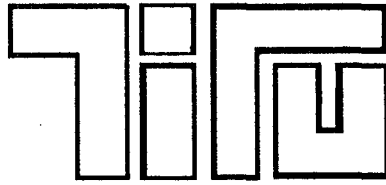


UNISON METALS LTD.



UNISON METALS LTD.

**14th Annual Report
2003 - 2004**

Board of Directors

CHAIRMAN & MANAGING DIRECTOR : UTTAMCHAND C. MEHTA

WHOLE TIME DIRECTOR : MAHESH V. CHANGRANI
HIMANSUH K. SHAH

DIRECTOR : UTTAMCHAND C. MEHTA
LOKESHKUMAR JAIN
PRAKASH RAJYAGURU

REGISTERED OFFICE : PLOT NO. 5051, PHASE IV,
& WORKS : RAMOL CHAR RASTA, GIDC,
VATVA, AHMEDABAD-382445

BANKERS : BANK OF BARODA

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 FOURTEENTH ANNUAL GENERAL MEETING of "UNISON METALS LIMITED" will be held at the Registered Office at Plot No. 5015, Phase-IV, GIDC, Vatva, Ahmedabad- 382 445 on Thursday the 30th day of September, 2004 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, 2004 and Profit & Loss Account for the year ended 31st March, 2004 and Reports of the Directors and auditors thereon.
2. To appoint Director in place of Shri Naresh V. Changrani retiring by rotation and being eligible for reappointment offers himself for reappointment.
3. To appoint Director in place of Shri Mahesh V. Changrani retiring by rotation and being eligible for reappointment offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.
Resolved that Shri Uttamchand C. Mehta be and is hereby appointed as Director of the Board of Directors of the company.
6. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.
Resolved that Shri Lokeshkumar Jain be and is hereby appointed as Director of the Board of Directors of the company.
7. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.
Resolved that the consent of the company pursuant to the provision of section 293 (i) (d) of the Companies Act, 1956 be and is hereby accorded to the Board of Director of the Company, borrowing from time to time for the purpose of the company's business, any sum or sums of money as it may deem proper not with standing that the moneys to be so borrowed by the company if any (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the company and its free reserve if any, that is to say, reserves not set apart for any specific purpose provided that the total amount of the money's to so borrowed by the board of directors shall not exceed Rs. 500 lacs.

By order of the Board

Place : Ahmedabad.
Date : 1/7/2004.

(HIMANSHU K. SHAH)
(Director)

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 16th September, 2004 to 30th September, 2004 (both days inclusive)
3. The relevant explanatory statement pursuant to section 173 of the companies Act, 1956 in respect of Item No. 5 to 7 as set out above is annexed hereto.

By order of the Board

(HIMANSHU K. SHAH)
(Director)

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

ITEM NO. 5.

Shri Uttamchand C. Mehta 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 and for holding directorship of the company a year before in the company since inception, 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 except Smt. Pushpa U. Mehta.

ITEM NO. 6

Shri Lokeshkumar Jain was appointed as an additional director of the board of directors of the company. Considering his contribution and being a Chartered Accountant, 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

In view of the increasing activities of the company, the company may be required to borrow more than the earlier amount authorised by the shareholders of Rs. 300 lacs. Pursuant to the provisions of section 293 (1) (d) of the Companies Act, 1956 the board of directors are required to be authorised by the shareholders to borrow exceeding the specified limit and therefore the resolution is proposed. None of the director is deemed to be concerned or interested in the resolution.

By Order of the Board

Place : Ahmedabad.
Date : 1/7/2004

(HIMANSHU K. SHAH)
(Director)

DIRECTORS REPORT

To

The Member of

UNISON METALS LIMITED

The directors of your company have pleasure in presenting the Fourteenth Annual Report alongwith the Audited Balance Sheet & Profit & Loss Account for the year ended on 31st March, 2004.

RESULTS & REVIEW :

The profits of your company before provision for taxation is Rs. 17,44,593/-. The company has provided Rs. 5,80,000/- for current tax and Rs. 42,798/- for deferred tax. During the year under review due to over all market conditions production of Stainless steel cold Rolled Sheets has increased by 17% from 2065 MT to 2408 MT and that of Stainless Steel Hot Rolled Sheets increased by 1% from 6924 to 7039 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, 2004 was Rs. 12,32,451/-. Company has regularly and timely paid all the deposits on its maturity.

