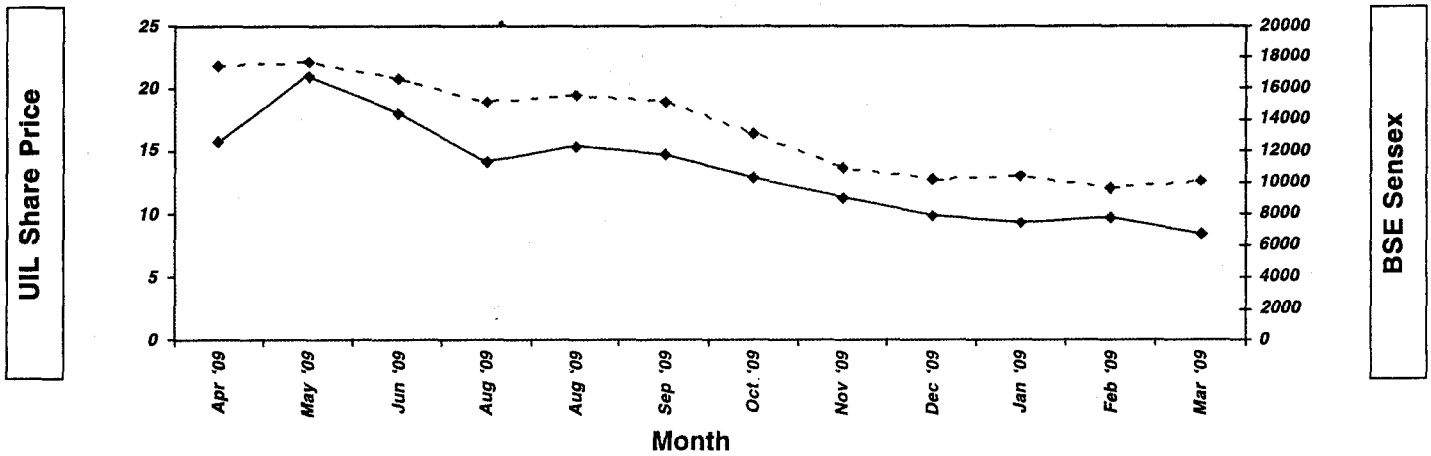
(x) Stock Market price data

Monthly high and low at the Bombay Stock Exchange Limited for financial year ended 31st March, 2009:

| Month | High (Rs.) | Low (Rs.) | BSE Sensex (High) |
|-----------------|------------|-----------|-------------------|
| April, 2008 | 15.84 | 13.03 | 17,480.74 |
| May, 2008 | 20.90 | 14.25 | 17,735.70 |
| June, 2008 | 18.00 | 11.90 | 16,632.72 |
| July, 2008 | 14.15 | 10.70 | 15,130.09 |
| August, 2008 | 15.35 | 13.09 | 15,579.78 |
| September, 2008 | 14.75 | 11.53 | 15,107.01 |
| October, 2008 | 12.85 | 10.01 | 13,203.86 |
| November, 2008 | 11.34 | 8.70 | 10,945.41 |
| December, 2008 | 9.88 | 8.15 | 10,188.54 |
| January, 2009 | 9.40 | 7.00 | 10,469.72 |
| February, 2009 | 9.79 | 7.85 | 9,724.87 |
| March, 2009 | 8.45 | 6.66 | 10,127.09 |



(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 2917.

(xiv) Distribution of Shareholding as on 31st March, 2009

| No. of Shares Held | No. of Folios | Percentage | No. of Shares | Percentage |
|--------------------|---------------|---------------|-----------------|---------------|
| 1 - 500 | 67753 | 98.91 | 1198164 | 7.53 |
| 501 - 1000 | 364 | 0.53 | 265337 | 1.67 |
| 1001 - 2000 | 194 | 0.28 | 288918 | 1.82 |
| 2001 - 3000 | 67 | 0.10 | 177000 | 1.11 |
| 3001 - 4000 | 30 | 0.04 | 103865 | 0.65 |
| 4001 - 5000 | 27 | 0.04 | 125015 | 0.79 |
| 5001 - 10000 | 30 | 0.04 | 207088 | 1.30 |
| 10001 & above | 44 | 0.06 | 13536612 | 85.13 |
| TO TAL | 68509 | 100.00 | 15901999 | 100.00 |

| | <u>No. of shareholders</u> | <u>No. of shares</u> |
|--|----------------------------|----------------------|
| No. of shareholders in Physical mode | 57635 | 1962886 |
| No. of shareholders in Electronic mode | 10874 | 13939113 |

(xv) Share Holding Pattern as on March 31, 2009

| CATEGORY | NO OF SHARES | % OF SHAREHOLDING |
|--------------------------------|--------------|-------------------|
| Promoters * | 8092297 | 50.89 |
| Foreign Collaborator (UCC) | 247500 | 1.56 |
| Financial Institutions & Banks | 3746403 | 23.56 |
| Mutual Fund & UTI | 1320 | 0.01 |
| Bodies Corporate | 1043576 | 6.56 |
| NRI | 4230 | 0.03 |
| Indian Public | 2766673 | 17.39 |
| Total | 15901999 | 100.00 |

* Promoters holding is 8092297 shares representing 50.89% of the Equity Capital of the Company. Out of the total Promoter Group shareholding, 1800000 shares were pledged which were subsequently invoked by the Pledgee. The matter of invocation is in dispute and sub-judice. Hence, these 1800000 shares continue to be included in 'Promoters' Category.

(xvi) Dematerialisation of shares and liquidity : 87.66
 No. of shares dematted as on March 31, 2009 : 13939113

As on 31st March, 2009 the paid up Equity Share capital of the Company stood reduced to Rs 15.90 crore comprising of 1.59 crore equity shares of Rs. 10/- each, consequent to reduction of capital in terms of the Scheme approved by the Hon'ble Bombay High Court.

(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, 2009.

