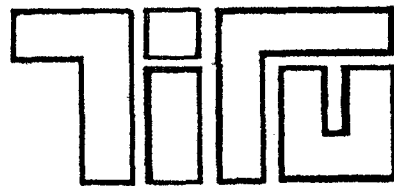


UNISON METALS LTD.



UNISON METALS LTD.

**15th Annual Report
2004 - 2005**

Board of Directors

CHAIRMAN : UTTAMCHAND C. MEHTA

WOHLE TIME DIRECTOR : MAHESH V. CHANGRANI
HIMANSHU K. SHAH

DIRECTORS : NARESH V. CHANGRANI
LOKESHKUMAR JAIN
PRAKASH RAJYAGURU

REGISTERED OFFICE & WORKS : PLOT NO. 5015, PHASE IV,
RAMOL CHAR RASTA, GIDC,
VATVA, AHMEDABAD-382445

BANKERS : BANK OF BARODA

AUDITORS : M/S. KISHAN M. MEHTA & CO.
Chartered Accountants
6, PREMCHAND HOUSE ANNEXE,
OLD HIGH COURT WAY,
ASHRAM ROAD, AHMEDABAD-380009

NOTICE TO MEMBERS

NOTICE is hereby given that the FIFTEENTH 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 Friday the 30th day of September, 2005 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, 2005 and Profit & Loss Account for the year ended 31st March, 2005 and Reports of the Directors and auditors thereon.
- 2 To appoint Director in place of Shri Prakash Rajyaguru retiring by rotation and being eligible for reappointment offers himself for reappointment.
3. To appoint Director in place of Shri Himanshu K. Shah 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 the consent of the company pursuant to the provision of section 293 (1) (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. 750 lacs.

By order of the Board

Place : Ahmedabad.

Date : 05/07/2005.

(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, 2005 to 30th September, 2005 (both days inclusive)
3. The relevant explanatory statement pursuant to section 173 of the companies Act, 1956 in respect of Item No. 5 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.**

In view of the increasing activities of the company, the company may be required to borrow upto Rs. 750 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 : 05/07/2005.

(HIMANSHU K. SHAH)
(Director)

DIRECTORS REPORT

To
The Member of
UNISON METALS LIMITED

The directors of your company have pleasure in presenting the Fifteenth Annual Report alongwith the Audited Balance Sheet & Profit & Loss Account for the year ended on 31st March, 2005.

RESULTS & REVIEW :

The profits of your company before provision for taxation is Rs. 18,36,890/-. The company has provided Rs. 5,50,000/- for current tax and Rs. 62,611/- for deferred tax. During the year under review due to over all market conditions and by putting two additional cold roolling Mills in second half of the year the production of Stainless steel cold Rolled Sheets has increased by 49% from 2408 MT to 3602 MT and that of Stainless Steel Hot Rolled Sheets increased by 4% from 7039 to 7287 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 sustain the low cost competition and to further the prospects of the company. The company is considering the proposal for promoting the business and investing in venture of industrial undertaking in the similar line of business as ours in Africa whose viability and feasibility is in the process of consideration.

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, 2005 was Rs. 2,55,000/-. Company has regularly and timely paid all the deposits on its maturity.

DIRECTORS

The directors Shri Prakash Rajyaguru & Shri Himanshu K. Shah are liable to retire by rotation 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 auditor 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, 2005, 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, 2005 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 : 5th July, 2005

(UTTAMCHAND C. MEHTA)
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, 2005.

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 :

POWER & FUEL CONSUMPTION :

1. ELECTRICITY :

Unit KWH (in lacs)	:	15.44
Total Amount (Rs. In lacs)	:	69.31
Cost/Unit (Rs.)	:	4.49

2. FURNACE/LDO OIL :

Quantity (Litre)	:	928150
Total Amount (Rs. Lacs)	:	113.51
Rate/Unit (Rs. KL)	:	13.71

CONSUMPTION PER UNIT OF PRODUCTION :