DIRECTORS

The directors Shri Naresh V. Changrani & Shri Mahesh V. Changrani are liable to retire by rotation and being eligible offers themselves for reappointment. Shri Mukesh D. Shah has resigned as director of the company since the last Annual General Meeting. Shri Uttamchand C. Mehta and Shri Lokehkumar Jain were appointed as additional directors of the Board on 10-6-2004 & 9-9-2003 respectively and being eligible offers themselves for reappointment.

DIVIDEND

Your directors do not recommend any dividend during the year so as to ploughback the profit for the progress of the company.

AUDITORS

M/s. Kishan M. Mehta & Co. the auditors of the company shall retire at the conclusion of ensuring 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, 2004, the applicable accounting standards have been followed.
- 2) that the Directors have selected such accounting policies and applied them consistently and made judgements 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, 2004 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.

(UTTAMCHAND C. MEHTA)

Date : 1st July, 2004

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, 2004.

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)	:	15.36
Total Amount (Rs. In lacs)	:	68.74
Cost/Unit (Rs.)	:	4.47

2. FURNACE/LDO OIL :

Quantity (Litre)	:	824361
Total Amount (Rs. Lacs)	:	106.93
Rate/Unit (Rs. KL)	:	12.97

CONSUMPTION PER UNIT OF PRODUCTION :

Electricity Unit/MT	:	171
Furnace/LDO Oil KL/MT	:	87

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 26/5/2003, 28/6/2003, 30/6/2003, 31/7/2003, 9/9/2003, 31/10/2003, 29/11/2003, 30/12/2003, 16/01/2004, 31/01/2004 and 29/3/2004. 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 31/3/2004	No. of Board Meetings Attended	Whether Attended last AGM 30-9-2003	No. of other Directorships	No. of Committee	Other Membership
Mr. Himanshu K. Shah	ED	10	Yes	Nil	Member 1	Chairman —
Mr. Mahesh V. Changrani	ED	9	Yes	Nil	—	—
Mr. Naresh V. Changrani	NED-P	11	Yes	1	1 till 9-9-03	—
Mr. Mukesh D. Shah till 9-9-2003	NED-I	2	No	Nil	—	2 till 9-9-03
Mr. Prakash J. Rajyaguru	NED-I	3	No	Nil	1	—
Mrs. Pushpa U. Mehta	NED-P	3	No	Nil	1	—
Mr. Lokeshkumar Jain (Joined 9-9-2003)	NED-I	2	Yes	Nil	1	2

ED - Executive Director
Director (Independent)

NED-P - Non Executive Director (Promoter)

NED-I - Non Executive

(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	No of meeting attended
Mr. Lokeshkumar Jain	Chairman	2
Mr. Prakash Rajyaguru	Member	4
Smt. Pushpa U. Mehta	Chairman	3
Shri Mukesh D. Shah	Chairman*	2

The Committee met for the four time during the year. 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.

On resignation of Shri Mukesh D. Shah, Shri Lokeshkumar Jain was made the Chairman of the Committee during the year w.e.f. 10-9-2003.

(C) Remuneration of Directors :

Remuneration paid or payable to Directors during the year 2003-2004

(figure in Rupees)					
Name of Director	Salary	Perquisites	Total	Interest paid	Shares held
Himanshu K. Shah Whole time Director	148800	14400	163200	48,136	1000
Mahesh Changrani Whole time Director	146400	14400	160800	4,798	5200

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

(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	No. of Meeting Attended
Mr. Lokeshkumar Jain	Chairman	2
Mr. Himanshu K. Shah	Member	2
Mr. Naresh V. Changrani	Member	2

The Committee met for the two times. 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 10 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
2002 - 2003	30-09-2003	11.00 a.m.	Plot No.5015, Phase IV Ramol Char Rasta, GIDC, Vatva
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

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/re-appointed are given below:

SI No.	Name & Designation	Age	Educational - Qualification	Experience	Other Directorship	Other Committee membership
1	Shri Uttamchand C. Mehta Director	50	B.E (Honours) Chemical	Having 26 years experience in Stainless Steel Industry. Presently executive director of Mehta Alloys Ltd. .	3	1
2	Shri. Lokeshkumar Jain Director	31	C.A. & ICWA	Practicing Chartered Accountant since 4 years.	Nil	2
3	Shri Naresh V. Changrani Director	39	Draftsman- Mechanical	Having experience of more than 14 years in Stainless Steel Industry. Presently executive director in M/s Universal Metal Company. Ltd.	1	1
4.	Shri Mahesh V. Changrani Whole time Director	45	Deploma in Mechanical Engineering	Having experience of 18 years out of which 12 years experience in Stainless Steel Industry. Presently executive director in M/s Unison Metal Ltd.	Nil	Nil