For UNIMERS INDIA LIMITED

S. P. GUPTA
WHOLETIME DIRECTOR

Place: Mumbai
Date: August 28, 2009

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, 2009, 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

R. P. BARADIYA
Partner
Membership No. 44101

Place: Mumbai
Date: August 28, 2009

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 2008-09 and that to the best of my knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware of and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated wherever applicable to the auditors and the audit committee:-
- (i) significant changes in internal control over financial reporting, if any during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting

For UNIMERS INDIA LIMITED

K. S. RAVI

SR.MANAGER (FINANCE & ACCOUNTS)

Place: Mumbai

Date: August 28, 2009



AUDITORS' REPORT

To
The Members
UNIMERS INDIA LIMITED,

1. We have audited the attached Balance Sheet of Unimers India Limited as at 31st March, 2009 and the annexed Profit & Loss Account and also Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We draw attention to:
 - (a) Note no. B1 and B4 of Schedule 16 of Significant Accounting Policies and Notes on Financial Statements. The accumulated losses of the Company as at the year end are nearly equal to its net worth. Besides, plant operations were suspended since October, 2007 and thereafter formally closed and workers retrenched effective from 26th June, 2008. These financial statements have, however, been prepared by the management on a "going concern" basis, considering the various revival/restructuring option being actively pursued by the management. This being a technical matter and in view of uncertainty, we are unable to express an opinion as to whether the Company can now operate as a going concern. However, as explained, should the Company be unable to continue as a going concern, the extent of the effect of the resultant adjustments to the accumulated losses, assets and liabilities as at the year end and loss for the year is presently not ascertainable.
 - (b) Note no. B9(a) of Schedule 16 of the said Schedule regarding recognition of deferred tax asset of Rs. 317,765,649 on the basis that there would be sufficient future income. We are however unable to express an opinion as to when and to what extent such deferred tax asset would get reversed (i.e. get utilised).
 - (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 loss 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 and consequential liability of interest/other charges on the same.
 - (e) Note no. B 5 of Schedule 16 regarding non disclosure of revalued amounts substituted for historical cost in case of certain revalued fixed assets in terms of Accounting Standard 10 of fixed assets.
 - (f) Note no. B 4(c) of the said Schedule regarding non-provision of interest liability aggregating to Rs.9,814,095 on assigned loans and debentures on the basis that the management is expecting waiver thereof.
4. We further report that, without considering matters mentioned in para 3(a) to (e) above, the effect of which could not be determined, had the observation made by us in para 3(f) above been considered the loss for the year would have been Rs.115,438,147 (as against the reported figure of Rs 105,624,052), accumulated losses would have been Rs 260,030,278 (as against the reported figure of Rs 250,216,183) and secured loans would have been Rs 534,547,884(as against the reported figure of Rs.524,733,789).
5. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (hereinafter referred to as the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.

6. Further to our comments in the Annexure referred to in paragraph (5) above, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except what is stated in para 3(c) above;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Act, to the extent applicable.
 - e) On the basis of written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of Section 274 (1)(g) of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements subject to what is stated in paragraphs 4 above, and read together with Note no. B 12(a) of Schedule 16 regarding pending approval of Central Government in respect of managerial remuneration, Note no. B13 of Schedule 16 regarding interest liability in respect of dues to micro, small and medium enterprises, Note no. B 14 of Schedule 16 regarding appointment of Company Secretary and other notes in the said Schedule and those appearing elsewhere in the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For LODHA & COMPANY
Chartered Accountants

R. P. BARADIYA
Partner
Membership No. 44101

Place: Mumbai

Date: August 28, 2009



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 2009.

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All fixed assets have been physically verified by the management at the year end which is considered reasonable no discrepancies were noticed on such verification.
(c) No substantial part of fixed assets has been disposed of during the year.
2. (a) The inventory excluding those lying with third parties has been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties were 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.
5. We are informed by the management that as per the legal opinion obtained by them, the transactions with other companies in which Directors of the Company and who are also holding the positions as directors in the other companies (not holding shares exceeding 2% of paid up capital) are not required to be entered in the register maintained under sub-section (1) of Section 301 of the Act. In view of above, there are no entries recorded in the Register maintained under Section 301 of the Act.
6. The Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and Rules framed thereunder.
7. 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 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, 2009 for a period of more than six months from the date they became payable except as mentioned below:

| Name of the statute | Nature of dues | Amount (Rs. in lacs)* | Period to which the amount relates | Due date |
|-------------------------|--|-----------------------|------------------------------------|----------|
| The Companies Act, 1956 | Investor Education and Protection Fund | 75.21 | 1991 | 1998 |

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

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

| Nature of Dues | Year | Forum where dispute is Pending | Amount (Rs) |
|----------------|-----------|--------------------------------|-------------|
| Sales Tax | 1998-1999 | App. Tribunal | 183,795 |
| Sales Tax | 1999-2000 | Dy. Comm | 1,349,213 |
| Sales Tax | 2000-2001 | App. Tribunal | 191,264 |
| Sales Tax | 2002-2003 | Dy. Comm | 1,363,375 |
| Excise Duty | Oct'2006 | CESTAT | 6,226,499 |
| Cess Liability | Oct'2007 | NMMC | 117,785 |

10. The Company's accumulated losses as at 31st March, 2009 are more than fifty percent of its net worth. The Company has incurred cash losses during the current financial year and in the immediately preceding financial year.
11. During the year, the Company has defaulted in repayment of dues to financial institutions and debentures holders as per details below:

| Nature of Dues | Amount (Rs. in lacs) | Paid On |
|---|-------------------------------------|---------------|
| Financial Institutions - Principal Interest | 708.02 575.06 | Still Pending |
| Debenture Holders - Principal Interest | 371.54 549.88 (upto March, 2008) | Still Pending |

*- Also refer pyara 3(f) of main report.

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

For LODHA & COMPANY
Chartered Accountants

R. P. BARADIYA
Partner

Place: Mumbai
Date: August 28, 2009

**UNIMERS INDIA LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2009**

| | Schedule No | As At 31.03.2009 Rupees | | As At 31.03.2008 Rupees |
|--|----------------|-------------------------------|--------------------|-------------------------------|
| 1. SOURCES OF FUNDS | | | | |
| SHAREHOLDERS' FUNDS : | | | | |
| Share Capital | 1 | 267,019,990 | | 267,019,990 |
| ADVANCE AGAINST SHARE CAPITAL | 2 | - | | 112,427,970 |
| LOAN FUNDS : | | | | |
| Secured Loans | 3 | 524,733,789 | 502,390,932 | |
| Unsecured Loans | 4 | 4,824,566 | 76,482,514 | 578,873,445 |
| TOTAL | | 796,578,345 | 796,578,345 | 958,321,405 |
| 2. APPLICATION OF FUNDS | | | | |
| FIXED ASSETS : | | | | |
| (a) Gross Block | 5 | 1,303,830,565 | 1,303,814,216 | |
| (b) Less : Depreciation and amortisation | | 761,232,276 | 712,566,635 | |
| (c) Net Block | | 542,598,289 | 591,247,581 | |
| (d) Capital work in progress | | - | 29,315,791 | |
| | | 542,598,289 | 620,563,372 | |
| DEFERRED TAX ASSET (NET) | | 317,765,649 | | 293,549,887 |
| (Refer Note B 9(a) of Schedule 16) | | | | |
| CURRENT ASSETS, LOANS AND ADVANCES : | | | | |
| (a) Inventories | 6 | 24,263,257 | 64,913,525 | |
| (b) Debtors | 7 | 35,513,923 | 20,920,911 | |
| (c) Cash and Bank Balances | 8 | 5,108,309 | 7,361,701 | |
| (d) Loans and Advances | 9 | 97,220,438 | 41,559,643 | |
| | | 162,105,927 | 134,755,780 | |
| LESS : | | | | |
| CURRENT LIABILITIES AND PROVISIONS | | | | |
| (a) Liabilities | 10 | 474,715,985 | 233,190,362 | |
| (b) Provisions | 11 | 1,391,718 | 1,949,404 | |
| | | 476,107,703 | 235,139,766 | |
| NET CURRENT ASSETS | | (314,001,776) | | (100,383,986) |
| PROFIT AND LOSS ACCOUNT (LOSS) | | 250,216,183 | | 144,592,131 |
| TOTAL | | 796,578,345 | 796,578,345 | 958,321,405 |
| Significant Accounting Policies and Notes on 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 of Directors

