



**UNIMERS  
INDIA  
LIMITED**

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## UNIMERS INDIA LIMITED

### **BOARD OF DIRECTORS**

Mr. G. P. Goenka

Mr. R. S. Agarwal

Dr. P. P. Shastri

Mr. T. S. Sridhar

Mr. S.P. Gupta

Chairman

Director (Resigned w.e.f. 24.01.2012)

Director

Additional Director (Appointed w.e.f. 24.01.2012)

Wholetime Director

### **BANKERS**

Bank of India - Turbhe

### **AUDITORS**

Lodha & Co.

### **REGISTERED OFFICE & FACTORY**

2/2, TTC Industrial Area (D Block)

MIDC, Thane-Belapur Road,

Turbhe, Navi Mumbai 400 705

email: [finance@unimers.in](mailto:finance@unimers.in)

Internet: [www.unimers.in](http://www.unimers.in)

### **REGISTRAR & TRANSFER AGENT**

Adroit Corporate Services Pvt. Ltd.,

19, Jaferbhoy Industrial Estate,

1st Floor, Makhwana Road,

Marol Naka, Mumbai 400 059

Tel. Nos.: 2859 0942/ 2850 3758

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## 24TH ANNUAL REPORT 2011 - 2012

### NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the members of UNIMERS INDIA LIMITED will be held on 27th September, 2012, 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 Profit & Loss Account for the financial year ended March 31, 2012 and the Balance Sheet as at that date, together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. S. P. Gupta who retires by rotation and being eligible, offers himself for re-appointment.
3. 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.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. T.S. Sridhar who was appointed as an Additional Director on the Board of Directors of the Company under Section 260 of the Companies Act, 1956 read with Article 160 of the Articles of Association of the Company and who holds office only upto the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose him as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retirement by rotation."

By Order of the Board  
For UNIMERS INDIA LIMITED  
S P Gupta  
Wholetime Director

Place : Mumbai

Dated : 23rd May 2012

### Registered Office:

2/2, TTC Industrial 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 remain closed from 25th September, 2012 to 27th September, 2012 (both days inclusive).
- c) Members / proxies are requested to bring the attendance slip duly filled in for attending the meeting.
- d) Members are requested to bring their copies of the Annual Report for 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 executed with the Stock Exchange, the particulars of Directors who are proposed to be appointed / re-appointed are given hereunder.
- g) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the meeting, is annexed hereto.
- h) Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days ( except Saturday), between 3.00 P.M. and 4.00 P.M. prior to the date of the meeting.
- l) Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.



# UNIMERS INDIA LIMITED

## EXPLANATORY STATEMENT Pursuant to Section 173(2) of the Companies Act, 1956

### Item no 4

Mr. T. S. Sridhar was appointed as an Additional Director of the Company, under Section 260 of the Companies Act, 1956 read with Article 160 of the Articles of Association of the Company, with effect from 24th January, 2012 by the Board of Directors of the Company. Mr. T. S. Sridhar will hold office until the conclusion of the Annual General Meeting and being eligible, offers himself for appointment at this Meeting. Notice along with requisite deposit as required under Section 257 of the Companies Act, 1956, has been received from a Member proposing his appointment as a Director of the Company. The Company has also received the letter of consent of Mr. T. S. Sridhar to act as a Director of the Company, if appointed.

Considering the vast experience and knowledge of Mr. T. S. Sridhar, the Directors recommend this Resolution for approval.

Except Mr. T. S. Sridhar, none of the Directors of the Company are concerned or interested in this Resolution.

By Order of the Board  
For UNIMERS INDIA LIMITED

S. P. Gupta  
Wholtime Director

Place : Mumbai

Dated : 23rd May 2012

### Registered Office:

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

### Particulars of Directors seeking appointment / re-appointment at the Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)

Particulars	Mr. S.P. Gupta	Mr. T.S. Sridhar
Date of Birth	01.07.1954	19.01.1953
Date of Appointment	28.06.2007	24.01.2012
Qualifications	B. Tech. ( Chemical Engg.), MBA	B.Com., FCA Chartered Accountant
Experience	Process engineering, business management, productivity enhancement and cost savings	Practising Chartered Accountant - more than 30 years' combined experience in industry and professional practice
Directorships held in other public companies	None	None
Chairmanship/Membership of Board Committees of other public companies	None	None
Relationship between Directors' inter-se	None	None
Number of shares held	Nil	Nil

By Order of the Board  
For UNIMERS INDIA LIMITED

Place : Mumbai

Dated : 23rd May 2012

### Registered Office:

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

S. P. Gupta  
Wholtime Director

# 24TH ANNUAL REPORT 2011 - 2012

## DIRECTORS' REPORT

To the Members of the Company for the year ended 31st March 2012

The Board of Directors present the Twenty Fourth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2012.

### 1. FINANCIAL HIGHLIGHTS:

Particulars	Year ended 31.03.2012 (Rs. in lacs)	Year ended 31.03.2011 (Rs. in lacs)
Sales (Net of Excise Duty)	-	-
Gross Profit / (Loss) before Interest and Depreciation	(131.70)	(112.15)
Profit / (Loss) before Tax and Exceptional items	(628.61)	(927.70)
Less: Exceptional Items	-	(236.11)
Less: Deferred Tax Assets Reversed	(2661.17)	-
Profit / (Loss)	(3289.79)	(1163.82)
Loss brought forward from Previous Year	(5285.37)	(4121.54)
Balance carried to Balance Sheet	(8575.15)	(5285.37)

### 2. OPERATIONS:

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

### 3. RESTRUCTURING:

The management has been exploring various options for restructuring the business and finances of the Company, including the recommencement / relocation of its manufacturing operations. During the year, the Company has been able to settle the debts of certain parties, mainly working capital lenders. However, significant levels of debt still remain and the management is exploring various options for the settlement of the same. As part of the restructuring efforts, the Company had earlier entered into an arrangement for the assignment of the leasehold rights of its land. However, certain issues have affected its implementation and the management is pursuing the matter.

### 4. NET WORTH STATUS AND IMPLICATIONS:

The Net Worth of the Company has been fully eroded and is negative as on March 31, 2012. The management had been advised that since certain conditions as per the Sick Industrial Companies (Special Provisions) Act, 1985 were not being met, the Company was not eligible to make reference to BIFR. In the event of any change in the status inter alia arising out of developments in the pending legal case [refer Para 5 below], appropriate steps will be taken in this regard.

### 5. EMPLOYEE RELATIONS:

The validity of the closure declared by the Company with effect from June 26, 2008, under the relevant provisions of The Industrial Disputes Act, 1947, has been challenged before the Industrial Court by the employees' union and the matter is pending before the Hon'ble Court.

### 6. PARTICULARS OF EMPLOYEES:

None of the employees of the Company was in receipt of Rs. 60 lacs per annum or Rs. 5 lacs per month and hence the information pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not being annexed to this Report.

### 7. SAFETY, HEALTH & ENVIRONMENT POLICY:

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

### 8. DEMATERIALISATION OF THE COMPANY'S EQUITY SHARES:

93.89% of the Company's equity shares have been dematerialised.



**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, has been provided in Annexure A forming part of this Report.

**10. DIRECTORS:**

In terms of the provisions of the Articles of Association of the Company, Mr. S. P. Gupta will retire by rotation, and being eligible, offers himself for re-appointment as Director. Mr. R. S. Agarwal resigned from the Board with effect from 24th January, 2012. The Directors place on record their appreciation of the valuable contribution made by Mr. Agarwal. Mr. T. S. Sridhar was appointed as an Additional Director with effect from 24th January, 2012. The Board has received a notice under Section 257 of the Companies Act, 1956, from a shareholder of the Company seeking appointment of Mr. T. S. Sridhar as a member of the Board. The Board welcomes his appointment.

