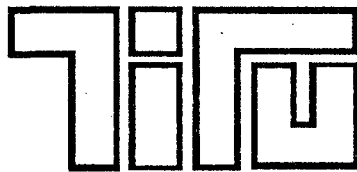


UNISON METALS LTD.



UNISON METALS LTD.

**13th Annual Report
2002-2003**

Board of Directors

Chairman	:	Nareshbhai V. Changrani
Wholetime Director	:	Mahesh V. Changrani Himanshu K. Shah
Director	:	Pushpaben U. Mehta Mukesh D. Shah Prakash Rajiyaguru
Registered Office & Works	:	Plot No. 5015, Phase IV, Ramol Char Rasta, GIDC, Vatva, Ahmedabad-382445
Bankers	:	The Ahmedabad Mercantile Co.Op.Bank Ltd.
Auditors	:	M/s.Kishan M. Mehta & Co. 6, Premchand House Annexe, Old High Court Way, Ashram Road, Ahmedabad-380009

NOTICE TO MEMBERS

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of "UNISON METALS LIMITED " will be held at the Registered Office at Plot No 5015, Phase-IV, GIDC, Vatva, Ahmedabad-382445 on Tuesday the 30th day of September, 2003. at 11 A.M. to transact the following business:-

1. To receive, consider and, if approved, adopt the Audited Balance Sheet as on 31st March, 2003 and Profit & Loss Account for the year ended 31st March, 2003 and Reports of the Directors and auditors thereon.
2. To declare a dividend.
3. To appoint Director in place of Shri Himansu K. Shah retiring by rotation and being eligible for reappointment offers himself for reappointment.
4. To appoint Director in place of Smt. Pushpa U. Mehta retiring by rotation and being eligible for reappointment offers herself for reappointment.
5. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.
Resolved that Shri Prakash Rajyaguru be and is hereby appointed as Director of the board of directors of the company. pa
7. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.
Resolved that Shri Mukesh D. Shah be and is hereby appointed as Director of the board of directors of the company.

NOTES:-

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy forms should be lodged with the company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer books will remain close from 25th September, 2003 to 30th September 2003 (both days inclusive)
3. The dividend as recommended by the directors, if declared at the Annual General Meeting, will be paid from 1st October, 2003 onwards, to the members whose names are on the Company's Register of members on 24th September, 2003 and to the Beneficiary Holders as per the beneficiary list as on 24th September, 2003, provided by the National Securities and Depository Limited and Central Depository Services (India) Limited.
4. The relevant explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of Item No.6 & 7 as set out above is annexed here to.

Place: Ahmedabad.

By order of the Board

Date : 30/6/2003.

(HIMANSHU K. SHAH)
(Director)

EXPLANATORY STATEMENT IN ACCORDANCE WITH PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO.6

Shri Prakash Rajyaguru was appointed as an additional director of the board of directors of the company. Considering his contribution and experience in the line of the industry that of the company his name is proposed as a regular director of the board of directors of the company. None of the director is deemed to be concerned or interested in the resolution.

ITEM NO.7

Shri Mukesh D. Shah was appointed as an additional director of the board of directors of the company. Considering his contribution and experience in the line of the industry that of the company his name is proposed as a regular director of the board of directors of the company. None of the director is deemed to be concerned or interested in the resolution.

By Order of the Board

Place: Ahmedabad.

Date : 30/6/2003.

(HIMANSHU K. SHAH)
Director.

DIRECTORS REPORT

To
The Members of
UNISON METALS LIMITED

The directors of your company have pleasure in presenting the Thirteenth Annual Report alongwith the Audited Balance Sheet & Profit and Loss Account for the year ended on 31st March,2003.

RESULTS & REVIEW :

This year is also marked by recessionary trends and a economic slump. The profits of your company before provision for taxation is Rs. 17,03,369/- during the year against profit of Rs.6,72,064/- (after providing for doubtful debts of Rs.3,00,000/-) in preceding year. The company has provided Rs.3,75,000/- for current tax and Rs.1,15,200/- for deferred tax and has transferred Rs.1,40,000/-to General Reserve.

During the year under review due to over all market conditions production of Stainless steel cold Rolled Sheets has decreased by 25% from 2744 MT to 2065 MT and that of Stainless Steel Hot Rolled Sheets increased by 27% from 5434 to 6924 MT.

The company would continue its endeavor to exploit better the production capacity and initiate measures to contain cost with continuing emphasis on quality so as to respond to the intensified competition and thus making the activities more profitable.

The company is initiating series of innovation and improvement of product quality to contain the low cost competition and furtheren the prospects of the company.

ENVIRONMENT FRIENDLINESS

The company has a stable Effluent Treatment system and is a "Zero Discharge" company thereby taking a pathbreaking step towards being an Environment friendly company, committed towards cleaner environment.

DEPOSITS

The company's balance of public deposits as on 31st March,2003 was Rs.42,19,390/-(including of directors).Company has regularly and timely paid all the deposits on its maturity.

DIRECTORS

The directors Shri Himansu K. Shah & Smt.Pushpa Mehta are liable to retire by rotation and being eligible offers themselves for reappointment. Shri Prakash Rajyaguru & Shri Mukesh.D Shah are appointed as additional directors & being eligible offers themselves for reappointment.

DIVIDEND

Your directors are pleased to recommend a dividend of Rs.0.20 per Equity Share of Rs.10 for the financial year ended 31st March,2003.

AUDITORS

M/s Kishan M Mehta & Co, the auditors of the company shall retire at the conclusion of ensuing AGM and have given their consent to continue as auditors of the company for the current year, if reappointed.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm :

- 1) that in the preparation of the annual accounts for the year ended on 31st March, 2003, the applicable accounting standards have been followed.
- 2) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period.
- 3) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) that the directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

As per Clause 49 of the listing agreement with Stock Exchange, a separate section on corporate Governance and Management discussion and Analysis is set out in the Annexure forming part of this report.

Your Company has been practicing the principles of good corporate governance over the years. The Board of directors supports the broad principles of corporate governance. In addition to the basic governance issues, the board lays strong emphasis on transparency, accountability and integrity.

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The particulars as prescribed under section 271 (1)(e) of the companies Act, 1956 read with the Companies (Disclosure of particulars in reports of Directors) Rules 1988 are annexed hereto and form part of this report.

PARTICULARS OF EMPLOYEES

As required under section 217 (2A) of the Companies Act, 1956 and Rules thereunder, there is no employee who was in receipt of remuneration of not less than Rs.24,00,000/- during the year ended 31st March, 2003 or not less than Rs.2,00,000/- per month during any part of the said year.