For LODHA & CO
Chartered Accountants

R. P. BARADIYA
Partner

S. P. Gupta
Whole time Director

R. S. Agarwal
Director

Place: Mumbai
Date: August 28, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

| | Schedule No | For the Year Ended 31.03.2009 Rupees | For the Year Ended 31.03.2008 Rupees |
|--|----------------|---|---|
| INCOME | | | |
| Gross Sales | | 32,642,963 | 60,607,914 |
| Less : Excise duty | | 1,776,022 | 8,594,884 |
| Net Sales | | <u>30,866,941</u> | <u>52,013,030</u> |
| Other Income | 12 | <u>10,634,939</u> | <u>7,289,490</u> |
| EXPENDITURE | | | |
| Raw Materials Consumed | | - | 71,615,288 |
| Other Expenses | 13 | 57,613,353 | 112,114,204 |
| (Increase)/Decrease in finished goods and work- in- progress | 14 | <u>28,728,189</u> | <u>(28,625,921)</u> |
| PROFIT / (LOSS) BEFORE INTEREST AND DEPRICIATION | | (44,839,661) | (95,801,051) |
| Depreciation and amortisation | | 48,665,641 | 48,592,707 |
| Interest and Other Finance Charges | 15 | <u>24,195,619</u> | <u>39,318,333</u> |
| PROFIT/(LOSS) BEFORE TAXATION & EXCEPTIONAL ITEMS | | (117,700,922) | (183,712,091) |
| Exceptional items (Net) Refer Note B 4(b) of Schedule 16 | | (12,000,000) | - |
| Fringe benefit tax | | (138,892) | (318,960) |
| Deferred tax(Refer to note no B 9 (a)of Schedule 16 | | <u>24,215,762</u> | <u>293,549,887</u> |
| PROFIT/(LOSS) AFTER TAXATION & EXCEPTIONAL ITEMS | | (105,624,052) | 109,518,836 |
| Balance of loss brought forward from previous year | (144,592,131) | | (625,157,627) |
| Less:-Adjustment for reduction of Share Capital | - | <u>(144,592,131)</u> | <u>371,046,660</u> |
| BALANCE CARRIED TO BALANCE SHEET (LOSS) | | <u>(250,216,183)</u> | <u>(144,592,131)</u> |
| Earnings Per Share (Refer note B 17 of Schedule 16) | | | |
| - Basic | | (6.68) | 2.94 |
| - Diluted | | - | 2.70 |
| Significant Accounting Policies and Notes on 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 of Directors

For LODHA & CO
Chartered Accountants

R. P. BARADIYA
Partner

S. P. Gupta
Whole time Director

R. S. Agarwal
Director

Place: Mumbai
Date: August 28, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
|--|-----------------------|-----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Loss before tax and exceptional Items | 129,700,922 | 183,712,091 |
| Adjustments for: | | |
| Provision for Doubtful Advances | 4,116,300 | 1,310,966 |
| Depreciation | 48,665,641 | 48,592,707 |
| Finance lease payment | 56,248 | 53,195 |
| Sales Tax for Earlier Years | 986,352 | - |
| Bad & doubtful debts | 4,578,938 | 1,641,655 |
| Provisions for slow and non-moving inventories | 3,172,246 | - |
| Loss of stock due to evaporation | 8,749,640 | - |
| Provision-bonus/leaveencashment/superannuation | 886,463 | 225,003 |
| Sundry Credit balances written back | (12,542,282) | (1,829,900) |
| Interest Received | (49,306) | (734,431) |
| Interest Paid/provision | 24,195,619 | 39,318,333 |
| | <u>82,815,859</u> | <u>88,577,528</u> |
| Operating profit/(loss) and Exceptional Items & Change in Working Capital | (46,885,063) | (95,134,563) |
| Exceptional Items | 12,000,000 | - |
| Operating profit/(loss) before working Capital Changes | (34,885,063) | (95,134,563) |
| Adjustments for: (Increase)/Decrease | | |
| Trade & Other Receivables | (16,734,625) | (12,772,946) |
| Loans and Advances | (59,495,139) | (356,998) |
| Inventories | 28,728,383 | (784,157) |
| Trade Payables | (7,664,698) | 86,702,169 |
| Cash generated from operating activities | (55,166,079) | 72,788,069 |
| Cash generated from operations | (90,051,142) | (22,346,494) |
| Taxes Paid | 34,316 | (396,250) |
| Net Cash generated from Operating Activities | (90,016,826) | (22,742,744) |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (16,350) | (4,376,277) |
| Interest Received | 49,306 | 2,863,065 |
| Finance lease payment(principal portion) | (267,581) | (267,581) |
| Net Cash generated from Investing Activities | (234,625) | (1,780,793) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of Unsecured Loans | (70,975,136) | - |
| Refund of Advance against Share Capital | (112,427,970) | - |
| Payments of long term borrowings | - | (4,458,734) |
| Advance received towards assignment of rights in a Land. | 276,250,000 | - |
| Proceeds from borrowings-ICDS | 1,000,000 | 2,232,867 |
| Interest paid-net provision | 1,691,193 | (9,315,830) |
| Lease Rent paid(Interest portion) | (56,248) | (53,195) |
| Cash Credit borrowings (Net) | (5,274,507) | 26,521,069 |
| Net Cash generated from Financing Activities | 90,207,332 | 14,926,177 |
| Net Increase in Cash and Cash Equivalents | (44,119) | (9,597,361) |
| Opening Balance of Cash and Cash Equivalents | 1,099,352 | 10,696,713 |
| Closing Balance of Cash and Cash Equivalents | 1,055,233 | 1,099,352 |

Notes :

- 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.
- Figures in brackets indicate cash outflow.
- Margin money of Rs 1,084,000 (as at march'31st,08 Rs3,182,050) has been excluded from cash and cash equivalent and included in other receivables
- Previous year's figures have been regrouped/rearranged wherever necessary, to conform to the current year's presentation.