**11. CORPORATE GOVERNANCE:**

A Report on Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is annexed hereto and forms part of this Report. The Certificate from the Statutory Auditors M/s Lodha & Co. confirming compliance of the conditions of Corporate Governance as stipulated under Clause 49, is annexed hereto and also forms part of this Report.

**12. MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The Management Discussion & Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed hereto and forms part of this Report.

**13. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) Such accounting policies as were reasonable and prudent were selected in preparation of the Accounts and applied consistently. Further judgements and estimates that were reasonable and prudent were also made in the course of preparation of Accounts so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the Company for the year ended 31st March, 2012;
- c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Accounts have been prepared on a going concern basis.

**14. LISTING OF EQUITY SHARES:**

The Company's equity shares are listed with BSE Limited. The Company has paid the requisite listing fee to the said Stock Exchange for the financial year 2012-13.

**15. 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 and furnish the requisite certificate of their eligibility pursuant to Section 224(1B) of the Companies Act, 1956.

**16. AUDITORS' REPORT:**

The observations of the Auditors in their Report are largely self explanatory. However, for the sake of additional clarity, the relevant observations of the Auditors in Paras 3 (a) to (g) of their Report are further explained in Paras 3 of this Report and Notes 21(c) of the Notes to the Accounts.

**17. ACKNOWLEDGEMENT:**

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

For and on behalf of the Board

Place : Mumbai  
Dated : 23rd May 2012

**S. P. Gupta**  
Wholetime Director

**G. P. Goenka**  
Chairman

## 24TH ANNUAL REPORT 2011 - 2012

### ANNEXURE TO THE DIRECTORS' REPORT

#### ANNEXURE "A"

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

##### (I) CONSERVATION OF ENERGY

Manufacturing operations continued to remain closed during the year.

##### (II) TECHNOLOGY ABSORPTION

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

##### (III) RESEARCH AND DEVELOPMENT (R&D)

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

As the manufacturing operations continue to remain 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 - NIL.

###### (d) Future plan of action:

The future course 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

There have been no foreign exchange earnings and outgo during the year.

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### ANNEXURE TO THE DIRECTORS' REPORT

#### 'FORM A'

#### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

##### A. Power and fuel consumption

There being no manufacturing operations, power and fuel consumption was NIL for the Current Year and the Previous Year.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

##### a. Industry Structure and Developments

The Company's manufacturing operations have been closed since June 26, 2008.

##### b. Opportunities and Threats

The Company continues to pursue various business re-engineering proposals, including the recommencement / relocation of its manufacturing operations.

##### c. Risks and Concerns

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

##### d. Internal Control Systems and their Adequacy

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

##### e. Financial and Operational Performance

Subsequent to the closure of the manufacturing operations from June 26, 2008, there is nothing significant to report.



**f. Outlook**

While the immediate financial outlook is a cause for concern, the management continues to explore various options in the larger interests of all the stakeholders.

**g. Material Developments in Human Resources / Industrial Relations fronts**

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

**REPORT ON CORPORATE GOVERNANCE**

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

**1. Company's Philosophy on Corporate Governance**

The Company's philosophy on Corporate Governance envisages attainment of (i) market leadership in the domestic market (ii) significant export business (iii) development of appropriate competencies across the organization and (iv) striving to obtain a fair return on invested capital.

**2. Board of Directors**

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information is placed before the Board of Directors to enable it to discharge its responsibilities of supervision, control and direction of the Company as trustees of the shareholders. The Board, as part of its functioning, periodically reviews its role.

**Composition and Status of Directors**

The composition of the Board of Directors of the Company is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Board consists of a non-executive Chairman and the number of independent and non - executive Directors is in compliance with Clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees, across all companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2012 have been made by the Directors.

<b>Name of the Director</b>	<b>Status</b>
Mr. G. P. Goenka (Chairman)	Promoter & Non-Executive
Mr. R. S. Agarwal	Independent & Non - Executive (Resigned w.e.f. 24.01.2012)
Mr. T. S. Sridhar	Independent & Non - Executive (Appointed w.e.f. 24.01.2012)
Dr. P. P. Shastri Mr. S.P.Gupta	Independent & Non - Executive Wholetime Director

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

Name of Director	Board Meetings Held During the Year	Board Meetings Attended During the Year	Attendance at Last AGM	Other Directorships	No of Memberships/ Chairmanships of Board Committees of Other Companies	
					Member	Chairman
Mr. G. P. Goenka	6	1	No	7	2	-
Mr. R. S. Agarwal*	6	3	Yes	9	7	2
Dr. P. P. Shastri	6	5	Yes	3	2	2
Mr.T.S.Sridhar**	6	2	No	-	-	-
Mr. S.P.Gupta	6	6	Yes	1	-	-

\* (Resigned w.e.f. 24.01.2012)

\*\* (Appointed w.e.f. 24.01.2012)



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Other directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship / membership of board committees include only audit and shareholders / investors grievance committees.

### Details of Board Meetings held during the Financial Year

Date of Meeting	Board Strength	No of Directors Present
5th May, 2011	4	3
2nd August, 2011	4	3
2nd September, 2011	4	3
11th November, 2011	4	2
24th January, 2012	4	3
13th February, 2012	4	3

### 3. Board Committees

Currently, the Board has four Committees - Audit Committee, Remuneration Committee, Shareholders'/Investors' Grievances Committee and Debenture Transfer Committee.

#### i. Audit Committee

The constitution of the Audit Committee of the Board is in conformity with Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1955. The Statutory Auditors and Internal Auditors of the Company, inter alia, are invitees to each and every meeting of the Audit Committee.

The terms of reference of the Audit Committee broadly cover the areas specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 and are briefly described below ;

#### 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 ("Board").
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, 2012**

The Audit Committee comprises of two Non-Executive Independent Directors and a Wholetime Director. Dr.P.P.Shastri, 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 is as follows:

1. Mr. R. S. Agarwal, (Resigned w.e.f. 24.01.2012)
2. Dr. P. P. Shastri, Chairman
3. Mr.T.S.Sridhar (Appointed w.e.f. 24.01.2012)
4. Mr. S. P. Gupta

**(d) Audit Committee Meetings and Attendance during the Financial Year ended March 31, 2012**

During the year 2011-12, five Audit Committee Meetings were held on 5th May 2011, 2nd August 2011, 2nd September 2011, 11th November 2011, and 13th February 2012.

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 *	4	3
Dr. P. P. Shastri	5	5
Mr.T.S.Sridhar**	1	1
Mr. S. P. Gupta	5	5

\* - (Resigned w.e.f. 24.01.2012) \*\* - (Appointed w.e.f. 24.01.2012)

## 24TH ANNUAL REPORT 2011 - 2012

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, 2013 and that necessary resolution for appointing them as auditors be placed before the shareholders.

### ii. Remuneration Committee

The Remuneration Committee of the Board functions in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. 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 Wholetime Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individuals in such capacity.