APPRECIATION

The directors place on record their appreciation for co-operation and support extended by the bankers, financial institutions, customers and suppliers of the company. The directors also wish to place on record their sincere appreciation of the devoted and efficient services rendered by the workers, staff and executives of the company.

For and on behalf of the Board

Place : Ahmedabad
Date : 30/6/2003.

(Naresh V. Changrani)
Chairman

ANNEXURE TO DIRECTORS REPORT

Additional particulars required under the Companies (Disclosure of Particulars in reports of Directors) Rules, 1988 forming part of the Directors report for the year ended 31st March, 2003.

A. CONSERVATION OF ENERGY :

Energy conservation measures taken :

The Company has adopted the system of shutting down the electrical machinery and appliances when not in use to avoid unnecessary waste of energy and has put latest design of electrical equipments. New investment in machines are being considered with an idea to have reduction of consumption of energy. The impact of these measures on the cost of production of goods are not precisely ascertainable. The total energy consumption and consumption per unit of production as per Form A to the extent applicable is given here under.

FORM A

POWER & FUEL CONSUMPTION :

1. ELECTRICITY :

Unit KWH (in lacs)	15.35
Total Amount (Rs in lacs)	68.00
Cost/Unit (Rs)	4.43

2. FURNACE/LDO OIL :

Quantity (Litre)	787360
Total Amount (Rs lacs)	93.67
Rate/Unit (Rs/KL)	11.90

3. CONSUMPTION PER UNIT OF PRODUCTION :

Electricity Unit/MT	170.78
Furnace/LDO Oil KL/MT	87.59

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

No special technology absorption, adoption and innovation changes were affected in production process during the year.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

There are no activities relating to exports and no foreign exchange is used or earned by the company.

CORPORATE GOVERNANCE

Your company has complied in all material respects with the features of Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges.

Report on the implementation of the Corporate Governance along with Section on Management Discussion and Analysis is furnished below:

(A) Board of Directors:

The Board of Directors Comprises 2 Executive Directors and 4 Non-Executive Directors.

During the year, Board Meetings were held on 29/6/2002, 31/7/2002, 05/09/2002, 31/10/2002, 26/12/2002, 06/01/2003, 31/01/2003, 03/03/2003, 21/03/2003 and 28/03/2003. The interval between any two meetings was less than 4 months.

The Composition of Directors and their attendance at the Board Meeting during the year and as also number of other directorships/ membership of Committee are as follows:

Name of Director	Category of Directorship As on 31/3/2003	No. of Board Meetings Attended	Whether Attended last AGM 30-9-2002	No. of other Director-ships	No. of Committee	Other Membership
Mr. Himanshu K. Shah	ED	10	Yes	Nil	Member 1	Chairman —
Mr. Mahesh V. Changrani	ED	7	Yes	Nil	—	—
Mr. Naresh V. Changrani	NED-P	9	Yes	1	1	—
Mr. Mukesh D. Shah	NED-I	1	No	Nil	—	2
Mr. Prakash J. Rajyaguru	NED-I	1	No	Nil	1	—
Mrs. Pushpa U. Mehta	NED-P	2	No	Nil	1	—

ED - Executive Director (Independent) NED-P - Non Executive Director (Promoter) NED-I - Non Executive Director

(B) Audit Committee :

1 Terms of reference :

To oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of the audit fee, to review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal control function, major accounting policies, practices and entries, compliance with accounting standards and with the stock exchange and legal requirements concerning financial Statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the auditors any significant findings for follow-up thereon, to review the quarterly, half yearly and annual financial statements before submission to the Board of Directors.

The committee also meets the operating management and reviews the operations, new initiatives and performance of the business. The minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

2 Composition :

The Audit Committee comprises of 3 non-executive directors as follows :-

Name of Member	Status
Mr. Mukesh D. Shah	Chairman
Mr. Prakash J. Rajguru	Member
Smt. Pushpa U. Mehta	Member

The Committee met for the first time on 24/06/2003

All members are non-executive directors and out of which two members are independent directors. The Director (Finance) Mr. Himanshu K. Shah is a regular invitee and Statutory Auditors are invited time to time.

(C) Remuneration of Directors :

Remuneration paid or payable to Directors during the year 2002-2003

Name of Director	(figure in Rupees)			
	Salary	Perquisites	Total	Interest paid
Himanshu K. Shah	148800	14400	163200	77286
Mahesh Changrani	146400	14400	160800	10184
Naresh Changrani	136400	14400	150800	9419

Director Shri Naresh Changani become non-executive director from 3-3-2003

There is no pecuniary relationship or transaction of the company with any non-executive director except providing unsecured earned loans by director Shri Naresh Changrani & Smt. Pushpa Mehta.

(D) Shareholders' Grievance Committee :

1. Terms of Reference :

To look into the shareholders' complaints, if any, and to redress the same expeditiously like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. Committee approves requests for issue of duplicate share certificates and issue of share certificates after split/consolidation etc. as also requests for transmission of shares, referred by the Share Transfer committee.

2. Composition : The Shareholders' Grievance Committee comprises of two non-executive directors, and One Executive Director as follows:-

Name of Member	Status
Mr. Mukesh D. Shah	Member
Mr. Himanshu K. Shah	Member
Mr. Naresh V. Changrani	Chairman

The Committee met for the first time on 21/06/2003 .

The status of complaints is reported to the Board of Directors in its meetings. The complaints received from the Shareholders, are replied/ resolved to the satisfaction of the shareholders.

(E) The Board has delegated the powers of approving transfers of shares to a Committee of directors. The Committee met 13 times during the year and approved the transfer of shares lodged with the Company.

(F) General Body Meeting :

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2001-2002	30.09.2002	11.00 a.m. .	Plot No.5015, Phase IV Ramol Char Rasta, GIDC, Vatva
2000-2001	25.09.2001	11.00 a.m. .	Plot No.5015, Phase IV Ramol Char Rasta, GIDC, Vatva
1999-2000	22.08.2000	11.00 a.m. .	Plot No.5015, Phase IV Ramol Char Rasta, GIDC, Vatva

Postal Ballot :

- (i) No special resolutions were required to be put through postal ballot last year.
- (ii) No special resolutions on matters requiring postal balloting are placed for shareholders' approval at this meeting.

(G) Disclosures :

- (i) During the year, there were no transactions of material nature with the directors or the management or relatives that had potential conflict with the interest of the Company.
- (ii) There were no instances of non-compliance on any matter related to the capital markets, during the last three years.