(J) General Shareholder information

Annual General Meeting to be held on : 30th September, 2004 at 11.A.M

Place of the Meeting : Plot No. 5015, Phase IV,
Ramol Char Rasta, GIDC,
Vatva, Ahmedabad-382 445

Financial Calendar : 1st April to 31st 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 : 16th September, 2004 to 30th September, 04

Listing at Stock Exchanges:

Name of Stock Exchange : **Stock Code**

Saurashtra-Kutch Stock Exchange : **UNISON METALS**
Ahmedabad Stock Exchange : **63381**
(Regional Stock Exchange)

ISIN NO. (dematerialised Shares) : INE099D01018

The Company has paid listing fees for the year 2004-05 to Ahmedabad Stock Exchange and Saurashtra -Kutch 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 and Depository Mode

1. 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, 2004)

No. of Shares of Rs. 10 each	Shareholders Number	Share Amount % of Total	In Rs.	% to Total
100 - 5,000	552	96.17	6497700	27.02
5,001 - 10,000	9	1.57	598000	2.49
10,001 - 20,000	1	0.17	18800	0.78
20,001 - 30,000	1	0.17	220000	0.91
30,001 - 40,000	2	0.35	73000	3.04
40,001 - 50,000	1	0.17	48300	0.20
50,001 - 1,00,000	0	0.00	0	0.00
1,00,001- and above	8	1.39	1576300	65.56
TOTAL	574	100.00	2404500	100.00

Shareholding Pattern : (As on 31st March, 2004)

Category	No. of Shares held	% to the Shareholding
Corporate Bodies (Promoters)	307300	12.78
Other Bodies Corporate	246000	10.23
Directors & their relatives (Promoters)	1164100	48.41
Non Resident Indians	4000	0.17
Public	683100	28.41
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, 2004, 31400 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 Ltd.,

We have reviewed the Compliance of the Conditions of Corporate Governance by **Unison Metals Limited** for the year ended March, 31, 2004 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.

(K. M. Mehta)
Partner

AHMEDABAD,
1st July, 2004

MANAGEMENT DISCUSSION & ANALYSIS

Industry Scenario

During the previous year the market conditions have little improved. 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 have shifted from AMCO bank to SIDBI & Bank of Baroda and on having got the Foreign Exchange Loan, there is reduction in 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. Against foreign exchange commitment for loan, we have the policy of forward booking of the commitment.

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.

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. During the year under review due to over all market conditions production of stainless steel Cold Rolled Sheets has increased by 17% from 2065 MT to 2408 MT and that of stainless steel Hot Rolled Sheets increased by 1% from 6924 MT to 7039 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 MEMBER OF
UNISON METALS LIMITED**

1. We have audited the attached Balance Sheet of the "UNISON METALS LIMITED" as at 31st March, 2004 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 in opinion on these financial statements based on our audit.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Act and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments, in the Annexure referred to in paragraph 3 above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) 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.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received from directors and taken on record by the board of directors, in the board meeting, 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.
5. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, and subject to third party confirmations, gives the information required by the Companies Act, 1956 in the manner so required and give a true & fair view of and in conformity with 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, 2004.
 - (b) In the case of Profit & Loss Account of the profit of the company for the year ended on that date and
 - (c) In the case of cash flow statement, of the case flows for the year ended on that date.

For, Kishan M Mehta & Co.
Chartered Accountants.

(K. M. Mehta)
Partner

AHMEDABAD,
1st July, 2004

Annexure to the Auditors Report referred to in paragraph 3 of our report of even date**Req : UNISON METALS LIMITED**

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management which in our opinion, is reasonable. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- (c) During the year, the Company has not disposed off any substantial part of fixed assets.