Electricity Unit/MT	:	141
Furnace/LDO Oil KL/MT	:	75

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 12/5/2004, 10/6/2004, 30/6/2004, 31/7/2004, 29/10/2004, 31/10/2004, 22/11/2004, and 31/01/2005. 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 31/3/2005	No. of Board Meetings Attended	Whether Attended last AGM 30-9-2004	No. of other Directorships	No. of Committee	Other Membership
Mr. Uttamchand C. Mehta	NED-P	6	Yes	3	Member	Chairman
Mr. Himanshu K. Shah	ED	8	Yes	Nil	1	—
Mr. Mahesh V. Changrani	ED	7	Yes	Nil	Nil	—
Mr. Naresh V. Changrani	NED-P	4	No	2	1	—
Mr. Prakash J. Rajyaguru	NED-I	1	No	Nil	1	—
Mrs. Pushpa U. Mehta	NED-P	1	No	Nil	1	—
Resigned on 31-7-2004						
Mr. Lokeshkumar Jain	NED-I	4	Yes	Nil	Nil	2

ED - Executive Director

NED-P - Non Executive Director (Promoter)

NED-I - Non Executive Director (Independent)

(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	4
Shri Uttamchand C. Mehta	Member	4
Mr. Prakash Rajyaguru	Member	3

On resignation of Smt. Pushpa U. Mehta, Shri Uttamchand C. Mehta was made the member of the Committee during the year.

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.

(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	42,504	1000
Mahesh Changrani Whole time Director	146400	14400	160800	1,880	5200

The other information of directors are as under :

Sr. No.	Name	Age	Designation appointment	Date of Initial employment	Nature of	Shares
1.	Mr. Uttamchand C. Mehta	52	Chairman	10-7-2004	---	2,88,200
2.	Mr. Himanshu K. Shah	42	Whole time Director	16-12-1993	Board Resolution	1,000
3.	Mr. Mahesh V. Changrani	46	Whole time Director	21-4-1992	Board Resolution	5,200
4.	Mr. Naresh V. Changrani	41	Director	29-6-1990	---	---
5.	Mr. Prakash J. Rajyaguru	40	Director	28-3-2003	---	---
6.	Mr. Lokeshkumar Jain	32	Director	9-9-2003	---	---

The Company does not pay any servance fee and no stock option is available to the director.

There is no pecuniary relationship or transaction of the company with any non-executive director except providing unsecured loans by director Shri Naresh Changrani and Shri Uttamchand C. 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	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 onlyonce 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
2003 - 2004	30.09.2004	11.00 a.m.	Plot No.5015, Phase IV Ramol Char Rasta, GIDC, Vatva
2002 - 2003	30-09-2003	11.00 a.m.	Plot No.5015, Phase IV Ramol Char Rasta, GIDC, Vatva
2001 - 2002	25.09.2002	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 management or their associates or relatives that had potential conflict with the interest of the Company.
- (ii) No structures or penalties have been imposed on the company by the Stock Exchange or Security Exchange Board of India (SEBI) or any statutory authority on any matter related to the capital markets during the last 3 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:

Sl No.	Name & Designation	Age	Educational - Qualification	Experience	Other Directorship	Other Committee membership
1	Shri Prakash Rajyaguru Director	40	Draftsman Mechanical	Having 11 years experience in as executive and since 8 years havin g business in the line of Mfg. Stainless Steel Sheets.	Nil	1
2	Shri.Himanshu K. Shah	42	B.Com	Having 19 year experien ce as executive in the same line of manufacturing activity.	Nil	1

(J) General Shareholder information

Annual General Meeting to be held on : 30th September, 2005 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,2005 to 30th September,05

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, 2005)

No. of Shares of Rs. 10 each	Shareholders Number	% of Total	Share Amount	
			In Rs.	% to Total
1 - 500	190	33.63	48300	1.51
501 - 1,000	191	33.81	183000	5.71
1,001 - 2,000	96	16.99	144500	4.51
2,001 - 3,000	33	5.84	91900	2.87
3,001 - 4,000	16	2.83	56300	1.76
4,001 - 5,000	14	2.48	66200	2.07
5,001 - 10,000	12	2.12	83500	2.61
1,00,01 - and above	13	2.30	2530500	78.97
TOTAL	565	100.00	3204200	100.00

Shareholding Pattern : (As on 31st March, 2005)

Category	No. of Holders	No. of Shares held	% of the Shareholding
NRI Repatriation	1	4000	0.125
National Scouritics Depository Limited	1	31400	0.980
Corporate Bodies	2	347300	10.839
Forfeited Account	1	799700	24.958
Directors & their Relatives	6	618800	19.311
Relatives of directors	12	555500	17.338
Top 50 Holders other than above	50	417700	13.041
Others	492	429800	13.413
TOTAL	565	3204200	100.005

Dematerialization of Share and liquidity

The trading of Equity shares of the Company is Compulsory in demat mode. As on 31st March, 2005, 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 Limited.,

We have reviewed the Compliance of the Conditions of Corporate Governance by **Unison Metals Limited** for the year ended March, 31, 2005 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 except that information as to market price data in para (J) of the report of the management is not checked by us.