(H) Means of Communication :

The Company has published its Quarterly Results in Western Times - English.& Gujarati.

(I) The particulars of Directors who are proposed to be appointed are given below:

Sl.No	Name & Designation	Age	Edu. Qualification.	Experience	Other Directorship	Other Committee membership
1	Shri Mukesh D. Shah	43	B. Com	14 years experience as executive and since 6 years having business in partnership in the line of manufacturing of stainless steel utensils.	Nil	2
4	Shri Prakash J. Rajyaguru	38	Draftsman-Mech	9 years experience as executive and since 6 years having business in partnership in the line of manufacturing of stainless steel utensils.	Nil	1

(J) General Shareholder information :

Annual General Meeting to be held on : 30th September, 2003 at 11.A.M

Place of the Meeting	:	Plot No. 5015, Phase IV, Ramol Char Rasta, GIDC, Vatva, Ahmedabad-382 445
Financial Calendar	:	1 st April to 31 st March.
Financial Results		
* First Quarter Results	:	End July
* Half Yearly Results	:	End October
* Third Quarter Results	:	End January
* Annual Results	:	End June
Book closure date	:	25 th September,2003 to 30 th September,03
Dividend payment date	:	On or after 1 st October, 2003
Listing at Stock Exchanges	:	
Name of Stock Exchange	:	Stock Code
Saurashtra-Kutch Stock Exchange	:	UNISON METALS
Ahmedabad Stock Exchange (Regional Stock Exchange)	:	63381
ISIN NO. (dematerialised Shares)		INE099D01018

The Company has paid listing fees for the year 2003-04 to Ahmedabad Stock Exchange.

Market Price Data:

There are few transactions of market price in the script and therefore date of High and low price each month is not available

REGISTRAR AND TRANSFER AGENTS

Physical Mode:

In House by the Company
Plot No. 5015, Phase IV,
Ramol Char Rasta, GIDC
Vatva, **Ahmedabad- 382445**
Tel : 079 - 5841512, 5840542
Fax No. 079- 5841743

Depository Mode:

1. For National Securities Depository Ltd. (NSDL)
Pinnacle Shares Registry Private Ltd.
Near Asoka Mills,
Naroda Road,
AHMEDABAD-380025
Tel. : 2204226, Fax No. : 91-079-2202963
2. For Central Depository Services (India) Ltd. (CDSL)
Pinnacle Shares Registry Private Ltd.
Near Asoka Mills,
Naroda Road,
AHMEDABAD-380025
Tel. : 2204226, Fax No. : 91-079-2202963

Share Transfer System :

The Company's Shares are traded in the Stock Exchanges in demat mode. Shares in physical mode which are lodged for transfer with the company are processed and Shares Certificate are either dematted or returned within the time prescribed by the authorities.

Distribution of Shareholding: (as on 31st March, 2003)

No. of Shares of Rs. 10 each	Shareholders Number	Share Amount % of Total	In Rs.	% to Total
100 - 5,000	565	95.93	579800	24.11
5,001 - 10,000	12	2.04	80800	3.36
10,001 - 20,000	1	0.17	18800	0.78
20,001 - 30,000	1	0.17	23500	0.98
30,001 - 40,000	2	0.34	73000	3.04
40,001 - 50,000	1	0.17	48300	2.01
50,001 - 1,00,000	0	0.00	0	0.00
1,00,001- AND ABOVE	7	1.19	1580300	65.72
TOTAL	589	100.00	2404500	100.00

Shareholding Pattern : (As on 31st March, 2003)

Category	No. of Shares held	% to the Shareholding
Corporate Bodies (Promoters)	534000	22.21
Other Bodies Corporate	40000	1.66
Directors & their relatives (Promoters)	1219100	50.70
Non Resident Indians	4000	0.17
Public	607400	25.26
TOTAL	2404500	100.00

Dematerialization of Share and liquidity

The trading of Equity shares of the Company is Compulsory in demat mode. As on 31st March, 2003, 27500 Shares have been dematerialised.

Outstanding GDRs/ADRs/warrants or any Convertible Instruments, conversion date and likely impact on equity : Nil

PLANT LOCATION:

Factory & Registered Office:

Plot No. 5015, Phase IV,
Ramol Char Rasta, GIDC
Vatva, Ahmedabad- 382445
Tel : 079- 5841512, 5840542
Fax No. 079- 5841743

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Members of
Unison Metals Limited.,

We have reviewed the Compliance of the Conditions of Corporate Governance by **Unison Metals Limited** for the year ended March, 31, 2003 as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our review 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 the opinion on the financial statements of the company.

In our opinion and to the best of our information and explanation given to us, we state that to the best of our knowledge, the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 KISHAN M. MEHTA & CO.,
Chartered Accountants.

AHMEDABAD.
DATE: 30th June, 2003

(K.M. MEHTA)
Partner

UNISON METALS LIMITED

Management Discussion & Analysis

Industry Scenario

Though the previous year has been sluggish, the future holds promise because of thrust given by the government & our own better internal controls in the form of better management control inside the organisation. Our company is well poised to benefit from the emerging opportunities to supply stainless steel sheets & utensils to industry & general public respectively.

Opportunities

Market for stainless steel business is showing good signs of revival with a number of new projects being tendered in India & Abroad. The general outlook for the business in India as well as the markets, in which the company has a presence, is quite good.

- 1) We are shifting from AMCO bank to SIDBI & Bank of Baroda and have requested for the FCNRB Loan, which in turn will reduce the Interest Rate.
- 2) Implementation of cleaners production & technology by which waste minimization will be maintained which in turn will yield higher returns.
- 3) It is anticipated that demand will increase for steel & stainless steel.
- 4) In the international market we are also open for Joint Ventures for which the discussions are going on with few countries. Also we are taking up international market for sheet, circles & blanks & we hope to achieve it in near future.

Risk & Concerns

The company is exposed to risks & fluctuations of foreign exchange rates, raw-material prices and overseas financing exposures.

1) **Raw material prices:**

The prices of major raw material used in our manufacturing process viz. stainless steel scrap of various grades doesn't affect much as we are working in open market scenario.

2) **Financing Overseas:**

In overseas market particularly in African countries, stainless steel industries are inviting the Joint Venture & turkey projects proposals with the long term financing options.

Internal control System

The company has an adequate system of internal control implemented by management towards achieving efficiency in operations, optimum utilization of resources & effective monitoring thereof and compliance with applicable laws.

A Audit committee of the Board of Directors reviews the internal control system and the adequacy of internal controls.