The Remuneration Committee had been constituted in April, 2006 and currently the Committee comprises of the following members -

Dr. P.P. Shastri, Chairman

Mr. T. S. Sridhar (Appointed w.e.f. 24.01.2012)

Mr. R. S. Agarwal (Resigned w.e.f. 24.01.2012)

#### 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 Wholetime 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 the Wholetime Directors 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 sitting fees paid to the Non- Executive Directors during the Financial Year ended March 31, 2012 are as under

Name of the Directors	Sitting Fees (Rs.)					Total (Rs.)
	Board Meetings	Audit Committee Meetings	Shareholders' /Investors' Grievances Committee Meetings	Remuneration Committee Meetings	Debenture Transfer Committee Meetings	
Mr. G. P. Goenka	-	-	-	-	-	-
Mr. R. S. Agarwal	5,000	5,000	5,000	-	-	15,000
Dr. P. P. Shastri	5,000	5,000	-	-	-	10,000
Mr.T.S.Sridhar	2,500	2,500				5,000
Total (Rs.)	12,500	12,500	5,000	-	-	30,000

Details of Remuneration payable to the Wholetime Director during the Financial Year ended 31st March, 2012

Name of the Director	Salary & Perks (Rs.)	Total (Rs.)
Mr. S. P. Gupta	31.48 lacs	31.48 lacs

### iii. Shareholders' / Investors' Grievances Committee -

The Shareholders' / Investors' Grievances Committee comprises of the following members:

Mr. R.S.Agarwal, Chairman (Resigned w.e.f. January 24, 2012)



# UNIMERS INDIA LIMITED

Dr. P. P. Shastri Chairman (w.e.f. January 24, 2012)

Mr. S.P.Gupta Member Wholetime Director

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

## Shareholders' / Investors' Grievances Committee Meetings and Attendance during the Financial Year ended March 31, 2012

Four Committee Meetings were held during the financial year ended March 31, 2012. The table hereunder gives the attendance record of the Shareholders' / Investors' Grievances Committee members.

Member		No. of meetings held	No. of meetings attended
Mr. R. S. Agarwal*	Chairman	4	2
Dr. P. P. Shastri **	Chairman w.e.f. 24.01.12	4	2
Mr. S. P. Gupta	Member	4	4

\* (Resigned w.e.f. 24.01.2012)

\*\* (Appointed w.e.f. 24.01.2012)

Mr. K. S. Ravi acts as Compliance Officer to the Committee.

## 4. Particulars of past three Annual General Meetings -

Location and time of the Annual General Meetings held during the last three years

AGM	Year	Date	Venue	Time	No. of Special Resolutions passed through Postal Ballot
21st	2008 -09	29.09.2009	Vashi, Navi Mumbai	10.30 A.M.	NIL
22nd	2009-10	27.09.2010	Vashi, Navi Mumbai	10.30 A.M.	NIL
23rd	2010-11	27.09.2011	Vashi, Navi Mumbai	10.30 A.M.	NIL

Postal Ballot - No special resolution requiring a postal ballot was proposed in the last Annual General Meeting. No special resolution requiring a postal ballot is being proposed in the ensuing Annual General Meeting.

## 5. Disclosures

### (i) Related Party Transactions:

During the year, the Company had transactions in the normal course of business with related parties. 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 has been disclosed under serial no. 3(d)(ii) above .

### (ii) Compliances by the Company:

There is no non-compliance by the Company nor any penalties or strictures imposed by the Stock Exchanges, SEBI or any other statutory/regulatory 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 the Listing Agreement. The Company has not implemented the non-mandatory requirements listed by way of Annexure to Clause 49 of the Listing Agreement excepting the constitution of the Remuneration Committee.

**6. Means of Communication**

**(i) Quarterly Results**

- |   |  |
|---|--|
| (a) Which newspapers normally published in                          | Asian Age  |
| (b) Any website, where displayed                                    | Yes - <a href="http://www.unimers.in">www.unimers.in</a> |
| Whether it also displays official news releases                     | No   |
| (iii) Presentations made to Institutional Investors or to Analysts: | No   |
| (iv) Whether Management Discussion & Analysis Report is             | Yes  |
| a part of annual report or not:                                     |  |

Information relating to shareholding pattern is submitted to the Stock Exchanges within the statutory time frame under the Listing Agreement.

**7. Certificate of Corporate Governance from the Statutory Auditors :**

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

**8. CEO Declaration:**

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

**9. Shareholders' General Information:**

- |  |   |
|--|---|
| <p>(i) Date, time and venue of Annual General Meeting of Shareholders</p>    | <p>27th September, 2012 at 10:30 am at<br/>Rotary Club of Navi Mumbai, Rotary Centre, Next to Sacred Heart Convent School, Sector -6, Vashi, Navi Mumbai 400 703</p>  |
| <p>(ii) Financial Calendar 2012-13<br/>(tentative and subject to change)</p> | <p><b>Financial reporting for quarter ended</b><br/>June 30, 2012 : By August 14, 2012<br/>September 30, 2012 : By November 14, 2012<br/>December 31, 2012 : By February 14, 2013<br/>March 31, 2013 : Audited Results within 60 days</p> |
| <p>(iii) Dates of Book Closures</p>  | <p>As mentioned in the Notice of the AGM to be held on 25th September 2012 to 27th September 2012 both the days inclusive.</p>  |



# UNIMERS INDIA LIMITED

- (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.in
- (vi) Listing on Stock Exchange Bombay Stock Exchange Limited
- (vii) Stock Exchange Code 524264
- (viii) Listing Fee Listing fee for 2012-13 has been paid
- (viii) Demat ISIN No.for NSDL / CDSL - INE 980B01039
- (ix) Share Transfer Agent - In view of Common Agency requirement by SEBI, the 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 quotes and volumes of shares traded at the BSE Limited

Month	High (Rs.)	Low (Rs.)	Total number of shares traded	BSE Sensex	
				High	Low
2011					
April	12.75	11.00	9259	19811.14	18976.19
May	12.05	10.50	16233	19253.87	17786.13
June	12.32	10.25	28005	18873.39	17314.38
July	12.75	10.26	15519	19131.70	18131.86
August	12.15	10.35	10817	18440.07	15765.58
September	10.55	9.27	21340	17211.80	15801.01
October	10.25	8.51	73562	17908.13	15745.43
November	11.44	9.03	467531	17702.26	15478.67
December	8.65	7.05	159674	17003.71	15135.86
2012					
January	10.00	6.80	587986	17258.97	15358.02
February	8.95	8.00	34790	18523.78	17061.55
March	9.54	7.21	17252	18040.69	16920.61

- (xi) Registrar & Share Transfer Agent: Adroit Corporate Services Pvt. Ltd.  
19, Jaferbhoy Industrial Estate  
1st Floor, Makwana Road  
Marol Naka, Mumbai 400 059  
Phone - (022) 2859-0942/ 2850-3758

- (xii) Share Transfer System: Transfer of shares are processed by Share Transfer Agent viz. M/s. Adroit Corporate Services Pvt. Ltd. and approved by Shareholders' / Investors' Grievances Committee. The transferred certificates are returned within the statutory time frame as per the Listing Agreement from the date of receipt thereof. Total number of shares transferred in physical form during the year under review is 884. Share Transfers under objections are returned immediately.

## 24TH ANNUAL REPORT 2011 - 2012

### (xii) Distribution of Shareholding as on 31st March, 2012

No. of Shares Held	No. of Folios	Percentage	No. of Shares	Percentage
1 - 500	65682	99.07	1092980	6.87
501 - 1000	302	0.46	221544	1.39
1001 - 2000	151	0.23	221414	1.39
2001 - 3000	49	0.07	125967	0.79
3001 - 4000	23	0.03	81308	0.51
4001 - 5000	24	0.04	110083	0.69
5001 - 10000	33	0.05	226530	1.42
10001 & above	36	0.05	13822173	86.94
<b>TOTAL</b>	<b>66300</b>	<b>100.00</b>	<b>15901999</b>	<b>100.00</b>

	<u>No. of Shareholders</u>	<u>No. of Shares</u>
No. of shareholders in Physical mode	9721	971615
No. of shareholders in Electronic mode	56579	14930384

### (xiii) Category of Shareholders as on March 31, 2012

CATEGORY	NO OF SHARES	% OF SHAREHOLDING
Promoters	85,31,726	53.65
Foreign Bodies Corporate	2,47,500	1.56
Financial Institutions & Banks	8,81,029	5.54
Mutual Funds & UTI	1,320	0.01
Bodies Corporate	31,31,818	19.61
NRI	4,435	0.03
Indian Public	31,04,171	19.60
Total	1,59,01,999	100.00

(xiv) Dematerialisation of shares and liquidity : 93.89%

No. of shares dematerialised as on March 31, 2012 : 1,49,30,384

As on 31st March, 2012 the paid up Equity Share Capital of the Company stood reduced to Rs 15.90 crores 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.