2. (a) The inventory has been physically verified by the management during the year at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material.
3. (a) The company had taken loan from two parties covered in the register maintained u/ s 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 6.21 lacs and the year end balance of loan taken from such parties was Rs. 2.52 lakhs. There is one party covered in the register maintained u/s 301 of the companies act, 1956 to which the company has granted loans. The maximum amount involved during the year was Rs. 23.67 lakhs and the year end balance of loans granted to such parties was Rs. 23.67 lacs.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from / granted to companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amounts wherever stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts wherever stipulated and have been regular in the payment of interest.
- (d) There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. 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 with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market price at the relevant time.
6. In our opinion and according to the information and explanations given to us. The company has complied with the provisions of section 58A and 58AA of the companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from the public. No order has been passed by the Company Law Board.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The provisions of section 209 (1) (d) of the companies act, 1956 regarding maintenance of cost records is not applicable to the company.
9. (a) According to the information and explanations given to us and the records examined by us, except Investor Education and Protection fund company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it. The arrears of unpaid dividend to be deposited with Investor Education & Protection fund outstanding as at 31/3/2004 for a period of more than six months from the date they became payable is Rs. 3,728/-.
- (b) According to the records of the company the dues of sales tax, income tax, customs wealth tax, excise duty and ESI which have not been deposited on account of disputes, is excise duty demand of Rs. 65.65 lacs which is pending before custom, excise & service tax tribunal and electricity duty demand Rs. 1.81 lacs which is pending before Supreme Court.
10. There are no accumulated losses of the Company as on 31/3/2004. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank. The company has not issued any debentures.
12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or nidhi mutual benefit fund / Society. Therefore, the provisions of para-4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of para 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. According to the information and explanations given to us, in our opinion the term loans raised during the year have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. The company has not made an preferential allotment of shares during the year.
19. The company has not issued any debentures and hence, the question of creating securities in respect thereof does not arise.
20. The company has not raised any money by way of public issues during the year.
21. According to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.

**For, Kishan M Mehta & Co.
Chartered Accountants.**

**(K. M. Mehta)
Partner**

AHMEDABAD,
1st July, 2004

UNISON METALS LTD.



BALANCE SHEET AS AT 31ST MARCH, 2004.

PARTICULARS	SCHEDULE	AMOUNT Rs.	AS AT 31.03.2004 Rs.	AMOUNT Rs.	AS AT 31.03.2003 Rs.
SOURCE OF FUNDS :					
SHAREHOLDER'S FUNDS :					
Share Capital	1	28,043,500		28,043,500	
Reserves & Surplus	2	24,175,763		23,129,123	
		-----	52,219,263	-----	51,172,623
LOAN FUNDS :					
Secured Loans	3	20,417,106		14,876,290	
Unsecured Loans	4	6,406,206		14,219,390	
		-----	26,823,312	-----	29,095,680
Deferred Tax			1,736,413		1,693,615
			-----		-----
		TOTAL	80,778,989		81,961,918
			=====		=====
APPLICATION OF FUNDS :					
FIXED ASSETS :					
Gross Block	5	52,409,175		52,627,713	
Less : Depreciation		29,321,194		27,326,575	
		-----		-----	
Net Block		23,087,981		25,301,138	
Capital Work-in-Progress		94,719			
		-----	23,182,700	-----	25,301,138
INVESTMENTS :					
	6		13,749,500		17,987,500
CURRENT ASSETS, LOANS & ADVANCES :					
Closing Stock	7	12,435,799		9,948,913	
Sundry Debtors	8	35,219,003		38,129,950	
Cash & Bank Balances	9	433,807		311,010	
Loans & Advances	10	8,445,571		7,651,606	
		-----		-----	
		56,534,179		56,041,478	
Less :					
Current Liabilities & Provisions	11	13,054,175		18,098,219	
		-----	43,480,004	-----	37,943,259
MISCELLANEOUS EXPENDITURE :					
(to the extent not written off/adjusted)					
Preliminary Expenses			18,784		34,017
Public Issue Expenses			348,001		696,003
			-----		-----
		TOTAL	80,778,989		81,961,918
			=====		=====

Notes to the Accounts 18

As per our report attached.

FOR KISHAN M. MEHTA & CO.
Chartered Accountants

Whole Time Director

Whole Time Director

(K. M. MEHTA)

Partner
Ahmedabad: 1st July, 2004

Director
Ahmedabad: 30th June, 2004

Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

PARTICULARS	SCHE DULE	AMOUNT Rs.	AS AT 31.03.2004 Rs.	AMOUNT Rs.	AS AT 31.03.2003 Rs.
INCOME :					
Sales			169,661,480		168,093,436
Job Work Receipt			2,833,165		3,259,883
Other Income	12		922,106		544,149
Provision for doubtful debts reversed			---		300,000
Variation in stock	13		2,587,092		(1,447,672)
			-----		-----
			176,003,843		170,749,796
			=====		=====
EXPENDITURE :					
Material Cost			128,836,410		119,312,781
Trading Purchases			1,315,104		4,220,843
Manufacturing Expenses	14		28,208,512		30,529,516
Payment to & Provision for Employees	15		6,740,531		5,571,407
Administrative & Selling Expenses	16		3,094,797		3,413,136
Financial Expenses	17		3,470,890		2,683,284
Depreciation			2,593,006		3,315,460
			-----		-----
			174,259,250		169,046,427
PROFIT BEFORE TAX					
			1,744,593		1,703,369
Provision for Taxation			580,000		375,000
Deferred Tax			42,798		115,200
			-----		-----
PROFIT AFTER TAX					
			1,121,794		1,213,169
Add : Balance brought forward from last year			916,920		564,505
Less : Prior year Income Tax			75,154		179,741
Appropriations :					
Propose Dividend			---		480,900
Corporate Tax on Proposed Dividend			---		60,113
Transfer to General Reserve			---		140,000
			-----		-----
Balance Carried Over to Balance Sheet			1,963,560		916,920
			=====		=====
No. of Equity Shares at the end of the year			24,045,000		24,045,000
Profit for calculation of E.P.S. (Rs.)			1,121,794		1,213,169
Nominal value of Equity Shares (Rs.)			10		10
Basic diluted earning per share (Rs.)			0.47		0.50