Human Resources Management

The company attaches priority to human resource development in the form of Total Quality Management (TQM) with focus on regular up-gradation of the knowledge & skills of our skilled & unskilled staff & equipping them with the necessary expertise to meet the challenges of change & growth successfully in order to make this steel industry a better place to work with.

Financial Performance

During the year the company has increased production and sales of its own goods instead of manufacturing more the materials of the customers on job work basis. During the year under review due to over all market conditions production of stainless steel Cold Rolled Sheets has decreased by 25% from 2744 MT to 2066 MT and that of stainless steel Hot Rolled Sheets increased by 27% from 5434 MT to 6924 MT.

Cautionary Statement:

Statements in the management Discussion and Analysis describing the Company's expectations or predictions may be forward looking within the meaning of applicable securities, law and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws economic developments within the country and other factors such as litigation and industrial relations.

AUDITORS' REPORT

TO THE MEMBERS OF UNISON METALS LIMITED.

We have audited the attached Balance Sheet of the "UNISON METALS LIMITED" as at 31st March, 2003 and also the Profit & Loss Account 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 statement based on our audit.

We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. 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.
2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, the profit & loss account and balance sheet comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of written representation received from directors and taken on record by the board of directors, none of the directors of the company is disqualified from being appointed as a director under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with notes thereon and subject to third party confirmations, give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India.

(a) In the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2003 and

(b) In the case of Profit & Loss Account of the profit of the company for the year ended on that date.

As required by Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act 1956 and on the basis of such checks as we considered appropriate and as per the information and explanations given to us, we further state that:-

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified during the year by the management and no material discrepancy was noticed on such verification.
2. None of the fixed assets of the company has been revalued during the year.
3. As explained to us, the stock of finished goods, stores, spares and raw materials of the company have been physically verified by the management during the year.
4. On the basis of information and explanation given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of accounts.
6. In our opinion, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles.
7. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or from the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
8. In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the register maintained under section 301 and/or to the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.

9. As regards loans or advances in the nature of loans given by the company, we are informed that there was no stipulation for repayment of principal amount and interest thereon.

10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchases of raw materials including components, equipments and other assets and for the sale of goods.

11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials or the prices at which the transactions for similar goods have been made with other parties.

12. As explained to us, unserviceable or damaged stores, raw materials & finished goods are determined by the company and adequate amounts have been written off of such stocks in the accounts.

13. According to the information and explanations given to us, the company has complied with the provisions of section 58A of the Companies Act, 1956 and rules framed thereunder and directives issued by the Reserve Bank of India, wherever applicable, with regard to the deposits accepted from the public.

14. In our opinion, reasonable records have been maintained by the company for the sale and disposal of realisable scrap. The company has no by-products.

15. According to the information and explanations given to us the company did not have formal internal audit system however it has adequate internal control system commensurate with size of the company.

16. The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of products of the company.

17. As explained to us, the company is regular in depositing Provident Fund Employees State Insurance dues with appropriate authorities during the year.

18. According to the information and explanations given to us, there was no amount outstanding on 31st March, 2003 in respect of undisputed Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty which were due for more than six months from the date they became payable.

19. During the course of our examination of the books of account, neither we have come across any personal expenses of directors or employees which have been charged to the profit & loss account other than those payable under contractual obligations or in accordance with generally accepted business practices nor we have been informed of such expenses by the management.

20. In our opinion, the company is not a sick industrial company within the meaning of section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985.

21. In respect of trading activity, we are informed that there are no damaged stocks.

For KISHAN M. MEHTA & CO.,
Chartered Accountants.

AHMEDABAD.
DATE: 30th June, 2003.

(K.M.MEHTA)
Partner.

UNISON METALS LTD.



BALANCE SHEET AS AT 31ST MARCH, 2003.

PARTICULARS	SCHE- DULE	AMOUNT Rs	AS AT 31.03.2003 Rs.	AMOUNT Rs.	AS AT 31.03.2002 Rs.
SOURCES OF FUNDS :					
SHAREHOLDERS' FUNDS:					
Share Capital	1	28,043,500		28,043,500	
Reserves & Surplus	2	23,129,123		22,636,708	
			51,172,623		50,680,208
Deffered Tax			1,693,615		1,578,415
LOAN FUNDS:					
Secured Loans	3	14,876,290		17,002,053	
Unsecured Loans	4	14,219,390		1,742,446	
			29,095,680		18,744,449
	TOTAL		81,961,917		71,003,122
APPLICATION OF FUNDS:					
FIXED ASSETS:					
Gross Block	5	52,627,713		51,052,634	
Less: Depreciation		27,326,575		24,011,115	
Net Block		25,301,138		27,041,519	
Capital Work-in-progress		-----		692,478	
			25,301,138		27,733,997
INVESTMENTS	6		17,987,500		19,987,500
CURRENT ASSETS, LOANS & ADVANCES:					
Closing Stock	7	9,948,913		12,268,310	
Sundry Debtors	8	38,129,950		15,080,768	
Cash & Bank Balances	9	311,010		304,990	
Loans & Advances	10	7,651,606		6,818,197	
Less:		56,041,478		34,472,264	
Current Liabilities & Provisions	11	18,098,219		12,283,895	
			37,943,259		22,188,369
MISCELLANEOUS EXPENDITURE: (to the extent not written off/adjusted)					
Preliminary Expenses			34,017		49,250
Public Issue Expenses			696,003		1,044,005
	TOTAL		81,961,917		71,003,122
Notes to the Accounts	18				

As per our report attached.
FOR KISHAN M. MEHTA & CO.
Chartered Accountants.

(K.M.MEHTA)

Partner

Ahmedabad : 30th June, 2003.

H.K.Shah

Director

Ahmedabad : 28th June, 2003.

Mahesh V. Changrani

Director

Naresh V. Changrani

Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003.