(xv) 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.

(xvi) Shareholders correspondence should be addressed to : Adroit Corporate Services Pvt. Ltd.  
19, Jaferbhoy Industrial Estate, 1st Floor,  
Makwana Road, Marol Naka, Mumbai-400 059  
Tel No.(022) 2859-0942/ 2850-3758

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

(xvii) Plant Location & Registered Office : 2/2, TTC Industrial Area, (D-Block), MIDC,  
Thane Belapur Road, Turbhe, Navi Mumbai  
400 705. Email - finance@unimers.in



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to inform that the Company has adopted a Code of Conduct for the Board Members and Senior Management personnel.

We confirm that the Company has in respect of the Financial Year ended 31st March, 2012 received from the Members of the Board and the Senior Management Personnel of the Company a declaration of Compliance with the Code of Conduct as applicable to them.

**For UNIMERS INDIA LIMITED**

Place: Mumbai  
Dated: 23<sup>rd</sup> May 2012

**S.P.GUPTA**  
**WHOLETEIME DIRECTOR**

To,  
The Board of Directors  
Unimers India Limited  
2/2 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 2011-12 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**

Place: Mumbai  
Dated : 23<sup>rd</sup> May 2012

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



**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:**

To the Members of

Unimers India Limited

We have examined the compliance of the conditions of Corporate Governance by Unimers India Limited for the year ended 31st March, 2012, 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, the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement(s) with the stock exchanges have been complied with in all material respects by the Company

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

**For LODHA & COMPANY**

**Chartered Accountants**

**A. M. Hariharan**

**Partner**

**Membership No. 38323**

Place : Mumbai

Dated : 23<sup>rd</sup> May 2012



**AUDITORS' REPORT**

To

The Members

**UNIMERS INDIA LIMITED,**

1. We have audited the attached Balance Sheet of Unimers India Limited as at 31st March, 2012 and also the statement of Profit & Loss and the 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. (a) and (c) of Note 21 of Notes on Financial Statements - the Company has incurred loss in the current year as well as in the preceding year and the accumulated losses as at the year end have exceeded its entire net worth. The management had received advice to the effect that certain conditions as per the Sick Industrial Companies (Special Provisions) Act, 1985 were not being met and hence the Company was not eligible to make reference to BIFR. However, should the legal status as regards the validity of the closure of the plant change, appropriate steps will have to be taken by the Company in this regard. The plant operations were suspended since October, 2007 and thereafter closed and workers retrenched effective from 26th June, 2008. These financial statements have, however, been prepared by the management on a "going concern" basis, considering the various revival/restructuring options being pursued by the management. This being a technical matter and in view of uncertainty, we are unable to express an opinion as to whether the Company can operate as a going concern. However, as explained, should the Company be unable to continue as a going concern, the extent of the effect of the resultant adjustments to the accumulated losses, assets and liabilities as at the year end and loss for the year is presently not ascertainable.
  - b) The Company has not carried out impairment test as required by Accounting Standard (AS) 28 'Impairment of Assets', particularly in respect of Building and Plant & Machinery as explained in note (e) of Note 20 of Significant Accounting Policies. We are unable to express an opinion as to when and to what extent the carrying value of Building and Plant & Machinery would be recovered in view of the suspension of plant operations, the impact whereof on the loss for the year, accumulated losses, assets and liabilities as at the year end is presently, not ascertainable.
  - c) Note no. f(ii) of Note 21 of the financial statements regarding the accounts of certain Trade Payables of Rs. 361.85 Lacs, Bank Balances (Dr) of Rs. 17.82 Lacs and Other Non Current Assets of Rs. 48.38 Lacs being subject to confirmations, reconciliations, and adjustments, if any, having consequential impact on the loss for the year, assets, liabilities and accumulated losses as at the close of the year, the amounts of adjustment if any, are presently not ascertainable and therefore not provided for.
  - d) Note no.(l) of Note 21 of the financial statements regarding the Company not having deposited the overdue amount of Rs.164.69 Lacs to the Investor Education & Protection Fund and consequential liability of interest / other charges on the same.
  - e) Further, we are unable to express an opinion as to when and to what extent the carrying value of Stores and Spares of Rs.67.05 Lacs would be recovered in view of the suspension of plant operations since October, 2007 and deterioration of quality, if any.

## 24TH ANNUAL REPORT 2011 - 2012

- f) Note no. c(vi)) of Note 21 of the financial statements regarding non-provision of interest liability aggregating to Rs. 849.93 Lacs on assigned loans, certain advances and debentures on the basis that as per management, revised terms are in the process of being negotiated with the lenders.
- g) Without considering the matter referred in para 3(a) to 3(e), the effect of which could not be determined, had the observations made by us in para 3(f) above been considered, the loss before tax for the current year would have been Rs 4,139.72 Lacs (as against reported loss of Rs 3,289.79 Lacs).
4. 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.
5. Further to our comments in the Annexure referred to in paragraph (4) above, we report that:
- a) Subject to what is stated in para 3 (c ) and (f) above ,we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Subject to what is stated in para 3(b), ( c ) and (f) above In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the statement of Profit and Loss 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 statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Act, to the extent applicable except as stated in Para 3(b) above.
- e) On the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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 para 3 above, and read together with Note no 21(i) regarding pending approval of Central Government in respect of managerial remuneration, Note no 21(j) regarding interest liability in respect of dues to micro, small and medium enterprises, Note no 21 (k) regarding appointment of Company Secretary and other notes appearing in the accompanying 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, 2012;
- ii) in the case of the statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For LODHA & COMPANY**  
**Chartered Accountants**

**A. M. Hariharan**  
**Partner**

**Place: Mumbai**

**Date: 23-05-2012**

**Membership No.: 38323**

**Firm Registration No.:301051E**

**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 2012.**

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 and no discrepancies were noticed on such verification.  
(c) No substantial part of fixed assets has been disposed of during the year.
2. (a) The inventory has been physically verified by the management at reasonable intervals during the year.  
(b) The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventories as compared to book records.
3. Read with what is stated in point 5 below, during the year, the Company has not taken/granted any loans, secured or unsecured, from/to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us having regard to the explanations that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.
5. We are informed by the management that as per the legal opinion obtained by them, the transactions with other companies in which Directors of the Company and who are also holding the positions as directors in the other companies (not holding shares exceeding 2% of paid up capital) are not required to be entered in the register maintained under sub-section (1) of Section 301 of the Act. In view of above, there are no entries recorded in the Register maintained under Section 301 of the Act.
6. The Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and Rules framed thereunder.
7. During the year, no internal audit has been carried out.
8. On the basis of records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Central Government under Section 209 (1) (d) of the Act, as applicable have been maintained. However, we are not required to and thus have not carried out any detailed examination of such accounts and records, with a view to ascertain whether these are accurate and 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, 2012 for a period of more than six months from the date they became payable except as mentioned below:

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

\* not including 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:

## 24TH ANNUAL REPORT 2011 - 2012

Nature of Dues	Year to which it relates	Forum where dispute is Pending	Amount (Rs. in lacs)
Sales Tax	1999-2000	Deputy Commissioner	13.49
Sales Tax	2000-2001	Appellate Tribunal	1.91
Excise Duty	Oct'2006	CESTAT	62.26
Cess Liability	Oct'2007	NMMC	1.18

10. The Company's accumulated losses as at 31st March, 2012 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 including assigned loans (*) - Principal	1801.15	Still Pending
Interest	1198.33	
Debenture Holders - Principal	928.85	Still Pending
Interest	549.88 (upto March, 2008)	

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

12. During the year, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/mutual fund or a 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. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statements of the Company, in our opinion, the funds raised on short-term basis by the Company have not been used for long-term investment.