Notes to the Accounts 18

As per our report attached.

FOR KISHAN M. MEHTA & CO.

Chartered Accountants

Whole Time Director

Whole Time Director

(K. M. MEHTA)

Partner

Ahmedabad: 1st July, 2004

Director

Ahmedabad: 30th June, 2004

Director

SCHEDULE - 1

	AS AT 31.03.2004	AS AT 31.03.2003
Rs.	Rs.	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	40,000,000	40,000,000
ISSUED		
32,04,200 (32,04,200) Equity Shares of Rs. 10/- each	32,042,000	32,042,000
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	3,998,500	3,998,500
Total	28,043,500	28,043,500

SCHEDULE - 2

	AS AT 31.03.2004	AS AT 31.03.2003
Rs.	Rs.	Rs.
RESERVES & SURPLUS :		
Share Premium	20,948,203	20,948,203
General Reserve		
As per last year	1,264,000	1,124,000
Add : Transfer from Profit & Loss Account	---	140,000
Profit & Loss Account	1,963,560	916,920
TOTAL	24,175,763	23,129,123

SCHEDULE - 3

	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
SECURED LOANS :		
A) Term Loan from		
Financial Institution	8,350,000	900,000
B) Working Capital Facility :		
From Bank		
(Both the above facilities in (A) & (B) are secured by stocks, book debts, outstanding, moneys receivables movables including plant & machineries and by equitable mortgage of immovable properties of the company as first parri - passu charges of both of them.		
	12,067,106	13,976,290
TOTAL	20,417,106	14,876,290

SCHEDULE - 4

	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
UNSECURED LOANS :		
Small Industries Development Bank of India	4,500,000	10,000,000
Fixed Deposits	1,232,451	3,420,486
Directors	673,755	798,904
TOTAL	6,406,206	14,219,390

SCHEDULE - 5

FIXED ASSETS

Sr. Particular	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 01-04-2003	Addi- ons	Deduc- tions	As on Upto 31-03-2004	Previous year	During the year	Recoupled	Total	As on 31-03-2004	As on 31-03-2003
1. Leasehold Land	3,634,085	---	---	3,634,085	---	---	---	---	3,634,085	3,634,085
2. Building	13,165,409	---	---	13,165,409	2,111,739	439,724	---	2,551,463	10,613,946	11,053,670
3. Plant & Machineries	29,771,057	65,300	722,332	29,114,025	22,976,543	1,762,688	380,708	24,350,523	4,755,502	6,794,514
4. Electric Installation	3,306,742	---	---	3,306,742	898,520	157,070	---	1,055,590	2,251,152	2,408,222
5. Furniture, Fixtures & Office Equipments	1,345,967	83,783	---	1,429,750	857,172	130,086	---	987,258	442,492	488,795
6. Vehicles	1,404,453	765,098	410,387	1,759,164	482,601	103,438	217,679	368,360	1,390,804	922,851
7. Capital Work-in-Progress	---	145,778	51,059	94,719	---	---	---	---	94,719	---
Current Year	52,627,713	1,059,959	1,183,778	52,503,894	27,326,575	2,593,006	598,387	29,321,194	23,182,700	25,301,137
Previous 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

SCHEDULE - 6

	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
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INVESTMENTS

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

Unquoted & Trade :

400 (400) Shares of Ahmedabad Mercantile Co-op Bank Ltd. of Rs. 50/- each fully paid	20,000	20,000
--	--------	--------

50 (50) Equity shares of Green Environment Service 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
--	-----------	-----------

Nil (423800) Equity Shares of Universal Metal Co. Ltd. of Rs. 10/- each fully paid	-----	4,238,000
--	-------	-----------

(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 shares are not traded with regularity their market value is not determinable of available.

TOTAL	13,749,500	17,987,500
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UNISON METALS LTD.