PARTICULARS	SCHE- DULE	AS AT	AS AT
		31.03.2003 Rs.	31.03.2002 Rs.
INCOME:			
Sales		1,68,093,436	104,765,389
Job Work Receipt		3,259,883	8,602,809
Other Income	12	5,44,149	969,086
Provision for doubtful debts reversed		300,000	-----
Variation in Stock	13	(1,447,672)	1,170,815
		<u>170,749,796</u>	<u>115,508,099</u>
EXPENDITURE:			
Material Cost		119,312,781	73,547,388
Trading Purchases		4,220,843	1,909,726
Manufacturing Expenses	14	30,529,516	24,247,475
Payment to & Provision for Employees	15	5,571,407	6,125,728
Administrative & Selling Expenses	16	3,413,136	2,291,699
Financial Expenses	17	2,683,284	2,959,911
Depreciation		3,315,460	3,754,108
		<u>169,046,427</u>	<u>114,836,035</u>
PROFIT BEFORE TAX		1,703,369	672,064
Provision for Taxation		375,000	137,000
Deffered Tax		115,200	299,855
PROFIT AFTER TAX		1,213,169	235,209
Add : Balance brought forward from last year		564,505	2,207,603
Less : Prior Year Income Tax		179,741	48,846
Appropriations :			
Propose Dividend		480,900	480,900
Corporate Tax on Proposed Dividend		60,113	-----
Transfer to General Reserve		140,000	70,000
Balance Carried Over to Balance Sheet		<u>916,920</u>	<u>1,843,066</u>
No. of Equity Shares at the end of the year		24,045,000	24,045,000
Profit for calculation of E.P.S. (Rs.)		1,213,169	235,209
Nominal value of Equity Shares (Rs.)		10	10
Basic diluted earning per share (Rs.)		0.50	0.10
Notes to the Accounts	18		

As per our report attached.
FOR KISHAN M. MEHTA & CO.
Chartered Accountants.

(K.M.MEHTA)
Partner
Ahmedabad : 30th June, 2003.

H.K.Shah
Director
Ahmedabad : 28th June, 2003.

Mahesh V. Changrani
Director

Naresh V. Changrani
Director

UNISON METALS LTD.



SCHEDULE - 1	AS AT 31.03.2003 Rs.	AS AT 31.03.2002 Rs.
SHARE CAPITAL		
AUTHORISED:		
32,50,000 (32,50,000) Equity Shares of Rs.10/-each	32,500,000	32,500,000
7,50,000 (7,50,000) Redeemable Preference Shares of Rs.10/-each	7,500,000	7,500,000
TOTAL	<u>40,000,000</u>	<u>40,000,000</u>
ISSUED		
32,04,200 (32,04,200) Equity Shares of Rs.10/- each.	<u>32,042,000</u>	<u>32,042,000</u>
SUBSCRIBED		
24,04,500 (24,04,500) Equity Shares of Rs.10 each fully paid up (Out of which 17000 (17000) shares were issued for consideration other than cash and 250000(250000) shares were issued as bonus shares)	24,045,000	24,045,000
Add: Amount paid on 79,9700 forfeited equity shares	<u>3,998,500</u>	<u>3,998,500</u>
	28,043,500	28,043,500
TOTAL	<u><u>28,043,500</u></u>	<u><u>28,043,500</u></u>
SCHEDULE - 2		
	AS AT 31.03.2003 Rs.	AS AT 31.03.2002 Rs.
RESERVES & SURPLUS:		
Share Premium	20,948,203	20,948,203
General Reserve		
As per last year	1,124,000	1,054,000
Add : Transfer from Profit & Loss Account	<u>140,000</u>	<u>70,000</u>
	1,264,000	1,124,000
Profit & Loss Account	<u>916,920</u>	<u>564,505</u>
TOTAL	<u><u>23,129,123</u></u>	<u><u>22,636,708</u></u>

SCHEDULE - 3

AS AT 31.03.2003

AS AT 31.03.2002

Rs.

Rs.

SECURED LOANS:

A) Term Loan from

- (i) Small Industries Development Bank of India
Secured against movable assets except stock & book debts together with all spares and tools & accessories and equitable mortgage of immovable properties as first pari passu charge with the bank and personal guarantee of directors.

900,000

2,700,000

B) Working Capital Facilities:

From The Ahmedabad Mercantile Co. Op. Bank Ltd. secured by way of hypothecation of stocks, book-debts and further secured by extension of charge over plant & machinery, land and building and personal guarantee of the directors

13,976,290

14,302,053

TOTAL

14,876,290

17,002,053

SCHEDULE - 4

AS AT 31.03.2003

AS AT 31.03.2002

Rs.

Rs.

Small Industries Development Bank of India
(Refer Note No.14)
Fixed Deposits
Director

10,000,000

3,420,486

352,200

798,904

1,390,246

Total

14,219,390

1,742,446

SCHEDULE -5

Fixed Assets

Sr.No.	Particular	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 1/04/2002	Additions	Deductions	As on 31/03/2003	up to Prev. Year	Recoup	During the Year	Total	As on 31/03/2003	As on 31/03/2002
1.	Land	36,34,085	-----	-----	36,34,085	-----	-----	-----	-----	3634085	3634385
2.	Buildings	124,23,271	742,138	---	131,65,409	16,94,765	-----	416974	2111739	11053670	10728506
3.	Plant & Machinery	289,58,292	812,765	---	297,71,057	20,494,041	---	2482502	22976543	6794514	8464251
4.	Electric Installantion	33,06,742	---	---	33,06,742	741,450	---	157070	898520	2408222	2565292
5.	Furniture, Fixtures & Office Equipments	13,25,791	20,176	---	13,45,967	731,681	---	125491	857172	488795	594110
6.	Vehicles	14,04,453	---	---	14,04,453	349,178	---	133423	482601	921852	1055274
	Current Year	51,052,634	1,575,079	---	52,627,713	24,011,115	-	3,315,460	27,326,575	25,301,138	27,041,518
	Previous Year	50,801,132	1,701,719	1,450,217	51,052,634	21,178,042	921,035	3,754,108	24,011,115	27,041,519	29,623,089

SCHEDULE - 6

	AS AT 31.03.2003 Rs.	AS AT 31.03.2002 Rs.
--	----------------------------	----------------------------

INVESTMENTS

As valued, verified &
certified by the management-long term)

Unquoted & Trade:

400 (400) Shares of The Ahmedabad
Mercantile Co-op Bank Ltd.of
Rs.50/-each fully paid

	20,000	20,000
--	--------	--------

50 (50) Equity Shares of
Green Environment Services
Co.op.Soc.Ltd.of Rs.100/-
each fully paid

	5,000	5,000
--	-------	-------

Unquoted & Non-trade:

1125750 (1125750) Equity
Shares of Mangalam Alloys
Ltd. of Rs.10/- each fully paid

	11,417,500	11,417,500
--	------------	------------

130000 (130000) Equity Shares of
Mehta Alloys Ltd.of Rs.10/- each fully paid

	1,300,000	1,300,000
--	-----------	-----------

423800 (423800) Equity Shares of
Universal Metal Co.Ltd.of Rs.10/- each fully paid

	4,238,000	4,238,000
--	-----------	-----------

NIL(200000) Equity Shares of Avinash
Information Tecnologies ltd. Of Rs. 10/- each Fully paid

	----	2,00,000
--	------	----------

(Quoted-Non Trade)

40,000 (40,000)Equity Shares
Magnum Fincap Ltd. of Rs.10/- each fully paid

	1,000,000	1,000,000
--	-----------	-----------

100 (100) Equity Shares of Ranjan Polyster Ltd. of
Rs.10/- each fully paid

	2,000	2,000
--	-------	-------

500 (500) Equity Shares of
Saket Projects Ltd.of Rs.10/- each fully paid

	5,000	5,000.
--	-------	--------

Note :- As the quoted share are not traded
with regularity their market value is not
determinable or available.