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

On behalf of the Board of Directors

R. P. BARADIYA
Partner

S. P. Gupta
Whole time Director

R. S. Agarwal
Director

Place: Mumbai
Date: August 28, 2009

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
|--|-------------------------------|-------------------------------|
| SCHEDULE 1 | | |
| SHARE CAPITAL | | |
| AUTHORISED | | |
| 18,000,000, Equity shares of Rs.10 each | 180,000,000 | 180,000,000 |
| 25,000,000, 0.5% Cummulative Non Convertible Redeemable Preference Shares of Rs.10 each | 250,000,000 | 250,000,000 |
| | 430,000,000 | 430,000,000 |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 159,01,999, Equity Shares of Rs.10 each fully paid up | 159,019,990 | 159,019,990 |
| 10,800,000, 0.5% Cummulative Non-Convertible Redeemable Preference Shares of Rs 10 each (Redeemable at par at the end of 9th year from the date of allotment i.e October 16, 2003 or earlier at the option of Company) | 108,000,000 | 108,000,000 |
| | 267,019,990 | 267,019,990 |
| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
| SCHEDULE 2 | | |
| ADVANCE AGAINST SHARE CAPITAL | | |
| | - | 112,427,970 |
| | - | 112,427,970 |
| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
| SCHEDULE 1 | | |
| SECURED LOANS | | |
| (1) (a) Debentures | | |
| 928,850 (Previous year 928,850) 12.5% (subsequently 13% from August 1, 2001 up to 31.3.2005 and from 1.4.2005 onwards 8.25%) Secured Redeemable Non-Convertible Debentures of Rs.100 each repayable in five equal annual installments commencing from March 31,2008. (Refer Note B 4 of Schedule 16) Repayable within one year Rs55,731,000.(Previous Year Rs.37,149,800) | 92,885,000 | 92,885,000 |
| Interest Accrued and Due thereon | 54,988,023 | 54,988,590 |
| 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 |
| Repayable within one year Rs93,391,762 (Previous Year Rs.81,099,954) | | |
| Interest Accrued and Due thereon | 65,216,516 | 53,454,550 |
| (Refer Note B4 of Schedule 16) 1,853,610 (previous year 1,853,610) Secured Zero Coupon Non Convertible Debentures of Rs.100 each redeemable in 20 quarterly installments commencing from April 1, 2006 in respect of SASF, IFCI and LIC and from Oct 17,2008 in respect of a body corporate (assigned by ICICI Bank). These are secured by way of mortgage, by deposit of title deeds of all the immovable properties and a subservient charge by way of hypothecation of all moveable assets The mortgage and charge referred to above shall rank pari passu with mortgages created and/or to be created in favour of term lenders. | | |



(2) Term Loans :

| | | |
|--|-------------------|-------------------|
| (a) from IFCI | 2,161,775 | 2,161,775 |
| (Repayable within one year Rs1,512,000 (previous year Rs1,080,000)) | | |
| Interest Accrued and Due thereon | 1,412,763 | 1,142,254 |
| (b) from a Body Corporate (assigned by SUUTI on Feb 26, 2009) | 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 | 12,618,254 | 9,044,489 |

(Refer Note B 4 of Schedule 16)

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

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

| | | |
|---|-------------------|-------------------|
| (a) Funded Interest Term Loan (FITL) | 11,611,718 | 11,611,718 |
| Interest Accrued and Due Thereon | 2,539,211 | 1,581,244 |

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

| | | |
|---|-------------------|-------------------|
| (b) Working Capital Loan | 88,919,146 | 94,193,653 |
| Interest Accrued and Due Thereon | 14,427,689 | 3,374,532 |

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

| | |
|--------------------|--------------------|
| 524,733,789 | 502,390,932 |
|--------------------|--------------------|

| | |
|------------------|------------------|
| 31.3.2009 | 31.3.2008 |
| (RUPEES) | (RUPEES) |

SCHEDULE 4

UNSECURED LOANS

Long Term Loans

| | | |
|--|---|------------|
| Inter-Corporate Deposits | - | 63,660,829 |
| 18% Unsecured Redeemable Non Convertible Debentures of Rs.100 each | - | 10,000,000 |

Short Term Loans

| | | |
|--------------------------|------------------|-------------------|
| from Body Corporates | 4,282,603 | 549,736 |
| Interest accrued and due | 541,963 | 2,271,948 |
| | 4,824,566 | 76,482,513 |

**SCHEDULE 5
SCHEDULE OF FIXED ASSETS**

| PARTICULARS | GROSS BLOCK (AT BOOK VALUE) | | | | DEPRECIATION AND AMORTISATION | | | | NET BLOCK | |
|--|------------------------------------|---------------------|---------------------------|-----------------------------------|-------------------------------|----------------------------------|---|------------------------------|------------------------------|------------------------------|
| | COST AS ON 01.04.2008 Rupees | ADDITIONS Rupees | DEDUCT- IONS Rupees | COST AS ON 31.3.2009 Rupees | AS ON 1.4.2008 Rupees | CHARGE FOR THE YEAR Rupees | WRITTEN BACK ON DEDUCTION Rupees | AS ON 31.3.2009 Rupees | AS ON 31.3.2009 Rupees | AS ON 31.3.2008 Rupees |
| LEASE HOLD LAND | 331,791,737 | - | - | 331,791,737 | 3,846,766 | 237,973 | - | 4,084,739 | 327,706,998 | 327,944,971 |
| BUILDING | 79,519,749 | - | - | 79,519,749 | 28,686,007 | 2,056,336 | - | 30,742,343 | 48,777,406 | 50,833,742 |
| PLANT & MACHINERY | 868,630,684 | 16,350 | - | 868,647,034 | 661,254,890 | 45,433,121 | - | 706,688,011 | 161,959,023 | 207,375,794 |
| MACHINERY SPARES | 5,021,987 | - | - | 5,021,987 | 5,021,987 | - | - | 5,021,987 | - | - |
| FURNITURE & FIXTURES AND OFFICE EQUIPMENTS | 10,101,874 | - | - | 10,101,874 | 7,612,331 | 528,516 | - | 8,140,847 | 1,961,027 | 2,489,542 |
| VEHICLES * | 8,748,185 | - | - | 8,748,185 | 6,144,654 | 409,696 | - | 6,554,350 | 2,193,835 | 2,603,532 |
| TOTAL | 1,303,814,216 | 16,350 | - | 1,303,830,565 | 712,566,635 | 48,665,641 | - | 761,232,276 | 542,598,290 | 591,247,581 |
| PREVIOUS YEAR | 1,302,961,509 | 852,707 | - | 1,303,814,216 | 663,973,928 | 48,592,707 | - | 712,566,635 | 591,247,581 | |
| Capital Work in progress (Incl. advances on capital account) | | | | | | | | | | 29,315,791 |
| GRAND TOTAL | | | | | | | | | 542,598,290 | 620,563,372 |