18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered and recorded in the Register maintained under section 301 of the Act.

19. The Company has not issued any debentures during the year or in the recent past.

20. The Company has not raised any money by public issues during the year or in the recent past.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

**For LODHA & COMPANY**  
Chartered Accountants  
A. M. Hariharan

Partner

Place: Mumbai

Date: 23-05-2012

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



## BALANCE SHEET AS AT 31.03.2012

Rs in lakhs

Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
<b>A EQUITY AND LIABILITIES</b>			
1 Shareholders' Funds			
(a) Share Capital	1	2,670.20	2,670.20
(b) Reserves and Surplus	2	(8575.15)	(5285.37)
		(5904.95)	(2615.17)
2 Non-Current Liabilities			
(a) Other Long-Term Liabilities	3	2,762.50	2,762.50
		2,762.50	2,762.50
3 Current Liabilities			
(a) Short-Term Borrowings	4	741.15	319.75
(b) Trade Payables	5	968.75	1,004.85
(c) Other Current Liabilities	6	5,754.24	6,568.60
(d) Short-Term Provisions	7	5.41	5.41
		7,469.55	7,898.61
<b>TOTAL</b>		<b>4,327.09</b>	<b>8,045.95</b>
<b>B ASSETS</b>			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	3,972.04	4,456.76
(b) Deferred Tax Assets (net)	9	-	2,661.17
(c) Long Term Loans and Advances	10	220.00	767.26
(d) Other Non Current Assets	11	49.72	50.18
		4,241.76	7,935.37
2 Current Assets			
(a) Inventories	12	67.05	103.01
(b) Trade Receivables	13	-	-
(c) Cash and Bank Balances	14	18.28	7.56
		85.34	110.57
<b>TOTAL</b>		<b>4,327.09</b>	<b>8,045.95</b>

s Significant Accounting Policies and Notes to financial statements  
Notes annexed form part of the financial statements

20 &amp; 21

In terms of our report attached  
For LODHA & CO  
Chartered Accountants

For and on behalf of the Board of Directors

A.M. Hariharan  
Partner

S.P.Gupta  
Whole time Director

Dr.P.P.Shastrri  
Director

Place : Mumbai  
Date : 23-05-2012

## 24TH ANNUAL REPORT 2011 - 2012

### STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2012

Rs in lakhs

Particulars	Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)		-	-
Less: Excise duty		-	-
Revenue from operations (net)		-	-
2 Other income	15	35.70	0.58
<b>3 Total revenue (1+2)</b>		<b>35.70</b>	<b>0.58</b>
<b>4 Expenses</b>			
(a) Employee benefits expense	16	31.48	1.31
(b) Finance costs	17	13.79	331.39
(c) Depreciation and amortisation expense	8	483.12	484.16
(d) Other expenses	18	135.92	111.42
<b>Total expenses</b>		<b>664.31</b>	<b>928.28</b>
<b>5 Profit / (Loss) before exceptional and extra ordinary items and tax (3 - 4)</b>		<b>(628.61)</b>	<b>(927.70)</b>
6 Exceptional items	19	-	(236.11)
<b>7 Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		<b>(628.61)</b>	<b>(1163.82)</b>
8 Profit / (Loss) before tax (7 + 8)		(628.61)	(1163.82)
<b>10 Tax expense:</b>			
(a) Deferred tax-reversed		(2661.17)	-
<b>11 Profit / (Loss) from continuing operations (9 +10)</b>		<b>(3289.79)</b>	<b>(1163.82)</b>
<b>B DISCONTINUING OPERATIONS</b>			
12.i Profit / (Loss) from discontinuing operations (before tax)		-	-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii Add / (Less): Tax expense of discontinuing operations		-	-
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
<b>13 Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)</b>		<b>-</b>	<b>-</b>
<b>C TOTAL OPERATIONS</b>			
<b>14 Profit / (Loss) for the year (11 + 13)</b>		<b>(3,289.79)</b>	<b>(1,163.82)</b>
<b>15.i Earnings per share (of Rs 10 each):</b>			
Basic and Diluted			
(i) Continuing operations		(20.69)	(7.36)
(ii) Total operations			

Significant Accounting Policies and Notes to financial statements

20 & 21

Notes annexed form part of the financial statements

In terms of our report attached  
For LODHA & CO  
Chartered Accountants

For and on behalf of the Board of Directors

**A.M. Hariharan**  
Partner

**S.P.Gupta**  
Whole time Director

**Dr.P.P.Shastri**  
Director

Place : Mumbai  
Date : 23-05-2012



## Cash Flow Statement for the year ended 31 March, 2012

Particulars	Rs in lakhs	
	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	628.61	1163.82
Adjustments for:		
Depreciation and amortisation	483.12	484.16
Finance costs	13.79	331.39
Profit on sale of tangible assets	(27.80)	-
Provisions for slow and non-moving inventories	32.40	48.68
Exceptional items		236.11
	<u>501.51</u>	<u>1,100.34</u>
Operating profit / (loss) before working capital changes	(127.10)	(63.48)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	3.56	17.64
Margin Money	2.70	
Short-term loans and advances		34.28
Long-term loans and advances	547.27	
Other non-current assets	0.46	
Trade payables	(36.10)	
Other current liabilities	(814.36)	(100.90)
Short-term borrowings	421.40	97.90
	<u>124.92</u>	<u>48.92</u>
Cash flow from extraordinary items		
Cash generated from operations	(2.18)	(14.56)
Net income tax (paid) / refunds		
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(2.18)</b>	<b>(14.56)</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from sale of tangible assets	29.40	-
Net income tax (paid) / refunds	-	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>29.40</b>	
<b>C. Cash flow from financing activities</b>		
Finance cost-OTS	(13.79)	-
Cash flow from extraordinary items	(13.79)	-
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(13.79)</b>	
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>13.43</b>	<b>(14.56)</b>
Cash and cash equivalents at the beginning of the year	4.58	19.14
<b>Cash and cash equivalents at the end of the year</b>	<b>18.01</b>	<b>4.58</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 14)	18.28	4.86
Less: Bank balances not considered as Cash and cash equivalents as	0.27	0.27
<b>Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)</b>	<b>18.01</b>	<b>4.58</b>
<b>Cash and cash equivalents at the end of the year *</b>	<b>18.01</b>	<b>4.58</b>
* Comprises:		
(a) Cash on hand	0.19	0.11
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	16.43	3.07
(ii) In EEFC accounts		
(iii) In deposit accounts with original maturity of less than 3 months	1.40	1.39
	<u>18.01</u>	<u>4.58</u>

**Notes:**

- (i) The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- (ii) Figures in brackets indicate cash outflow.
- (iii) Previous year's figures have been regrouped/reclassified wherever applicable.

