



UNIMERS INDIA LIMITED

BOARD OF DIRECTORS

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

BANKERS

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

AUDITORS

Lodha & Co.

REGISTERED OFFICE & FACTORY

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

REGISTRAR & TRANSFER AGENT

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

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UNIMERS INDIA LIMITED

NOTICE:

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

ORDINARY BUSINESS:

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

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

S. P. Gupta
Wholetime Director

Place : Mumbai

Dated : September 2, 2011

Registered Office:

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

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and Share Transfer Books of the Company will be closed from September 26, 2011 to September 28, 2011 (both days inclusive).
- c) Members / proxies are requested to bring the attendance slip duly filled in for attending the meeting. No duplicate will be issued at the venue of the meeting.
- d) Members are requested to bring their copies of the Annual Report at the time of attending the meeting.
- e) The Shareholders are requested to send all their correspondence, in respect of shares etc. to Adroit Corporate Services Private Limited 19, Jaferbhoy Industrial Estate, 1st Floor, Makhwana Road, Marol Naka, Mumbai 400 059.
- f) As required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/ re-appointed are given hereunder.

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

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



DIRECTORS' REPORT

To the Members of the Company for the year ended 31st March 2011

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

1. FINANCIAL HIGHLIGHTS:

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

2. OPERATIONS:

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

3. RESTRUCTURING

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

4. NET WORTH STATUS AND IMPLICATIONS

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

5. EMPLOYEE RELATIONS:

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

6. PARTICULARS OF EMPLOYEES:

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

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

7. SAFETY, HEALTH & ENVIRONMENT POLICY:

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

8. DEMATERIALISATION OF COMPANY'S EQUITY SHARES:

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

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

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

10. DIRECTORS:

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

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

11. CORPORATE GOVERNANCE:

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

12. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to major departures;
- such accounting policies as were reasonable and prudent were selected in preparation of the Accounts and applied consistently. Further judgements and estimates that were reasonable and prudent were also made in the course of preparation of Accounts so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year ended 31st March, 2011;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Accounts have been prepared on a going concern basis.

13. AUDITORS:

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

14. AUDITORS' REPORT:

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

15. ACKNOWLEDGEMENT:

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

For and on behalf of the Board

S. P. Gupta
Wholetime Director

G. P. Goenka
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE 'A'

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

(I) CONSERVATION OF ENERGY

Manufacturing operations were closed during the year.

(II) TECHNOLOGY ABSORPTION

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

(III) RESEARCH AND DEVELOPMENT (R&D)

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

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

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

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

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

(d) Future plan of action:

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

(IV) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board

S. P. Gupta
Wholetime Director

G. P. Goenka
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

'FORM A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption

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

For and on behalf of the Board

S. P. Gupta
Wholetime Director

G. P. Goenka
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
a. Industry Structure and Developments

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

b. Opportunities and Threats

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

c. Risks and concerns

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

d. Internal Control Systems and their adequacy

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

e. Financial and Operational Performance

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

f. Outlook

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

g. Material Developments in Human Resources / Industrial Relations fronts

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

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

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



REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

Composition and Status of Directors:

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

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

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

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

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

3. Board Committees

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

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

i. Audit Committee

Terms of reference

(a) Primary objectives of the Audit Committee:

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

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

(b) Scope of the Audit Committee:

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


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

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

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

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

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

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

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

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

ii. Remuneration Committee:

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

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

1. Mr. R. S. Agarwal, Chairman

Remuneration Policy:

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

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