* Acquired on the hire purchase basis Rs.10.36 (Previous year Rs.10.36 lakhs).Net Block Rs.9.03 lakhs (previous year Rs.10.09 lakhs) Registered in the name of a Director of behalf of the Company.

SCHEDULE 6

INVENTORIES (As valued,verified and certified by management)

At cost or net realisable value whichever is lower

| | | |
|--------------------------------------|-------------------|-------------------|
| Stores (including in transit) | 19,847,608 | 20,195,313 |
| Packing Materials | 189,915 | 280,415 |
| Raw Materials (including in transit) | 4,225,734 | 15,709,609 |
| Finished Goods | - | 28,728,189 |
| | <u>24,263,257</u> | <u>64,913,526</u> |

31.3.2009 (RUPEES) **31.3.2008 (RUPEES)**

SCHEDULE 7

DEBTORS

(Unsecured and considered good)

Debts outstanding for a period exceeding six months :

| | | |
|---|-------------------|-------------------|
| Considered good | - | 19,179,000 |
| Considered doubtful | 15,918,200 | 13,776,587 |
| | <u>15,918,200</u> | <u>32,955,587</u> |
| Other debts considered good - refer note 8(b) | 35,513,923 | 1,741,911 |
| | <u>51,432,123</u> | <u>34,697,498</u> |
| Less :Provision for doubtful debts | 15,918,200 | 13,776,587 |
| | <u>35,513,923</u> | <u>20,920,911</u> |

**UNIMERS INDIA LIMITED**

| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
|---|-------------------------------------|-------------------------------------|
| SCHEDULE 8 | | |
| CASH AND BANK BALANCES | | |
| Cash on hand and cheque on hand | 13,410 | 25,767 |
| Balances with scheduled banks | | |
| on current account | 902,044 | 960,940 |
| on warrant account | 2,969,077 | 3,080,299 |
| on Term Deposits - Margin Money | 1,084,000 | 3,182,050 |
| on Term Deposits-others | 139,778 | 112,645 |
| | <u>5,108,309</u> | <u>7,361,701</u> |
| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
| SCHEDULE 9 | | |
| LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| Considered Good | 91,728,745 | 26,786,185 |
| Considered Doubtful | 13,679,565 | 10,159,932 |
| | <u>105,408,311</u> | <u>36,946,117</u> |
| Less : Provision for Doubtful Advances | 13,679,565 | 10,159,932 |
| | <u>91,728,745</u> | <u>26,786,185</u> |
| Deposit with public bodies and others (net of provisions) | 5,222,394 | 14,332,477 |
| Advance Taxes paid (net of provisions) | 269,298 | 440,981 |
| | <u>97,220,438</u> | <u>41,559,643</u> |
| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
| SCHEDULE 10 | | |
| LIABILITIES | | |
| Sundry Creditors | | |
| - Due to Micro, Medium & Small Enterprises | 1810657 | 1,810,657 |
| - Others | 54,956,185 | 95,981,934 |
| Advances from : | | |
| - Customers | 842,648 | 738,545 |
| - Others (Refer Note B 4(e) of Schedule 16) | 276,250,000 | - |
| Other Liabilities | 133,335,610 | 127,138,341 |
| Investor' Education & Protection Fund | | |
| - Public issue refund | 7,520,885 | 7,520,885 |
| (Refer Note B 15 of Schedule 16) | <u>474,715,985</u> | <u>233,190,362</u> |
| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
| SCHEDULE 11 | | |
| PROVISIONS | | |
| Wealth tax | 1,525 | 4,888 |
| Superannuation | 620,112 | 930,070 |
| Gratuity | 583,810 | 755,017 |
| Leave Entitlement | 186,271 | 259,429 |
| | <u>1,391,718</u> | <u>1,949,404</u> |

| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
|--|-----------------------|-----------------------|
| SCHEDULE 12 | | |
| OTHER INCOME | | |
| Interest on Deposits (Tax deducted at source Rs.1270, Previous year Rs.101,239) | 49,306 | 734,431 |
| Insurance claim | 2,615,681 | - |
| Scrap sales | 22,590 | 472,735 |
| Export Incentives | - | 129,150 |
| Provision no longer required written back (Net receivables written off Rs.4,594,922) | 117,525 | 5,375,717 |
| Foreign Exchange Gain(Net) | - | 470,842 |
| Electricity charges (Provision no longer required) | 6,172,476 | - |
| Miscellaneous Income | 1,657,361 | 106,615 |
| | <u>10,634,939</u> | <u>7,289,490</u> |

| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
|--|-----------------------|-----------------------|
| SCHEDULE 13 | | |
| OTHER EXPENSES | | |
| Salaries, Wages & Bonus | 10,558,329 | 26,167,032 |
| Contribution to Provident and Other Funds | 1,263,411 | 1,734,866 |
| Staff Welfare Expenses | 750,662 | 3,669,693 |
| Power & Fuel | 3,782,606 | 35,731,396 |
| Water charges | 269,000 | 1,433,767 |
| Consumable Stores and Auxilliary Chemicals | - | 8,050,216 |
| Labour Charges | 153,077 | 1,257,733 |
| Rates and Taxes | 3,716,647 | 2,613,975 |
| Repairs and Maintenance | | |
| - Plant and Machinery | 3,114 | 5,648,870 |
| - Building | - | 812,306 |
| - Others | 103,060 | 305,906 |
| Travel & conveyance | 1,264,741 | 2,087,736 |
| Communication Expenses | 858,717 | 667,122 |
| Security Charges | 1,394,698 | 911,457 |
| Hire Charges DG Set/others | 606,150 | 631,020 |
| Excise Duty on stocks | 200,298 | 208,787 |
| Rent | 35,000 | 102,000 |
| Insurance | 600,090 | 1,645,382 |
| Selling & Distribution Expenses | 62,290 | 1,330,919 |
| Cash Discount | 92,203 | 1,413,991 |
| Commission on Sales | - | 1,397,114 |
| Auditors' Remuneration (Refer Note B19 of Schedule 16) | 735,980 | 843,197 |
| Directors Fees | 75,000 | 112,500 |
| Restructuring Expenses | 861,041 | 656,500 |
| Legal & Professional fees | 7,646,707 | 5,758,951 |
| Provision for Bad and Doubtful Debts | 8,695,238 | 2,952,621 |
| Provision for slow and non-moving Inventories | 3,172,246 | - |
| Loss of stock due to evaporation | 8,749,640 | - |
| Sales Tax relating to earlier years | 986,352 | - |
| Prior year adjustmen | 93,530 | 634,299 |
| Miscellaneous Expensest | 883,526 | 3,334,848 |
| | <u>57,613,353</u> | <u>112,114,204</u> |



| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
|---|-------------------------------|-------------------------------|
| SCHEDULE 14 | | |
| (INCREASE) / DECREASE IN STOCK | | |
| OPENING STOCK | | |
| Finished Goods (Manufactured) | 28,728,189 | 102,268 |
| | <u>28,728,189</u> | <u>102,268</u> |
| CLOSING STOCK | | |
| Finished Goods (Manufactured) | - | 28,728,189 |
| | <u>-</u> | <u>28,728,189</u> |
| (INCREASE)/DECREASE | <u>28,728,189</u> | <u>(28,625,921)</u> |
| | 31.3.2009 (RUPEES) | 31.3.2008 (RUPEES) |
| SCHEDULE 15 | | |
| INTEREST AND OTHER FINANCE CHARGES | | |
| - On Debentures | - | 7,688,925 |
| - on ZCNCD | 11,761,966 | 12,822,049 |
| - On Term Loan | 3,844,274 | 3,852,333 |
| - On Cash Credit | 8,351,464 | 12,957,457 |
| - Finance Charges | 237,915 | 1,997,569 |
| | <u>24,195,619</u> | <u>39,318,333</u> |

SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting policies and Notes to Accounts forming part of the financials statements for the year ended 31st March, 2009.

(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 in the profit and loss account when the carrying amount of such assets exceeds its recoverable amount.

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.250,216,183 (Previous Year Rs.144,592,131) as against paid up share capital of Rs.267,019,990, (Previous Year Rs.267,019,990) these financial statements have been prepared by the Management on a "going concern" basis taking into account the financial support of promoters/ shareholders and the various revival / restructuring options being actively pursued by the management.
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 in respect of repair / replacement of the damaged / destroyed fixed assets, which was disclosed under the head Capital Work In Progress during 2007-08, has been adjusted against final settlement of the insurance claims.
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. Restructuring

- a) As per the requirement of the CDR, 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 in view of the volatile crude price scenario and other market uncertainties, the business outlook for EPDM Rubber in the near term is not very positive, and the Company's operations outlook needs to be classified as 'not viable' for the present. In the light of the consultants' report, the lenders were unable to accept the Company's proposals for financial restructuring and the Corporate Debt Restructuring Cell decided not to 're-work' the restructuring package, resulting in non-availability of required working capital funds. Consequently, the manufacturing operations of the Company stand suspended from October, 2007. The Company is in discussion with its lenders for finalising an acceptable settlement of outstanding debts.
 - b) The Company has declared formal closure of its manufacturing operations with effect from June 26, 2008 as per the relevant provisions of The Industrial Disputes Act, 1947. The legal dues and compensation payable to the workmen affected by the closure has been duly provided for and has been disclosed as Exceptional items. The employees union has preferred to move the Industrial Court against this closure decision and the matter is pending.
 - c) Interest liability has not been provided on assigned loans and debentures where revised terms are in the process of being negotiated as in view of the management no further liability is expected.
 - d) During the year, as part of its ongoing restructuring exercise, and in terms of the provisions of Sections 293 (1)(a) of the Companies Act, 1956, the Company obtained the approval of shareholders through postal ballot. In a petition filed by a shareholder before the Hon'ble Company Law Board opposing the said postal ballot exercise, the Hon'ble CLB Bench allowed the postal ballot process to be completed and results to be declared and directed the Company not to dispose of any of its assets and subjected the result of the postal ballot to the final outcome of the petition.
 - e) As part of the restructuring, during the year the Company has also entered into an arrangement for assignment of leasehold rights of its land and part advance received has been utilised, inter alia, to settle certain liabilities of the Company.
 - f) The Company is also actively considering the possibility of establishing manufacturing operation at another site offering better competitive advantages in terms of supply chain logistics, input availability and cost.
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 31 st March, 2009 Rupees | Year ended 31 st March, 2008 Rupees |
|----|--|--|--|
| a) | Outstanding Guarantees given by banks | 1,084,000 | 3,024,000 |
| b) | Claims against the Company relating to (including interest or penalty upto the date of demand):- | | |
| | Excise Duty | 6,226,499 | - |
| | Sales Tax | 5,437,647 | 9,585,508 |
| | Cess Liability | 2,835,224 | 2,835,224 |
| | MIDC Charges | 25,524,142 | 15,227,206 |
| | Suppliers | 1,681,414 | 1,681,414 |
| c) | Other Matters | 125,000 | 125,000 |
| d) | Arrears of Fixed Preference Dividend (Including Dividend Tax) | 3,728,000 | 3,240,000 |
| e) | Liability as may arise in respect of matter as referred in 4(b) above, amount not ascertainable. | | |

- 7. (a) Duncans Industries Limited has given corporate guarantees favoring consortium banks for Rs.154,100,000 (Previous year Rs.154,100,000) for Company's working capital facilities and amount due to the banks/other is Rs.88,919,146 (Previous year Rs. 94,207,936) including FITL Rs.11,611,718 (Previous year Rs.11,611,718) Letters of Credit and Bank Guarantees Rs. 1,084,000 (Previous year Rs. 3,024,000).
- (b) All the Bank Working Capital Loans (including interest thereon) have been / are being personally guaranteed by a director of the Company.

8. (a) In the opinion of management, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- (b) The accounts of certain Sundry Debtors, Sundry Creditors, Banks, Advances given or received 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

The Company has recognized net deferred tax asset in accordance with The Companies (Accounting Standards) Rules, 2006 on the basis of virtual certainty [refer notes 4(d) and (e) above].