SCHEDULE - 7	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
CLOSING STOCK :		
(As valued, verified & certified by the management)		
Raw Materials	1,446,176	1,006,417
Finished Goods	3,743,000	581,586
Semi-Finished Goods	1,932,973	2,465,434
S.S. Scrap	96,919	138,780
Stores & Spares	5,216,731	5,756,696
TOTAL	12,435,799	9,948,913

SCHEDULE - 8	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
SUNDRY DEBTORS		
(Considered good unless otherwise stated)		
Debts exceeding six months	1,871,374	2,759,254
Other Debts	33,347,629	35,370,696
TOTAL	35,219,003	38,129,950

SCHEDULE - 9	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
CASH & BANK BALANCE :		
Cash on hand	270,625	40,554
Bank Balance		
With Scheduled Banks on :		
Current Accounts	163,182	270,456
TOTAL	433,807	311,010

SCHEDULE - 10	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
LOANS & ADVANCES :		
(Unsecured but Considered good)		
Advances recoverable in cash or in kind or for value to be received	6,491,952	5,764,905
Deposits	1,733,533	1,769,119
Prepaid Expenses	200,956	97,682
Accrued Interest	19,130	19,900
TOTAL	8,445,571	7,651,606

UNISON METALS LTD.



SCHEDULE - 11	AS AT	AS AT
	31.03.2004	31.03.2003
	Rs.	Rs.
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities :		
Sundry Creditors	10,759,827	15,760,301
Other Liabilities	1,478,901	1,196,905
Provisions For :		
Taxation	580,000	375,000
Gratuity	235,447	225,000
Proposed Dividend	---	480,900
Corporate Tax on Proposed Dividend	---	60,113
TOTAL	13,054,175	18,098,219

SCHEDULE - 12	AS AT	AS AT
	31.03.2004	31.03.2003
	Rs.	Rs.
OTHER INCOME :		
Share Dividend	1,600	3,600
Misc. Income	86,550	170,373
Interest	456,683	242,266
Weightment Charges	193,980	127,910
Profit on Sale of Assets	176,515	---
Vatav Kasar	6,778	---
TOTAL	922,106	544,149

SCHEDULE - 13	AS AT	AS AT
	31.03.2004	31.03.2003
	Rs.	Rs.
VARIATION IN STOCK :		
Closing Stock of :		
Semi-finished Goods	1,932,973	2,465,434
Finished Goods	3,743,000	581,586
Scraps	96,919	138,780
	5,772,892	3,185,800
Less : Opening Stock of		
Semi-finished Goods	2,465,434	971,488
Finished Goods	581,586	3,612,852
Scraps	138,780	49,132
TOTAL	3,185,800	4,633,472
Increase (Decrease) in stocks	TOTAL	2,587,092 (1,447,672)

UNISON METALS LTD.



SCHEDULE - 14

	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
MANUFACTURING EXPENSES :		
Consumable Stores & Spares	7,888,856	7,501,053
Maintenance & Repairs	1,332,855	1,476,327
Power & Fuel	6,943,813	6,863,605
Annealing Expenses	9,400,726	9,367,492
Job Work Charges	---	2,452,209
Excise Duty	---	90,000
Effluent Treatment Expenses	929,030	725,398
Water Charges	25,630	28,700
Factory Expenses	61,183	86,725
Freight, Octroi & Cartage	1,626,419	1,938,007
TOTAL	28,208,512	30,529,516

SCHEDULE - 15

	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
Wages & Salaries	6,557,821	5,384,511
Provident Fund & Other Funds	112,218	111,031
Staff Welfare & Other Benefits	70,492	75,865
TOTAL	6,740,531	5,571,407

SCHEDULE - 16

	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
ADMINISTRATIVE & SELLING EXPENSES :		
Packing Expenses	573,444	543,989
Insurance Charges	160,909	150,831
Audit Fee	27,000	25,200
Telephone Expenses	146,763	180,670
Legal & Professional & Consultancy Fees	469,409	256,864
Postage & Stationery Expenses	64,620	52,126
Municipal Tax of Prior year	15,319	---
Rent, Rates & Taxes	22,879	3,520
Preliminary Expenses written off	15,233	15,233
Public Issue Expenses written off	348,002	348,002
Miscellaneous Expenses	273,721	332,419
Freight Outward	390,465	260,498
Travelling Expenses	28,905	9,506
Balance Written off	136,591	---
Vatav Kasar	---	20,512
Bad Debts	102,509	919,198
Commission	307,064	284,483
Advertisement Expenses	11,964	10,085
TOTAL	3,094,797	3,413,136

SCHEDULE - 17

AS AT	AS AT
31.03.2004	31.03.2003
Rs.	Rs.