TOTAL

	17,987,500	19,987,500
	17,987,500	19,987,500

UNISON METALS LTD.



SCHEDULE - 7	AS AT 31.03.2003 Rs.	AS AT 31.03.2002 Rs.
CLOSING STOCK:		
(As valued, verified & certified by the management)		
Raw Materials	1,006,417	1,831,181
Finished Goods	581,586	3,612,852
Semi-finished Goods	2,465,434	971,488
S.S.Scrap	138,780	49,132
Stores & Spares	5,756,696	5,803,657
TOTAL	9,948,913	12,268,310
SCHEDULE - 8		
SUNDRY DEBTORS		
(Considered good unless otherwise stated)		
Debts exceeding six months (Including doubtful Rs. Nil) (Previous year Rs.6,94,111)	2,759,254	1,788,061
Other Debts	35,370,696	13,292,707
TOTAL	38,129,950	15,080,768
SCHEDULE - 9		
CASH & BANK BALANCE:		
Cash on hand	40,554	118,905
Bank Balance		
With Scheduled Banks on:		
Current Accounts	270,456	186,085
TOTAL	311,010	304,990
SCHEDULE - 10		
LOANS & ADVANCES:		
(Unsecured but Considered good)		
Advances recoverable in cash or in kind or for value to be received	5,764,905	3,280,525
Deposits	1,769,119	1,809,729
Prepaid Expenses	97,682	188,788
Accrued Interest	19,900	1,539,155
TOTAL	7,651,606	6,818,197
SCHEDULE - 11		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities:		
Sundry Creditors	15,760,301	9,702,184
Other Liabilities	1,169,546	1,717,116

UNISON METALS LTD.



AS AT 31.03.2003
Rs.

AS AT 31.03.2002
Rs.

Provisions :

Taxation	375,000	137,000
Gratuity	225,000	216,583
Proposed Dividend	480,900	480,900
Corporate Tax on Proposed Dividend	60,113	-----
Leave Encashment	27,359	30,112

TOTAL	18,098,219	12,283,895
-------	------------	------------

SCHEDULE - 12

OTHER INCOME

Share Dividend	3,600	4,200
Misc. Income	170,373	92,761
Interest	242,266	636,607
Weighment Charges	127,910	109,616
Vatav Kasar	-----	7,309
Liability Written Back	-----	118,593

TOTAL	544,149	969,086
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SCHEDULE - 13

VARIATION IN STOCK:

Closing Stock of:

Semi-finished Goods	2,465,434	971,488
Finished Goods	581,586	3,612,852
Scraps	138,780	49,132

3,185,800	4,633,472
-----------	-----------

Less: Opening Stock of

Semi-finished Goods	971,488	3,018,654
Finished Goods	3,612,852	405,753
Scraps	49,132	38,250

4,633,472	3,462,657
-----------	-----------

Increase (Decrease) in stocks

TOTAL	(1,447,672)	1,170,815
-------	-------------	-----------

SCHEDULE - 14

MANUFACTURING EXPENSES:

Consumable Stores & Spares	7,501,053	6,625,669
Maintenance & Repairs	1,476,327	1,440,873
Power & Fuel	6,863,605	5,855,756
Annealing Expenses	9,367,492	7,648,641
Job Work Charges	2,452,209	41,072
Excise Duty	90,000	1,080,000
Effluent Treatment Expenses	725,398	6,53,066
Water Charges	28,700	38,350

UNISON METALS LTD.



	AS AT 31.03.2003 Rs.	AS AT 31.03.2002 Rs.
Factory Expenses	86,725	90,770
Freight, Octroi & Cartage	1,938,007	773,278
TOTAL	30,529,516	24,247,475
SCHEDULE - 15		
<u>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES:</u>		
Wages & Salaries	5,384,511	5,928,147
Provident Fund & Other Funds	111,031	127,685
Staff Welfare & Other Benefits	75,865	69,896
TOTAL	5,571,407	6,125,728
SCHEDULE - 16		
<u>ADMINISTRATIVE & SELLING EXPENSES:</u>		
Packing Expenses	543,989	598,228
Insurance Charges	150,831	153,772
Audit fee	25,200	25,200
Telephone Expenses	180,670	153,359
Professional & Consultancy Fees	256,864	95,496
Postage & Stationery Expenses	52,126	60,630
Rent, Rates & Taxes	3,520	4,085
Preliminary Expenses written off	15,233	15,233
Public Issue Expenses written off	348,002	348,002
Miscellaneous Expenses	332,419	324,063
Loss on sales of Assets	----	816
Freight outward	260,498	170,670
Travelling Expenses	9,506	11,088
Vatav Kasar	20,512	---
Bad Debts	919,198	----
Provision for doubtful debts	---	300,000
commission	284,483	----
Advertisement Expenses	10,085	31,057
TOTAL	3,413,136	2,291,699
SCHEDULE - 17		
<u>FINANCIAL EXPENSES</u>		
Interest		
Term Loan	323,560	
Others	2,304,920	
	2,628,480	2,951,912
Financial Expenses	54,804	7,999
TOTAL	2,683,284	2,959,911

1. Significant Accounting Policies :

- (a) **Basis of Accounting:**
The financial statements are prepared in accordance with relevant accounting standards under the historical cost convention on accrual basis.
- (b) **Fixed Assets :**
Fixed assets are stated at cost of acquisition less depreciation.
- (c) **Depreciation :**
Depreciation on fixed assets is provided for the basis of straight line method (except on plant & Machineries at written down value method) at the rates prescribed in Schedule -XIV of the Companies Act, 1956 on pro- rata basis.
- (d) **Inventories :**
Raw Materials, Finished goods, Semi finished goods, scraps, stores & spares are stated at lower of cost and net realisable value. The cost of inventories is computed on FIFO basis.
- (e) **Investments :**
Investments are stated at cost.
- (f) **Retirement Benefits :**
Provision for Gratuity liability and leave encashment of employees is made on fair estimate basis.
- (g) **Deferred Revenue Expenses:**
Preliminary Expenses and Public Issue expenses are amortized over a period of 10 years.
- (h) **Research & Development Expenses:**
Research & Development Expenses are charged to Profit & Loss Account in the year in which they are incurred through the normal head of account.
- (i) **Capitalization of Borrowing Cost :**
Fixed asset which necessarily takes substantial period of time to get ready for its intended use of qualifying asset. Borrowing costs that are attributable to the acquisition or construction of such qualifying assets are capitalised as part of the cost of such assets.
- (j) Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