The details of the same are as follows:

| | 31 st March, 2009 Rs. | 31 st March, 2008 Rs. |
|--|-------------------------------------|-------------------------------------|
| Deferred Tax Asset | | |
| Unabsorbed Depreciation and Business Loss | 323,047,974 | 306,588,376 |
| Less:Deferred Tax Liability | | |
| Difference between Tax and W.D.V of fixed assets | 5,282,326 | 13,038,489 |
| Net Deferred Tax Assets | 317,765,649 | 293,549,887 |

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:-

| | 31 st March, 2009 Rs. | 31 st March, 2008 Rs. |
|--|-------------------------------------|-------------------------------------|
| Minimum lease payments : | | |
| Due within one year | 255,125 | 268,005 |
| Due later than one year and not later than 5 years | 386,400 | 641,525 |
| Later than 5 years | Nil | Nil |
| T O T A L | 641,525 | 909,530 |

| | 31 st March, 2009 Rs. | 31 st March, 2008 Rs. |
|--|-------------------------------------|-------------------------------------|
| Present value of minimum lease payments : | | |
| Due within one year | 5,133 | 23,003 |
| Due later than one year and not later than 5 years | 1,224 | 6,357 |
| Later than 5 years | Nil | Nil |
| T O T A L | 6,357 | 29,360 |

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 '13'.

11. Related parties Disclosures pursuant to Accounting Standard - 18 : (as identified and Certified by the management)

(1) Parties where control exists **NONE**

(2) Parties with whom the company has entered into any transactions

Key Management Personnel

Whole Time Director : Mr. S. P. Gupta (w.e.f. 28/6/2007)

Managing Director : Mr L. K. Guglani (till 28/6/2007)



(3) Transactions with related parties:

| | Key Management Personnel |
|-------------------------|--------------------------|
| Managerial Remuneration | 2,738,373 (3,235,774) |

Notes: Figures in the brackets relates to previous year.

12. Managing/Whole time Directors' remuneration:

| | Year ended 31st March, 2009 Rupees | Year ended 31st March, 2008 Rupees |
|--------------------------------|--|--|
| Salaries & allowances | 2,606,373 | 3,091,774 |
| Contribution to Provident Fund | 132,000 | 144,000 |

- a) The Company has applied to Central Government for necessary approval for an amount of Rs.806,373 (previous year 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 | 1,810,657 |
| b) | Interest paid in terms of Section 16 | - |
| c) | Interest due and payable for the period of delay in payment | (*) |
| d) | Interest accrued and remaining unpaid | (*) |
| e) | Interest due and payable even in succeeding years | (*) |

(*) - Amounts not determined.

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

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.8,330,424 (Previous Year Rs.6,019,521) 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. Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits: -
- i) In respect of gratuity and compensated absences, defined benefit schemes (based on Actuarial Valuation) -

| I. | ASSUMPTIONS : | As on March 31, 2009 | As on March 31, 2008 |
|----|-----------------------------|-------------------------|-------------------------|
| | DISCOUNT RATE CURRENT | 7.00% | 8.00% |
| | SALARY ESCALATION CURRENT | 5.00% | 5.00% |
| | ATTRITION RATE CURRENT YEAR | 2.00% | 2.00% |

| II. | TABLE SHOWING CHANGE IN BENEFIT OBLIGATION : | As on March 31, 2009 | As on March 31, 2008 |
|------|--|-------------------------|-------------------------|
| | LIABILITY AT THE BEGINNING OF THE YEAR | 2,720,670 | 3,321,308 |
| | INTEREST COST | 235,185 | 288,312 |
| | CURRENT SERVICE COST | 307,475 | 569,166 |
| | BENEFIT PAID | (176,657) | (573,137) |
| | ACTUARIAL (GAIN)/LOSS ON OBLIGATIONS | (2,502,863) | (2,850,632) |
| | LIABILITY AT THE END OF THE YEAR | 583,810 | 755,017 |
| III. | TABLES OF FAIR VALUE OF PLAN ASSETS : | As on March 31, 2009 | As on March 31, 2008 |
| | FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THE YEAR | 0 | 0 |
| | CONTRIBUTIONS | 176,657 | 573,137 |
| | BENEFIT PAID | (176,657) | (573,137) |
| | ACTUARIAL GAIN/(LOSS) ON PLAN ASSETS | | |
| | FAIR VALUE OF PLAN ASSETS AT THE END OF THE YEAR | 0 | 0 |
| | TOTAL ACTUARIAL GAIN/(LOSS) TO BE RECOGNISED | 2,502,863 | 2,850,632 |
| IV. | AMOUNT RECOGNISED IN THE BALANCE SHEET : | As on March 31, 2009 | As on March 31, 2008 |
| | LIABILITY AT THE END OF THE YEAR | 583,810 | 755,017 |
| | FAIR VALUE OF PLAN ASSETS AT THE END OF THE YEAR | 0 | 0 |
| | DIFFERENCE | (583,810) | (755,017) |
| | AMOUNT RECOGNISED IN THE BALANCE SHEET | (583,810) | (755,017) |
| V. | EXPENSES RECOGNISED IN THE INCOME STATEMENT : | As on March 31, 2009 | As on March 31, 2008 |
| | CURRENT SERVICE COST | 307,475 | 569,166 |
| | INTEREST COST | 235,185 | 288,312 |
| | ACTUARIAL (GAIN) OR LOSS (2,502,863) | (2,502,863) | (2,850,632) |
| | EXPENSE RECOGNISED IN P& L | (1,960,203) | (1,993,154) |
| VI. | BALANCE SHEET RECONCILIATION | As on March 31, 2009 | As on March 31, 2008 |
| | OPENING NET LIABILITY | 2,720,670 | 3,321,308 |
| | EXPENSE AS ABOVE | (1,960,203) | (1,993,154) |
| | EMPLOYER'S CONTRIBUTION | (176,657) | (573,137) |
| | AMOUNT RECOGNISED IN BALANCE SHEET | 583,810 | 755,017 |



17 Earnings per Share

| | | Year Ended March 31, 2009 | Year Ended March 31, 2008 |
|-----------|--|------------------------------|------------------------------|
| A. | Numerator: | | |
| | Profit/(Loss) after taxation (Rs.) | (105,624,052) | 109,518,835 |
| | Less: Preference Shares Dividend for the year including dividend distribution tax | (631,773) | (1,080,000) |
| | Numerator for Basic/Diluted EPS Calculation | (106,255,825) | 108,438,835 |
| B. | Denominator: | | |
| | Weighted average number of shares Outstanding during the year | | |
| | - Basic | 15901999 | 36,887,424 |
| | - Diluted | - | 40,173,990 |
| C. | Earnings Per Share: | | |
| | Earnings per Share in Rs. | | |
| | - Basic | (6.68) | 2.94 |
| | - Diluted | - | 2.70 |
| D. | Nominal value per Equity Share | 10 | 10 |