FINANCIAL EXPENSES

Interest			
Term Loan	1,521,702		
Others	1,752,290		
	-----	3,273,992	2,628,480
Exchange Rate Variation		74,620	---
Financial Expenses		122,278	54,804
		-----	-----
TOTAL		3,470,890	2,683,284
		=====	=====

SCHEDULE - 18

NOTES FORMING PART OF ACCOUNTS :

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 on 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 prorata basis.

(d) Inventories :

Raw Materials, Finished Goods, Semi finished goods, scraps, and 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 is made on actuarial valuation.

(g) Deferred Revenue Expenses :

Preliminary Expenses and Public Issue expenses upto 31/03/2003 are amortized over a period of 10 year and Preliminary Expenses since 01/04/2003 are charged to revenue.

(h) Capitalization of Borrowing Cost :

Fixed asset which necessarily takes substantial period of time to get ready for its intended use is 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.

(i) Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

2. Payments to Auditors : 31.03.2004 31.03.2003

Audit Fee	Rs.	44,280	29,520
Company Law & Secretarial Matters	Rs.	10,000	9,000
Taxation Matters	Rs.	16,000	16,000
Other Services (Reports etc.)	Rs.	17,280	8,280
TOTAL		87,560	62,800
		31.03.2004	31.03.2003

3. The estimated amount of contracts remaining to be executed on capital account of provided for 97,940 ---

4. MANAGERIAL REMUNERATION :

a) Managing Director			
Salary & Allowances		---	178,200
Perquisites		---	---
b) Directors :			
Salary & Allowances		295,200	431,600
Perquisites		28,800	43,200

5. CAPACITIES & PRODUCTION :

(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
(c) Actual Production			
(including on job work basis and for captive consumption)			
S.S. Cold Rolled Sheets	M.T.	2,408	2,065
S.S. Hot Rolled Sheets	M.T.	7,039	6,924

6. QUANTATIVE PARTICULARS : 31/03/2004 31/03/2003

Raw Materials Consumed :			
S. S. Flats	Rs.	128,836,410	119,312,781
	M.T.	5,630	5,332

Finished Goods :

Hot and Cold Rolling S.S. Sheets

HOT ROLLING SHEETS COLD ROLLING SHEETS

		31-03-2004	31-03-2003	31-03-2004	31-03-2003
Opening Stock					
	Rs.	---	---	581,586	3,612,852
	M.T.	---	---	16	92
Sales					
	Rs.	81,250,067	84,959,431	86,861,285	749,993,177
	M.T.	3,115	3,152	2,328	2,046
Closing Stock					
	Rs.	---	---	3,743,000	581,586
	M.T.	---	---	95	16

TRADING ACTIVITIES :

S.S. Sheets Purchases

Sales

		Rs.	1,315,104	4,220,843
		M.T.	37,946	100,313
		Rs.	1,321,933	4,321,280
		M.T.	37,946	100,313

7. CONTINGENT LIABILITIES NOT PROVIDED FOR : 31/03/2004 31/03/2003

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

8. 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.

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

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

11. 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.

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

- a) Sundry creditors include amounts due to small scale industrial undertaking Rs. 75,49,061/-
- b) The parties being small scale industrial undertakings to whom amount exceeding Rs. 1 lac are outstanding for more than 30 days are Banian & Berry Bearings Pvt. Ltd., Mangalam Alloys Ltd., Universal Metal Co. Ltd.

13. 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.

Deferred Tax Liability	
Depreciation	1,820,880
Less : Deferred tax assets-Others	84,467

Net Deferred Tax Liability	1,736,413
	=====

14. 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, J. S. Rajyaguru.

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

Sr. No.	Particulars	Type of Relation ship	Transactions during the year	Balance Outstanding as on 31/03/2004
1.	Purchase of Goods	a (i)	1,280.98	72.85 (Cr.)
2.	Remuneration of directors	a (ii)	2.95	0.28 (Cr.)
3.	Interest Paid	a (ii)	1.14	1.14 (Cr.)
4.	Sale of Goods & Services	a (i)	601.87	91.18 (Dr.)
5.	Investment in Shares	a (i)		127.17 (Dr.)
6.	Advances Made	a (i)		23.67 (Dr.)
7.	Unsecured Deposits	a (ii)		8.12 (Cr.)
8.	Interest Received	a (i)	0.85	---
9.	Rent Received	a (i)	0.12	---

Signatures to Schedules '1' to '18'