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.
 D A T E D : 5th July, 2005**

**(K.M. MEHTA)
 Partner**

Management Discussion & Analysis

Industry Scenario

During the previous year the market conditions have further improved. The future holds promise because of thrust given by the government & our own better internal controls in the form of better management control within 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 growth 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 been comparing the interest rate for rupee loan and foreign exchange loan for the 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 further 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, specially entrepreneurs of Africa.. 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 49% by the further putting two cold rolling mills in second half of the year from 2408 MT to 3608 MT and that of stainless steel Hot Rolled Sheets increased by 4% from 7039 MT to 7287 MT. Sales and revenue of the company for the year was 2333.8 lacs. This represents a growth of 35.30 % over the company's sales & revenue for 2003-04.

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.

AUDITOR'S REPORT

TO THE MEMBERS OF UNISON METALS LIMITED.

1. We have audited the attached Balance Sheet of the "UNISON METALS LIMITED" as at 31st March, 2005 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 and Cash Flow Statement 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, 2005.
 - (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.

KISHAN M. MEHTA & CO.
Chartered Accountants

(K. M. MEHTA)
Partner

Ahmedabad
5th July, 2005

Annexure Referred to in paragraph 3 of our report of even date

- i. (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 in reasonable interval 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.
- ii. (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.
- iii. (a) The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) As the Company has not granted any, loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the companies Act, 1956 the para 4(iii) (b), 4 (iii) (c), and 4 (iii) (d) to the companies (Auditor's Report) order, 2003 are not applicable.
 - (c) The Company had aken unsecured loans from three parties covered in the regieste maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs. 27,15,000/- and the year end balance of loan taken from such parties was Rs. 25,19,963/-
 - (d) In our opinion, the rate of interest and other terms and conditions of loans taken from party covered in the register maintained under the companies Act, 1956 are not, prima facie prejudicaial to the interest of the company.

- (e) The Company is regular in repaying the principal amounts wherever stipulated and has been regular in the payment of interest.
- iv. 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 the purchases of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control in respect of the areas.
- v. (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 particulars of contracts or arrangement that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) According to information and explanations given to us the transaction made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of Companies Act, 1956, have been made at price which are reasonable having regard to the prevailing market price at the relevant time.
- vi. 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 any other relevant provisions of the the companies Act, 1956 and rules framed there under with regard to deposits accepted from the public. We have been informed by the Company that no order has been passed by the Company law Board or National Company Law Tribunal of Reserve Bank of India or any Court of any Tribunal.
- vii. As per Information and explanation 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.
- viii. The provisions of section 209 (1) (d) of the companies act, 1956 regarding maintenance of cost records is not applicable to the company.
- ix. (a) According to the information and explanations given to us and the records examined by us, except Investor Education 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, service 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 31/3/2005 for a period of more than six months from the date they became payable is Rs. 3,728/-.
- (b) According to the information and explanations given to us, and the records of the company, the dues of Income tax / sales tax / wealth tax / service tax / custom duty / excise duty / cess which have not been deposited on account of disputes are excise duty demand of Rs. 62.65 lacs which is pending before custom, excise & service tax tribunal and electricity duty demand Rs. 1.81 lacs which is pending before Supreme Court.
- x. There are no accumulated losses of the Company as on 31/3/2005. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank or financial institution.
- xii. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or nidhi mutual benefit fund / Society. Therefore, the provisions of para-4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of para 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. 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.
- xvi. According to the information and explanations given to us, the company has not raised any term loan during the year.
- xvii. 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.
- xviii. The company has not made an preferential allotment of shares during the year.
- xix. The company has not issued any debentures and hence, the question of creating securities or charges in respect thereof does not arise.
- xx. The company has not raised any money by way of public issues during the year.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of financial statement and as per the information and explanations given by the management, we report that no fraud, on or by the Company, has been noticed or reported during the course of our audit.