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

19. Auditors' Remuneration

| | | 31 st March, 2009 Rupees | 31 st March, 2008 Rupees |
|---|---|--|--|
| a | Audit Fees | 475,000 | 475,000 |
| b | Limited review fees | 234,520 | 343,141 |
| c | Out of pocket expenses (Excluding service tax) | 26,460 | 25,056 |
| | | 735,980 | 843,197 |

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

| | Year Ended | | Year Ended | |
|-----------|------------------------------|--------|------------------------------|-------------------|
| | 31 st March, 2009 | | 31 st March, 2008 | |
| | Quantity MT | Rupees | Quantity MT | Rupees |
| Ethylene | - | - | 493.71 | 293,58,341 |
| Propylene | - | - | 348.125 | 170,36,234 |
| Diene | - | - | 36.004 | 4,892,475 |
| Others | - | - | - | 20,328,238 |
| | | | | <u>71,615,288</u> |

(b) Consumption of indigenous and imported raw material and packing materials

| | Year Ended | | Year Ended | |
|------------|------------------------------|--------|------------------------------|-------------------|
| | 31 st March, 2009 | | 31 st March, 2008 | |
| | % | Rupees | % | Rupees |
| Indigenous | - | - | 86.50 | 61,940,631 |
| Imported | - | - | 13.50 | 9,674,637 |
| | | | <u>100.00</u> | <u>71,615,288</u> |

(c) Consumption of indigenous and imported stores

| | Year Ended 31 st March, 2009 | | Year Ended 31 st March, 2008 | |
|------------|--|--------|--|-----------|
| | % | Rupees | % | Rupees |
| Indigenous | - | - | 74.71 | 5,668,969 |
| Imported | - | - | 25.29 | 4,75,646 |
| | - | - | 100.00 | 6,144,615 |

(d) Capacities and Production:

| | Capacities (per annum) | | Production | |
|-----------------|--|---|--|--|
| | Licensed As on 31 st March, 2009 | Installed As on 31 st March, 2009 | Year Ended 31 st March, 2009 | Year Ended 31 st March, 2008 |
| | MT (10,000) | MT (10,000) | MT | MT |
| EPM/EPDM Rubber | 10,000 (10,000) | 10,000 (10,000) | 98.036 | 586.413 |

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

(e) Quantitative information with respect to manufactured finished goods

| Particulars | Year Ended 31 st March, 2009 | | Year Ended 31 st March, 2008 | |
|-----------------------------|--|-----------------|--|-----------------|
| | Quantity MT | Value Rupees | Quantity MT | Value Rupees |
| Opening Stock: | 150.408 | 28,728,189 | 0.700 | 102,268 |
| EPM/EPDM Rubber | | | | |
| Sales (including shortage): | | | | |
| EPM/EPDM Rubber | 246.26 | 31,885,463 | 436.705 | 52,013,030 |
| Closing Stock | | | | |
| EPM/EPDM/Rubber | - | - | 150.408 | 28,728,189 |

| 21. CIF Value of Imports | Year Ended 31 st March, 2009 | Year Ended 31 st March, 2008 |
|--------------------------|--|--|
| | Rupees | Rupees |
| Raw Material | - | 61,41,415 |
| Components & Spare Parts | - | - |

| 22. Earnings in foreign currency | Year ended 31st March 2009 | Year ended 31st March 2008 |
|----------------------------------|-------------------------------|-------------------------------|
| | Rupees | Rupees |
| Export Sales | - | 693,267 |

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

By Order of the Board
For UNIMERS INDIA LIMITED

S. P. Gupta
Whole time Director

R. S. Agarwal
Director



UNIMERS INDIA LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2007

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

I. Registration Details :

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

State Code: 1 1

Balance Sheet Date : 3 1 0 3 0 9
Date Month Year

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

Public Issue : N I L

Rights Issue : N I L

Bonus Issue : N I L

Private Placement : N I L

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

Total Liabilities: 1 2 7 5 0 7 2

Total Assets: 1 0 2 6 6 1 6

Sources of Funds

Paid up Capital : 2 6 7 0 1 9

Reserves and Surplus N I L

Secured Loans : 5 2 4 4 1 3

'Unsecured Loans: 7 1 1 8

Application of Funds

Net Fixed Assets 5 4 2 5 8 3

Investments N I L

Net Current Assets - 3 0 6 3 2 8

Miscellaneous Expenditure N I L

Accumulated Losses 2 4 8 4 5 4

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

Turnover : 3 0 8 6 6

Total Expenditure : 1 4 8 6 4 7

+ - Profit Before Tax

+ - Profit After Tax

- 1 2 4 0 1 5

- 1 2 4 1 5 4

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

Loss per Share in Rs. - 6 . 5 3

Dividend Rate

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

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

Product Code No. 9 0 0 2

Signatures to Schedules 1 to 15

For and on behalf of
LODHA & CO
Chartered Accountants

On Behalf of the Board

R.P.BARADIYA
Partner

S. P. Gupta
Whole time Director

R. S. Agarwal
Director

Mumbai:
Dated : August 28, 2009



UNIMERS INDIA LIMITED

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

ATTENDANCE SLIP

| | |
|-------------------|--|
| L. F. No. | |
| No. of Share Held | |

I/We hereby record my/our presence at the 21st Annual General Meeting of the Company to be held on Tuesday, the 29th day of September 2009 at 10:30 a.m. at Rotary Club Navi Mumbai, Rotary Centre, Next to Sacred Heart Convent School, Sector-6, Vashi, Navi Mumbai - 400 703.

| |
|--|
| NAME OF THE SHARE HOLDER (IN BLOCK LETTERS) |
| SIGNATURE OF THE HOLDER |
| NAME OF THE PROXY (IN BLOCK LETTERS) |
| SIGNATURE OF THE PROXY |

Notes :

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



UNIMERS INDIA LIMITED

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

FORM OF PROXY

| | |
|-------------------|--|
| L. F. No. | |
| No. of Share Held | |

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 _____ 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 Tuesday, September 29, 2009 at 10.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Note :

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

(Affix
Rupee 1/-
Revenue
Stamp.)

BOOK-POST

If not delivered please return to :

UNIMERS INDIA LIMITED

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

Thane, - Belapur Road, Turbhe,

Navi Mumbai - 400 705.