



**UNIMERS
INDIA
LIMITED**

24th Annual Report 2011 -2012



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

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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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.
- i) 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

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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:

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material 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 loss of the Company for the year ended 31st March, 2012;
- 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.

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

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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.

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.

Name of the Director	Status
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	Independent & Non - Executive
Mr. S.P.Gupta	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, 1956. 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)