In terms of our report attached  
For LODHA & CO  
Chartered Accountants

For and on behalf of the Board of Directors

A.M. Hariharan  
Partner

S.P.Gupta  
Whole time Director

Dr.P.P.Shastri  
Director

Place : Mumbai  
Date : 23-05-2012



## 24TH ANNUAL REPORT 2011 - 2012

Notes forming part of the financial statements as at and for the year ended 31st March, 2012

### NOTE 1 - SHARE CAPITAL

Particulars	(Rs in lacs)			
	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares		Number of shares	
Authorised				
Equity shares of Rs 10 each	18,000,000	18,000.00	18,000,000	18,000.00
Redeemable preference shares of Rs10 each	25,000,000	25,000.00	25,000,000	25,000.00
	<u>43,000,000</u>	<u>43,000.00</u>	<u>43,000,000</u>	<u>43,000.00</u>
<b>Issued, Subscribed &amp; Paid up</b>				
Subscribed and fully paid up				
Equity shares of Rs10 each	15,901,999	1,590.20	15,901,999	1,590.20
0.5% Cumulative Non-Convertible Redeemable preference shares of Rs10 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)	10,800,000	1,080.00	10,800,000	1,080.00
<b>Total</b>	<u>26,701,999</u>	<u>2,670.20</u>	<u>26,701,999</u>	<u>2,670.20</u>

#### b) Rights of Equity Shareholders

The Company has only one class of Equity Shares having par value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company.

#### c) Reconciliation of numbers of equity shares

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number	Rs. In lacs	Number	Rs. In lacs
Shares outstanding at the beginning of the year	26,701,999	2,670	26,701,999	2,670
Shares outstanding at the end of the year	26,701,999	2,670	26,701,999	2,670

#### d) Details of members holding equity shares more than 5%:

Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Albert Trading Company Pvt Ltd	4,721,339	29.69	4,721,339	29.69
ISG traders Ltd	2,873,173	18.07	2,873,173	18.07
Duncans Industries Ltd	937207	5.89	937207	5.89
Echo Fiscal Services pvt Ltd	2088139	13.13	2,088,139	13.13
<b>Total</b>	<u>10,619,858</u>	<u>66.78</u>	<u>10,619,858</u>	<u>66.78</u>

### NOTE 2 - RESERVES & SURPLUS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(5,285.37)	(4,121.55)
Add: Profit / (Loss) for the year	(3,289.79)	(1,163.82)
Closing balance	<u>(8,575.15)</u>	<u>(5,285.37)</u>

### NOTE 3 OTHER LONG-TERM LIABILITIES

Particulars	(Rs in lacs)	
	As at 31 March, 2012	As at 31 March, 2011
Advance received against agreement for assignment of leasehold land	2,762.50	2,762.50
<b>Total</b>	<u>2,762.50</u>	<u>2,762.50</u>



**NOTE 4 SHORT-TERM BORROWINGS**

(Rs in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Loans and advances:		
Unsecured - Related Parties	648.46	311.06
Unsecured - Others	92.69	8.69
<b>Total</b>	<b>741.15</b>	<b>319.75</b>

**NOTE 5 TRADE PAYABLES \***

(Rs in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade payables*		
Acceptances	-	-
Other than Acceptances	968.75	1,004.85
<b>Total</b>	<b>968.75</b>	<b>1,004.85</b>

\* Trade payables are dues in respect of goods purchased or services received (including from employees, professionals and others under contract) in the normal course of business.

**NOTE 6 OTHER CURRENT LIABILITIES**

(Rs in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
1) (a) Application money received for allotment of securities and overdue for refund	75.21	75.21
(b) Unpaid matured debentures and interest accrued thereon; over due loans and interest accrued thereon		
(i) Secured, Redeemable Non-convertible Debentures due and interest accrued thereon (from public)	1,662.60	1,662.60
(ii) Term Loans and Zero Coupon Non-convertible Debentures (ZCNCDs) from Financial Institutions, Banks and Body Corporates (Assignees)	1,713.36	1,713.36
(iii) Interest accrued and due on Term Loans and Zero Coupon Non-convertible Debentures (ZCNCDs) from Financial Institutions, Banks and Body Corporates (Assignees)	1,610.40	1,610.40
(iv) Borrowing from banks (for working capital)	-	829.30
(c) Other liabilities including Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	269.08	254.13
(d) Advances from customers	423.59	423.60
<b>Total</b>	<b>5,754.24</b>	<b>6,568.60</b>

**Debentures - from public [refer note 6 (1)(b)(i) above]**

(2) 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 of the Company's movable assets (save and except book debts) subject to prior charges created in favour of the Company's bankers on the Company's stocks of raw materials, semi-finished and finished goods, consumable stores, spares and such other movables for 'working capital' requirements.

**Term Loans and Zero Coupon Non-convertible Debentures - [refer note 6 (1)(b)(ii) and (iii) above]**

(3) These are secured by a first charge on the Company's immovable properties, both present and future and a second charge by way of hypothecation of the Company's movable assets (save and except book debts) subject to prior charges created in favour of the Company's bankers on the Company's stocks of raw materials, semi-finished and finished goods, consumable stores, spares and such other movables for 'working capital' requirements.

**Borrowings from Banks - [refer note 6 (1)(b)(iv) above]**

(4) These are secured by a first charge on the Company's book debts, stocks of raw materials, semi-finished and finished goods, consumable stores and spares and a second charge on the movable and immovable properties of the Company both present and future, subject to prior charges created in favor of Term Lenders and ZCNCD holders.

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### NOTE 7 SHORT-TERM PROVISIONS

(Rs in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Provision for employee benefits:	5.41	5.41
<b>Total</b>	<b>5.41</b>	<b>5.41</b>

### NOTE 8 FIXED ASSETS

(Rs in lacs)

Tangible assets	Gross Block				Accumulated Depreciation and Ammortisation			Net Block		
	1.4.2011	Additions	Disposal	Balance as at 31.03.2012	Balance as at 1.04.2011	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31.03.2012	Balance as at 31.03.2012	Balance as at 31.03.2011
(a) Land										
Freehold										
Leasehold	3,317.92			3,317.92	45.61	2.38		47.99	3269.93	3272.31
(b) Buildings										
Own use	795.20			795.20	348.55	20.56		369.11	426.08	446.65
Given under operating lease*				-						
(c) Plant and Equipment										
Owned	8,736.69			8,736.69	8025.78	454.34		8480.12	256.57	710.91
Taken under finance lease*				-						
Given under operating lease*				-						
(d) Furniture and Fixtures										
Owned	101.02			101.02	87.87	2.77		90.65	10.37	13.15
Taken under finance lease*				-						
Given under operating lease*				-						
(e) Vehicles										
Owned	87.48		40.61	46.87	73.74	3.06	39.01	37.79	9.09	13.74
Taken under finance lease*				-						
Given under operating lease*				-						
<b>Total</b>	<b>13,038.31</b>		<b>40.61</b>	<b>12,997.70</b>	<b>8581.55</b>	<b>483.12</b>	<b>39.01</b>	<b>9025.66</b>	<b>3972.04</b>	<b>4456.76</b>
Previous year	13,038.31		-	13,038.31	8,097.39	484.16	-	8,581.55	4,456.76	

### NOTE 9 DEFERRED TAX ASSETS

(Rs in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Deferred Tax Assets (Net)-[Also refer Note 21 (g)]	-	2,661.17
<b>Total</b>	<b>-</b>	<b>2,661.17</b>

### NOTE -10 LONG TERM LOANS AND ADVANCES

(Rs in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Loans and Advances		
Unsecured, considered good	220.00	767.26
Doubtful	138.30	138.30
	358.29	905.56
Less: Provision for doubtful advances	138.30	138.30
<b>Total</b>	<b>220.00</b>	<b>767.26</b>



**NOTE -11 OTHER NON CURRENT ASSETS**

(Rs in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Tax deducted at source pending assessments	1.34	1.34
(b) Balances with government authorities	48.38	48.84
(c) Customs, Excise Deposits Etc (considered doubtful)	36.78	36.78
<b>Total [(a)+(b)+(c)]</b>	<b>86.51</b>	<b>86.96</b>
(d) Provision for doubtful deposits	36.78	36.78
<b>Total</b>	<b>49.72</b>	<b>50.18</b>