2. Payments to Auditors:

		<u>31/3/2003</u>	<u>31/03/2002</u>
Audit Fee	Rs.	25,200	25,200
Company Law & Secretarial Matters	Rs.	9,000	9,000
Taxation Matters	Rs.	16,000	16,000
Other Services (Reports etc)	Rs.	12,600	10,500
	TOTAL	62,800	60,700

3. Managerial Remuneration:

		<u>31/3/2003</u>	<u>31/03/2002</u>
a) Managing Director			
Salary & Allowances		178,200	194,400
Perquisites		-----	16,800
b) Directors Salary & Allowances		431,600	444,000
Perquisites		43,200	32,400

4. Capacities & Production:

		<u>31/3/2003</u>	<u>31/03/2002</u>
(a) Licensed Capacity			
No licence is required.		-----	----
(b) Installed Capacity			
(As certified by the Management)			
S.S.Cold Rolled Sheets	M.T.	5,400	5,400
S.S.Hot Rolled Sheets	M.T.	7,800	7,800

UNISON METALS LTD.



31/3/2003

31/03/2002

(c) Actual Production

(including on job work basis and for captive consumption)

S.S.Cold Rolled Sheets	M.T.	2,065	2,744
S.S.Hot Rolled Sheets	M.T.	6,924	5,434

5. Quantitative Particulars:

Raw Materials Consumed:	Rs.	119,312,781	73,547,388
S.S.Flats/S.S.Hot Rolled Sheets	M.T.	5,332	2,880

Hot & Cold Rolling

Finished Goods :

S.S.Sheets

HOT ROLLING SHEETS

COLD ROLLING SHEETS

		31/03/2003	31/03/2002	31/03/2003	31/03/2002
Opening Stock	Rs.	-----	---	3,612,852	4,05,753
	M.T.	---	---	92	11
Sales	Rs.	84,959,431	16,442,504	749,993,177	86,068,262
	M.T.	3,152	561	2046	2165
Closing Stock	Rs.	---	---	581,586	36,12,852
	M.T.	-----	---	16	92

TRADING ACTIVITIES

S.S Sheet

Purchase	Rs.	4,220,843	1,909,726
	M.T.	100,313	46,448
Sales	Rs.	4,321,280	1,958,954
	M.T.	100,313	46,448

6. Contingent liabilities not provided for:

Claim not acknowledged	Rs.	181,284	181,284
Income Tax disputed under appeal	Rs.	20,265	234,316
Excise duty under appeal	Rs.	6,265,456	-----

7. As per the accounting standard issued by the Institute of Chartered Accountants of India, provision for diminution in the value of investment should be made to recognise the decline, other than temporary. The management considers the diminution in the value of investments of temporary nature and has thought it not necessary to provide for the same.

8. Provision of Income Tax is made after considering depreciation, deduction and allowances allowable under Income Tax Regulations.

9. Previous year's figures have been regrouped or rearranged wherever considered necessary.

10. In the opinion of the management the balances shown under sundry debtors and loans and advances have approximately the same realisable value as shown in the accounts.

11. On the basis of information and documents available with company :

(a) Sundry creditors include amounts due to small scale industrial undertaking Rs. 1,03,30,296/-

(b) The parties being small scale industrial undertaking to whom amount exceeding Rs. 1 lac are outstanding for more than 30 days are Mangalam Alloys Ltd. and Banian & Berry Bearings pvt. Ltd.

Trading activity = $\textcircled{T} = \frac{22}{(43 - 42)} = 1$

12. In accordance with the AS-22 accounting for taxes on income net deferred tax liability from timing differences, is accounted for using applicable current rate of tax.

Deffered Tax Liability	
Depreciation	118,273
Less : Deffered tax Assets	3,073
Net Deffered Tax Liability	115,200

13. Related Party disclosure, as required by Accounting Standard-18 is as below :

(a) List of related persons

(i) Associates : Mangalam Alloys Ltd., Mehta Alloys Ltd, Universal Metal Co. Ltd.

(ii) Directors & Other Persons

U.C. Mehta, Mahesh V. Changrani, Naresh V. Changrani, Himanshu K. Shah, Trupti H. Shah

(b) The following transactions were carried out with related parties in the ordinary course of business :

(Rs. in lacs)

Sr.No.	Particulars	Type of Relationship	Transactions during the year	Balance Outstanding as on 31/03/2003
1.	Purchase of Goods	a (i)	1,094.66	0.01 (Cr.)
2.	Remuneration to directors	a(ii)	6.51	2.19 (Cr.)
3.	Interest	a (ii)	1.86	1.86 (Cr.)
4.	Sale of Goods & Services	a (i)	737.85	69.98 (Dr)
5.	Investment in Shares	a (i)		169.56 (Dr.)
6.	Advances Made	a (i)		22.85 (Dr.)
7.	Unsecured Deposits	a (i)		10.55 (Cr.)

14. Term Loan is disbursed by small Industries Development Bank of India on furnishing an undertaking by the company to execute documents for charge over assets which are already charged with them detailed in Schedule -3, of Secured Loans in these accounts and therefore untill such documents are excuted the loan is considered as an unsecured loans.