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

(K. M. MEHTA)
Partner
Ahmedabad: 1st July, 2004

Whole Time Director

Director
Ahmedabad: 30th June, 2004

Whole Time Director

Director

UNISON METALS LIMITED

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

BALANCE SHEET ABTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration Details	:	04-13964
	Registration No.	:	State Code : 04
	Balance sheet date	:	31 March, 2004
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 :	:	93,833
	Total Assets	:	93,833
	Sources of Funds :		
	Paid-up Capital	:	28,044
	Reserves and Surplus	:	24,176
	Secured Loans	:	20,417
	Unsecured Loans	:	6,406
	Deferred Tax Liability	:	1,736
	Application of Funds :		
	Net Fixed Assets	:	23,183
	Investment	:	13,750
	Net Current Assets	:	43,480
	Misc. Expenditure	:	366
	Accumulated Losses	:	---
IV.	Performance of Company (Amt. in Thousands)	:	
	Turnover	:	173,417
	Total Expenditure	:	171,672
	Profit Before Tax	:	1,745
	Profit After Tax	:	1,122
	Earning per Share in Rs.	:	0.47
	Dividend Rate %	:	---
V.	Generic Names of Three Principal	:	
	Products / Services of Company (As per	:	
	monetary terms)	:	
	Item Code No. (ITC) Code)	:	72,209,003
	Product Description	:	Stainless steel sheets & products

Whole Time Director

Whole Time Director

Director

Director

Ahmedabad:30th June, 2004

Ahmedabad:30th June, 2004

Director

Director

UNISON METALS LTD.



(Rs. In :Lakhs)

CASH FLOW STATEMENT FOR THE ENDED 31ST MARCH, 2004

	Inflow (Outflow) 2003-2004	Inflow (Outflow) 2002-2003
A. CASH FLOW FROM OPEATING ACTIVITIES :		
Net Profit before tax and extraordinary items	17.45	17.03
Adjustment for :		
Depreciation	25.93	33.15
Interest Paid	32.74	26.28
Dividend Received	(0.02)	(0.04)
Amortisation of Preliminary & Public Issue Expenses	3.63	3.63
Profit on sale of assets	(1.77)	—
Provision for doubtful debt/Reversed	—	(3.00)
Interest Received	(4.57)	(2.42)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :	73.40	74.65
Adjustment for :		
Trade & Other receivables	21.17	(235.83)
Inventories	(24.87)	23.19
Trade Payables	(47.08)	55.16
CASH GENERATED FROM OPERATIONS	22.62	(82.82)
Income Tax Paid	(3.75)	(1.37)
CASHFLOW BEFORE EXTRAORDINARY ITEMS	18.87	(84.19)
Prior Year's Adjustment	(0.75)	(1.80)
NET CASH FLOW FROM OPERATING ACTIVITIES	18.12	(85.99)
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets (including Capital Work in progress)	(10.09)	(8.83)
Sale of fixed Assets	7.11	—
Sale/(Purchase) of Investments	42.38	20.00
Dividend Received	0.02	0.04
Interest Received	4.57	2.42
CASH USED IN INVESTING ACTIVITIES	43.98	13.63
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceed from Long Term Borrowings & Working Capital Finance	(22.72)	103.51
Dividend Paid	(5.41)	(4.81)
Interest Paid	(32.74)	(26.28)
NET CASH SURPLUS IN FINANCING ACTIVITIES	(60.87)	72.42
D NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1.23	0.06
F. Cash and cash equivalent as at 1st April, 2003	3.11	3.05
G. Cash and Cash equivalent as at 31st March, 2004	4.34	3.11

BY ORDER OF THE BOARD OF DIRECTORS.

(HIMANSHU K. SHAH)

WHOLE TIME DIRECTOR

Dated : 30th June, 2004.

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

- (1) **The Stock Exchange - Ahmedabad**
Kamdhenu Complex,
Opp. Sahajanand 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

Fourteenth Annual General Meeting 30th September, 2004 at 11.00 a.m. Thursday.

Regd. Folio No.

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

I hereby record my presence at the Fourteenth Annual General Meeting of the company at Plot No. 5015, Phase IV, Ramol Char Rasta, GIDC, Vatva, Ahmedabad - 382445 on the 30th September, 2004

Member/Proxy's Name in Block Block Letters

Member's Proxy's Signature

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



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 Fourteenth ANNUAL GENERAL MEETING of
the company to held on Thursday 30th September 2004 and at my 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.

TIG

UNISON METALS LTD.

BOOK-POST

To,

If Undelivered please return to :
UNISON METALS LIMITED
Plot No. 5051, Phase IV,
Ramol Char Rasta, GIDC,
Vatva, Ahmedabad - 382445.