**NOTE 12 INVENTORIES**

(Rs in lacs)

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Stores and spares	67.05	103.01
<b>Total</b>	<b>67.05</b>	<b>103.01</b>

**NOTE 13 TRADE RECEIVABLES**

(Rs in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Considered Doubtful	159.15	159.15
	159.15	159.15
Less: Provision for doubtful trade receivables	159.15	159.15
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 14 CASH AND CASH EQUIVALENTS**

(Rs in lacs)

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Cash on hand	0.19	0.11
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	16.43	3.07
(ii) In earmarked accounts		
- Unpaid dividend accounts	0.27	0.27
- Balances held as margin money	1.40	4.10
<b>Total</b>	<b>18.28</b>	<b>7.56</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	16.61	4.58

**NOTE 15 OTHER INCOME**

(Rs in lacs)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Other Income - Sale of scrap	35.70	0.58
<b>Total - Other operating revenues</b>	<b>35.70</b>	<b>0.58</b>

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NOTE16 EMPLOYEE BENEFITS EXPENSE	(Rs in lacs)	
Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Salary to Whole Time Director	31.48	1.31
<b>Total</b>	<b>31.48</b>	<b>1.31</b>

NOTE17 FINANCE COSTS	(Rs in lacs)	
Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(a) Interest expense on:		
(i) Borrowings	13.79	331.39
(ii) Trade payables	-	-
(iii) Others		
- Interest on delayed / deferred payment of income tax	-	-
- Others (give details)	-	-
(b) Other borrowing costs @	-	-
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-	-
<b>Total</b>	<b>13.79</b>	<b>331.39</b>

NOTE 18 OTHER EXPENSES	(Rs in lacs)	
Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Power and fuel	0.64	1.27
Water	0.22	0.23
Repairs and maintenance - Others	0.18	0.09
Insurance	1.45	0.89
Rates and taxes	19.82	20.05
Communication	1.65	2.34
Travelling and conveyance	4.13	3.92
Printing and stationery	0.99	1.23
Freight and forwarding	0.01	0.01
Legal and professional	53.57	10.71
Payments to auditors [Refer Note 21 (o)]	5.00	5.00
Provision for slow and non-moving Inventories	32.40	48.68
Miscellaneous expenses	15.87	17.01
<b>Total</b>	<b>135.92</b>	<b>111.42</b>

NOTE 19 EXCEPTIONAL ITEMS	(Rs in lacs)	
Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Provision for worker settlement	-	(236.11)
<b>Total</b>	<b>-</b>	<b>(236.11)</b>



Significant Accounting Policies and Notes forming part of the Financial Statements for the year ended 31st March, 2012

**NOTE 20 - SIGNIFICANT ACCOUNTING POLICIES****a. 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.

**b. 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.

**c. 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.

**d. FIXED ASSETS**

- i. Fixed Assets are carried at cost/book value and include amounts 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.
- ii. Depreciation on Assets is provided as per Straight Line Method.
- iii. Financial Leases - Assets under hire purchase are capitalised and depreciated as per estimated useful life of the asset.

**e. IMPAIRMENT OF ASSETS**

In accordance with AS 28 on 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, the carrying amounts of the Company's assets related to cash generating units 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. Impairment, if any, is recognized in the accounts in the year in which an asset is identified as impaired.

**f. 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 condition and includes excise duty payable. Weighted Average Method is used for determination of cost.

**g. TAXATION**

- i. Income tax expense comprises 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).
- ii. 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.

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- iii. Deferred tax is recognised, subject to the consideration of prudence on timing differences, being the difference between taxable incomes and accounting incomes 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.

### **h. EMPLOYEE BENEFITS**

#### **i. 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.

#### **ii. 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.

#### **iii. 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.

### **i. TRANSACTION OF FOREIGN CURRENCY ITEMS**

- i. Foreign Currency transactions are recorded at the rate of exchange prevailing on the date of the transaction.
- ii. 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.

### **j. BORROWING COSTS**

Borrowing costs attributable to acquisition and construction of qualifying asset are capitalized as a part of cost upto 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.

### **k. 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 a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **NOTE 21 - NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- a. Although the accumulated losses as at the year-end amounted to Rs.8575.15 Lacs (Previous Year Rs.5285.37 Lacs) as against the paid up share capital of Rs.2670.19 Lacs (Previous Year Rs.2670.19 Lacs), pending the finalization and adoption of the business re-engineering plans [refer Note 21(c)(iii) below], these financial statements have been prepared on a going concern basis and impairment loss, if any, will be accounted for as and when the business re-engineering plans are implemented.
- b. In view of the accumulated losses, no transfer has been made to the Debenture Redemption Reserve in respect of secured and unsecured Non-Convertible Debentures.

**c. Restructuring and Net Worth Status:**

- i. The Net Worth of the Company has been fully eroded and is negative as on March 31, 2012. The management had been advised that since certain conditions as per the Sick Industrial Companies (Special Provisions) Act, 1985 were not being met, the Company was not eligible to a make reference to BIFR. In the event of any change in the status inter alia arising out of developments in the pending legal case [refer Note (ii) below], appropriate steps will be taken in this regard.
- ii. The validity of the closure declared by the Company with effect from June 26, 2008, under the relevant provisions of The Industrial Disputes Act, 1947, has been challenged before the Industrial Court by the employees' union and the matter is pending before the Hon'ble Court.
- iii. The management has been exploring various options for restructuring the business and finances of the Company, including the recommencement / relocation of its manufacturing operations. During the year, the Company has been able to settle the debts of certain parties, mainly working capital lenders and the management is exploring various options for settlement of the balance debt.
- iv. As part of restructuring, the Company had earlier entered into an arrangement for the assignment of the leasehold rights of its land. However, certain issues have affected its implementation and the management is pursuing the matter. The advance received has however been utilized, inter alia, to settle certain liabilities of the Company.
- v. A promoter group company has given corporate guarantees and a Director of the Company has given personal guarantees in favor of the Banks / their Assignees. Amount due to Banks is Rs. NIL (Previous Year Rs. 886.70 Lacs) and amount due to Assignee is Rs 508.14 Lacs (Previous Year Rs.508.14 Lacs).
- vi. During the year interest liability on all borrowings including debentures has not been provided since revised terms are in the process of being negotiated with the lenders and the management expects that the liabilities already being carried are adequate.
- vii. The Zero Coupon NCDs issued to and the Term Loans from IFCI Ltd. as mentioned in Note 6(b)(iii) - "Other Current Liabilities" were assigned to a third party by IFCI Ltd. The assignment has been challenged by the Company and the matter is pending before the Delhi High Court.

**d. Revaluation**

- i. The Company had revalued the land, building and certain plant and machinery as on April 1, 1996 based on the valuation made by M/s P.C. Gandhi & Associates, an independent firm of consulting Engineers, Surveyors and Government Approved Valuers vide their report dated 30th April, 1997. Accordingly, the original costs of the above assets as on April 1, 1996 have been restated at estimated market value arrived at after adjusting the depreciation on the estimated replacement cost. The resultant increase in net book value arising on revaluation amounting to Rs. 4285.93 Lacs was transferred to Revaluation Reserve Account during the period ended 31st August, 1997. The following re-valued amounts remain substituted for the historical cost in the gross block of fixed assets:

(Rs Lacs)

	Historical Cost	Revalued Amount	Difference
Land	176.56	3317.92	3,141.36
Buildings	523.78	795.20	271.42
Plant & Machinery	7813.32	8,686.47	873.15
<b>Total</b>	<b>8513.66</b>	<b>12,799.59</b>	<b>4,285.93</b>

- ii. Revaluation Reserve amounting to Rs. 4285.93 Lacs had been adjusted against the then accumulated losses pursuant to the scheme of restructuring approved by the Hon'ble High Court of Bombay vide its order dated April 23, 2001. Depreciation is, however, being provided on the revalued amounts.