Signature to Schedules "1" to " 18"

As per our report attached

FOR, KISHAN M. MEHTA & CO.
Chartered Accountants

(K.M: Mehta)
Partner
Ahmedabad: 30th June,2003

H. K.Shah
Director
Ahmedabad : 28th June,2003

M.V.Changrani
Director

N.V.Changrani
Director

UNISON METALS LIMITED

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

BALANCE SHEET ABSRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration Details	:	04-13964
	Registration No.	:	State Code : 04
	Balance sheet date	:	31 March, 2003
II.	Capital Raised during the year (Amount Rs.in Thousands)	:	
	Public Issue	:	Nil
	Right Issue	:	Nil
	Bonus Issue	:	Nil
	Private Placement	:	Nil
III.	Position of Mobilisation and Deployment of Funds (Amount Rs.in Thousands)	:	
	Total Liabilities	:	100,060
	Total Assets	:	100,060
	<u>Sources of Funds</u>	:	
	Paid-up Capital	:	28,044
	Reserves and Surplus	:	23,129
	Secured Loans	:	14,876
	Unsecured Loans	:	14,219
	Deferred Tax Liability	:	1,694
	<u>Application of Funds</u>	:	
	Net Fixed Assets	:	25,301
	Investment	:	17,988
	Net Current Assets	:	37,943
	Misc. Expenditure	:	730
	Accumulated Losses	:	—
IV.	Perfomance of Company (Amt.in Thousands)	:	
	Turnover	:	171,897
	Total Expenditure	:	170,194
	Profit Before Tax	:	1,703
	Profit After Tax	:	1,213
	Earning per Share in Rs.	:	0.50
	Dividend Rate %	:	—
V.	Generic Names of Three Principal Products/Services of Company (as per monetary terms)	:	
	Item Cde No. (ITC) Code	:	72,209,003
	Product Description	:	Stainless Steel Sheets & Products

H. K. Shah
Director

M. V. Changrani
Director

N. V. Changrani
Director

Ahmedabad: 28th June, 2003

(Rs. in Lakhs)

CASH FLOW STATEMENT FOR THE ENDED 31ST MARCH,2003.

	Inflow (Outflow) 2002-2003	Inflow (Outflow) 2001-2002
A. <u>CASH FLOW FROM OPERATING ACTIVITIES :</u>		
Net Profit before tax and extraordinary items	17.03	6.72
Adjustment for :		
Depreciation	33.15	37.54
Interest Paid	26.28	29.52
Dividend Received	(0.04)	(0.04)
Amortisation of Preliminary & Public Issue Expe	3.63	3.63
Loss on sale of Assets	0.00	0.01
Provision for doubtful debt/ Reversed	(3.00)	3.00
Interest Received	(2.42)	(6.37)
<u>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</u>	74.65	74.01
Adjustment for :		
Trade & Other receivables	(235.83)	39.78
Inventories	(23.19)	55.16
Trade Payables	55.16	(92.67)
CASH GENERATED FROM OPERATIONS	(82.82)	76.29
Income Tax Paid	(1.37)	(7.30)
CASHFLOW BEFORE EXTRAORDINARY ITEMS	(84.19)	68.99
Prior Year's Adjustment	(1.80)	(3.49)
NET CASH FLOW FROM OPERATING ACTIVITIES	(85.99)	65.50
B. <u>CASH FLOW FROM INVESTING ACTIVITIES :</u>		
Purchase of fixed assets (including Capital Work in progress)	(8.83)	(13.37)
Sale of fixed assets	00	5.28
Sales / (Purchase) of Investments	20.00	00
Dividend Received	0.04	0.04
Interest Received	2.42	6.37
CASH USED IN INVESTING ACTIVITIES	13.63	(1.68)
C. <u>CASH FLOW FROM FINANCING ACTIVITIES :</u>		
Proceed from long term Borrowings & Working Capital Finance	103.51	(15.40)
Dividend Paid	(4.81)	(21.20)
Interest Paid	(26.28)	(29.52)
NET CASH SURPLUS IN FINANCING ACTIVITIES	72.42	(66.11)
D. <u>NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS</u>	0.06	(2.29)
E. <u>Cash and cash equivalent as at 1st April, 2003</u>	3.05	5.34
F. <u>Cash and cash equivalent as at 31st March, 2003</u>	3.11	3.05

BY ORDER OF THE BOARD OF DIRECTORS,

(HIMANSHU K. SHAH)
Whole Time Director
Dated:28th June,2003.

Auditor's Certificate

To,
The Board of Directors,
Unison Metals Ltd.
Ahmedabad (Gujarat)

We have examined the attached Cash-Flow Statement of Unison Metals Limited for the year ended 31st March, 2003. The Statement has been prepared by the company in accordance with the requirements of listing agreement with Ahmedabad Stock Exchange and is based on and is in agreement with the corresponding Profit and Loss Account and Balance sheet of the company covered by our report of 30th June, 2003 to the members of the company.

For, KISHAN M. MEHTA & CO.
Chartered Accountants

(K.M.MEHTA)
Partner

AHMEDABAD - 30TH JUNE, 2003.

The Company's Securities are listed on the following stock Exchange.

- (1) **The Stock Exchange - Ahmedabad**
Kamdhenu Complex,
Opp. Sahjanand College, Panjrapole,
Ahmedabad - 380015

- (2) **Saurashtra - Kutch Stock Exchange Limited.**
"Popatbhai Sorathiya" Bhavan
Sadar Bazar,
Rajkot - 360001

UNISON METALS LIMITED

Regd. Office : Plot No. 5015, Phase IV, Ramol Char Rasta, GIDC, Vatva, Ahmedabad -382445

Attendance Slip

Thirteenth Annual General Meeting 30th September, 2003 at 11.00 a.m. Tuseday

Regd. Folio No.

I Certify that I am registered Shareholders/ Proxy for the member of the company.

I hereby record my presence at the Thirteenth Annual General Meeting of the company at Plot No. 5015, Phase IV, Ramol Char Rasta, GIDC, Vatva, Ahmedabad - 382445 on the 25th September, 2003.

Member/Proxy's Name in Block Letters

Member's / Proxy's Signature

Note : Please fill this attendance slip hand it over at the ENTERANCE OF THE VENUE.

..... (TEAR HERE)

UNISON METALS LIMITED

Regd. Office : Plot No. 5015, Phase IV, Ramol Char Rasta, GIDC, Vatva, Ahmedabad -382445

FORM OF PROXY

I/We _____

of _____ in the district of _____

being a member of the above named company hereby appoint _____

of _____ in the district of _____

of falling him _____ of _____ in the district of _____

as my/ our proxy of vote me/ us on my/ our behalf the Thirteenth ANNUAL GENERAL MEETING of the company to held on Tuesday 25th September 2003 and at any adjornment there of

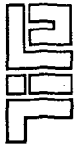
Signed this _____ day _____

Signature _____

Regd. Folio No. _____

Affix a
Rs. 1/-
Revenue
Stamp

Note : This form in order to be effective should be duly stamped, Completed and signed and must be deposited at the Registered Office of the Company, Not less than 48 hours before the meeting.



UNISON METALS LTD.

BOOK-POST

TO,

If Undelivered please return to :

UNISON METALS LIMITED

Plot No. 5015, Phase IV,

Ramol Char Rasta, GIDC,

Vatva, Ahmedabad - 382445.