KISHAN M. MEHTA & CO.
Chartered Accountants

(K. M. MEHTA)
Partner

Ahmedabad
5th July, 2005

UNISON METALS LTD.



BALANCE SHEET AS AT 31ST MARCH, 2005.

PARTICULARS	SCHEDULE	AMOUNT Rs.	AS AT 31.03.2005 Rs.	AMOUNT Rs.	AS AT 31.03.2004 Rs.
SOURCE OF FUNDS :					
SHAREHOLDER'S FUNDS :					
Share Capital	1	28,043,500		28,043,500	
Reserves & Surplus	2	25,339,084		24,175,764	
		-----	53,382,584	-----	51,219,264
LOAN FUNDS :					
Secured Loans	3	30,469,654		20,417,106	
Unsecured Loans	4	6,949,112		6,406,206	
		-----	37,418,766	-----	26,823,312
Deferred Tax			1,799,025		1,736,414
			-----	-----	-----
		TOTAL	92,600,375	-----	80,778,990
			=====	=====	=====
APPLICATION OF FUNDS :					
FIXED ASSETS :					
Gross Block	5	54,373,704		52,409,175	
Less : Depreciation		31,438,936		29,321,193	
		-----		-----	
Net Block		22,934,763		23,087,982	
Capital Work-in-Progress		---		94,719	
		-----	22,934,768	-----	23,182,701
INVESTMENTS :	6		13,749,500		13,749,500
CURRENT ASSETS, LOANS & ADVANCES :					
Closing Stock	7	15,262,799		12,435,799	
Sundry Debtors	8	59,642,278		35,219,003	
Cash & Bank Balances	9	365,784		433,807	
Loans & Advances	10	6,877,074		8,445,571	
		-----	82,147,935	-----	56,534,179
Less :					
Current Liabilities & Provisions	11	26,235,379		13,054,175	
		-----	55,912,556	-----	43,480,004
MISCELLANEOUS EXPENDITURE :					
(to the extent not written off/adjusted)					
Preliminary Expenses			3,551		18,784
Public Issue Expenses			---		348,001
			-----	-----	-----
		TOTAL	92,600,375	-----	80,778,990
			=====	=====	=====

Notes to the Accounts 18

As per our report attached.

FOR KISHAN M. MEHTA & CO.

Chartered Accountants

Whole Time Director

Director

(K. M. MEHTA)

Partner

Ahmedabad: 5th July, 2005

Whole Time Director

Ahmedabad: 4th July, 2005

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005

PARTICULARS	SCHE DULE	AMOUNT Rs.	AS AT 31.03.2005 Rs.	AMOUNT Rs.	AS AT 31.03.2004 Rs.
INCOME :					
Sales			229,265,591		169,661,480
Job Work Receipt			4,116,657		2,833,165
Other Income	12		728,054		922,106
Variation in stock	13		1,383,180		2,5876,092
			-----		-----
			235,493,482		176,003,843
			=====		=====
EXPENDITURE :					
Material Cost			186,455,523		128,836,410
Trading Purchases			---		1,315,104
Manufacturing Expenses	14		30,686,801		28,208,512
Payment to & Provision for Employees	15		8,210,388		6,740,531
Administrative & Selling Expenses	16		2,776,445		3,094,797
Financial Expenses	17		3,187,213		3,470,890
Depreciation			2,340,222		2,593,005
			-----		-----
			233,656,592		174,259,249
PROFIT BEFORE TAX					
Provision for Taxation			1,836,890		1,744,594
Deferred Tax			550,000		580,000
			62,611		42,799
			-----		-----
PROFIT AFTER TAX					
			1,224,279		1,121,795
Add : Balance brought forward from last year			1,963,561,		916,920
Less : Prior year Income Tax			55,311		75,154
Less : Prior year expenses			5,648		---
			-----		-----
Balance Carried Over to Balance Sheet			3,126,881		1,963,561
			=====		=====
No.of Equity Shares at the end of the year			24,045,000		24,045,000
Profit for calculation of E.P.S. (Rs.)			1,224,279		1,121,795
Nominal value of Equity Shares (Rs.)			10		10
Basic diluted earning per share (Rs.)			0.51		0.47

Notes to the Accounts 18

As per our report attached.