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e. Contingent Liabilities have not been provided for in respect of:

		Year ended 31st March, 2012 Rs. Lacs	Year ended 31st March, 2011 Rs. Lacs
i.	Claims against the Company relating to (including interest or penalty upto the date of demand)		
	Excise Duty	62.26	62.26
	Customs Duty	1.25	1.25
	Sales Tax	31.40	31.40
	Cess Liability	28.35	28.35
	MIDC Charges	108.32	108.32
	Suppliers	14.72	16.81
ii	Arrears of Fixed Preference Dividend (Including Dividend Tax)	56.07	49.79
iii	Liability as may arise in respect of matters referred to in Note 21(c) above and further interest / liability / penalty if any as may arise in respect of matters referred to in Note 21(e)(i) above - amounts not ascertainable		

- f. i) In the opinion of the management, Current and Non-current Assets, Long Term and Short Term Loans and Advances are realizable at a value, in the ordinary course of business, which is atleast equal to the amount at which these are stated, and provisions for all known and determined liabilities are adequate and not in excess of the amounts stated.
- ii) The accounts of certain Trade Receivables, Trade Payables, Loans and Advances and Lenders are however subject to formal confirmations / reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation / confirmation.

g. i) **Deferred Tax Asset/Liability**

Due to the delay in the implementation of the business re-engineering proposals and in accordance with Accounting Standard 22 - Accounting for Taxes on Income, the Deferred Tax Asset recognized in earlier years has been reversed.

The details of the same are as follows:

	31st March, 2012 Rs. Lacs	31st March, 2011 Rs. Lacs
Deferred Tax Asset		
Unabsorbed Depreciation and Business Loss	-	2661.17
Net Deferred Tax Assets	-	2661.17

- ii) No current tax provision has been made in the absence of taxable profits and also no further deferred tax asset is being recognized.
- h. Details of transactions with related parties as identified by the management in accordance with Accounting Standard - 18 of the Companies Accounting Standard Rules, 2006 are as follows:
- (i) Key Management Personnel - Wholtime Director : Mr. S. P. Gupta
- (ii) Associates - ISG Traders Limited, Kavita Marketing Pvt. Ltd. and Shubh Shanti Services Ltd.



(iii) The following transactions were carried out with each type of the above related parties in the ordinary course of business and at arm's length:

Rs. Lacs

Name	Key Management Personnel	ISG Traders Limited	Kavita Marketing Pvt. Ltd.	Shubh Shanti Services Ltd.
Services Received	- (-)	- (-)	- (-)	- (-)
Finance Received	- (-)	418.40 (73.90)	3.00 (-)	- (-)
WTD Remuneration	31.48 (1.31)	- (-)	- (-)	- (-)
Closing Balance Payable	31.48 (-)	631.12 (212.72)	3.00 (-)	14.33 (14.33)

Notes: Figures in brackets relate to Previous Year.

i. Managing / Wholetime Director's remuneration:

	Year ended 31st March, 2012 Rs. Lacs	Year ended 31st March, 2011 Rs. Lacs
Salaries & Allowances	31.48 (*)	1.31
Contribution to Provident Fund	-	-

(\*)The Company had applied to the Central Government for necessary approval as per Schedule XIII of the Companies Act, 1956 towards managerial remuneration and the same is awaited. The application includes an amount of Rs 20.98 Lacs (relating to the financial years 2009-10 and 2010-11) paid in excess and provided for in earlier years and Rs 30 lacs pertaining to the financial years 2007-08, 2008-09 and 2009-10 now provided.

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

Sr. No.	Particulars	Amount (Rs. Lacs)
i)	Principal amount remaining unpaid	18.11
ii)	Interest paid in terms of Section 16	-
iii)	Interest due and payable for the period of delay in payment	(*)
iv)	Interest accrued and remaining unpaid	(*)
v)	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 Enterprises Development Act, 2006.

k. After the resignation of the Company Secretary w.e.f. June 30, 2007, the Company continues to make concerted efforts to appoint a Company Secretary as required under Section 383A of the Companies Act, 1956.

l. Amount overdue to be credited to Investor Education Protection Fund is Rs. 164.69 Lacs. The above excludes Rs. 57.67 Lacs interest on Debentures being unfunded.

## 24TH ANNUAL REPORT 2011 - 2012

m. Earnings per Share:

	Year ended 31st March, 2012 Rs. Lacs	Year ended 31st March, 2011 Rs. Lacs
<b>i. Numerator:</b>		
(a) Profit/(Loss) after tax but before exceptional items	(3289.90)	(927.71)
(b) Profit/(Loss) after tax and exceptional items	-	(1163.82)
Less: Preference Shares Dividend for the year including Dividend Distribution Tax	(6.27)	(6.27)
<b>Numerator for Basic\Diluted EPS Calculation</b>		
(a) Earning before exceptional items	(3296.17)	(933.98)
(b) Earning after exceptional items	(3296.17)	(1170.09)
<b>ii. Denominator:</b>		
Weighted average number of shares outstanding during the year		
- Basic	15901999	15901999
- Diluted	-	-
<b>iii. Earnings Per Share:</b>		
Earnings per Share in Rs. before exceptional items		
- Basic	(20.69)	(5.87)
- Diluted	-	-
Earnings per Share in Rs. after exceptional items		
- Basic	(20.69)	(7.36)
- Diluted	-	-
<b>iv. Nominal Value per Equity Share</b>	10	10

n. The Company is primarily engaged in one segment i.e. EPDM Rubber.

o. Auditors' Remuneration

	Year ended 31st March, 2012 Rs. Lacs	Year ended 31st March, 2011 Rs. Lacs
Audit Fees	3.50	3.50
Limited Review	1.50	1.50
<b>Total</b>	<b>5.00</b>	<b>5.00</b>

p. The Company was using the pre-revised Schedule VI to the Companies Act 1956 for the preparation and presentation of its financial statements upto the year ended 31st March 2011. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956 has become applicable to the Company. The Company has reclassified the previous year's figures to confirm to this year's classification. The adoption of the revised Schedule VI does not impact revenue recognition and measurement principles followed for the preparation of the financial statements.

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

Place: Mumbai

Dated: 23rd May 2012

**S.P.Gupta**  
**Wholetime Director**

**Dr.P.P.Shastri**  
**Director**



# UNIMERS INDIA LIMITED



## UNIMERS INDIA LIMITED

REGISTERED OFFICE : Offel Towers, 6<sup>th</sup> Floor, R.C. Dutt Road, VADODARA -390 007.

### ATTENDANCE SLIP

L. F. No.	
No. of Shares Held	

I/We hereby record my/our presence at the 24<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 27<sup>th</sup> day of September 2012 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.

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

### FORM OF PROXY

L. F. No.	
No. of Shares Held	

I/We \_\_\_\_\_ of \_\_\_\_\_ (town/village) in the district of \_\_\_\_\_ being a Share Holder/Share Holders of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the Meeting of the Share Holders of the Company to be held on Monday, the 27<sup>th</sup> day of September 2012 at 10:30 a.m. at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

(Affix Rupee 1/- Revenue Stamp.)

**Note :**

1. The Proxy forms must be deposited at the Registered Office of the Company at Offtel Towers, 6<sup>th</sup> Floor, R.C. Dutt Road, VADODARA -390 007 not less than 48 hours before the time for holding the meeting.
2. Proxy need not be a member of the Company.

If not delivered please return to :

**UNIMERS INDIA LIMITED**

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

Thane, - Belapur Road, Turbhe,

Navi Mumbai - 400 705.