FOR KISHAN M. MEHTA & CO.
Chartered Accountants

Whole Time Director

Director

(K. M. MEHTA)
Partner
Ahmedabad: 5th July, 2005

Whole Time Director
Ahmedabad: 4th July, 2005

SCHEDULE - 1

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
SHARE CAPITAL :		
AUTHORISED :		
32,50,000 (32,50,000) Equity Shares of Rs. 10/- Each	32,50,000	32,50,000
7,50,000 (7,50,000) Redeemable Preference Shares of Rs. 10/- each	7,50,000	7,50,000
Total	<u>40,00,000</u>	<u>40,00,000</u>
ISSUED		
32,04,200 (32,04,200) Equity Shares of Rs. 10/- each	32,04,200	32,04,200
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)	24,04,500	24,04,500
Add : Amount paid on 79,9700 forfeited equity shares	3,998,500	3,998,500
Total	<u>28,043,500</u>	<u>28,043,500</u>

SCHEDULE - 2

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
RESERVES & SURPLUS :		
Share Premium	20,948,203	20,948,203
General Reserve As per last year	1,264,000	1,264,000
Profit & Loss Account	3,126,881	1,963,561
TOTAL	<u>25,339,084</u>	<u>24,175,764</u>

SCHEDULE - 3

AS AT
31.03.2005
Rs. AS AT
31.03.2004
Rs.

SECURED LOANS :

A) Term Loan from

Small Industries Development Bank of India 4,100,000 8,350,000

B) Working Capital Facility :

From Bank of Baroda

(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.

26,369,654 12,067,106
TOTAL **30,469,654** **20,417,106**

SCHEDULE - 4

AS AT
31.03.2005
Rs. AS AT
31.03.2004
Rs.

UNSECURED LOANS :

Small Industries Development Bank of India 4,000,000 4,500,000
Fixed Deposits 255,000 1,232,451
Directors 2,694,112 673,755

TOTAL **6,949,112** **6,406,206**

SCHEDULE - 5

FIXED ASSETS

Sr. Particular	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01-04-2004	Addi- ons	Deduc- tions	As on/Upto 31-03-2005	Previous year	During the year	Recoupled	Total	As on 31-03-2005	As on 31-03-2004
1. Leasehold Land	3,634,085	---	---	3,634,085	---	---	---	---	3,634,085	3,634,085
2. Building	13,165,409	---	---	13,165,409	2,551,463	439,724	---	2,991,187	10,174,222	10,0613,946
3. Plant & Machineries	29,114,025	2,789,461	---	31,903,486	24,358,522	1,531,217	---	25,889,739	6,013,747	4,755,503
4. Electric Installation	3,306,742	---	---	3,306,742	1,055,590	157,070	---	1,212,660	2,094,082	2,251,152
5. Furniture, Fixtures & Office Equipments	1,429,750	41,320	18,000	1,453,070	987,258	139,527	17,999	1,108,786	344,284	442,492
6. Vehicles	1,759,164	---	848,252	910,912	368,360	72,4684	204,480	236,564	674,348	1,390,803
7. Capital Work-in-Progress	94,719	1,694,433	1,789,152	---	---	---	---	---	---	94,719
CurrentYear	52,503,894	4,525,214	2,655,404	54,373,704	29,321,193	2,340,222	222,479	31,438,936	22,934,768	23,182,700
PreviousYear	52,627,713	1,059,959	1,183,778	52,503,894	27,326,575	2,593,005	598,387	29,321,193	23,182,701	25,301,138

SCHEDULE - 6

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
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
(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 Polyester 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	13,749,500

SCHEDULE - 7

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
--	----------------------------	----------------------------

CLOSING STOCK :

(As valued, verified & certified by the management)

Raw Materials	2,032,121	1,446,176
Finished Goods	1,639,996	3,743,000
Semi-Finished Goods	5,477,981	1,932,973
S.S. Scrap	38,095	96,919
Stores & Spares	6,074,606	5,216,731

	-----	-----
TOTAL	15,262,799	12,435,799
	=====	=====

SCHEDULE - 8

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
--	----------------------------	----------------------------

SUNDRY DEBTORS

(Considered good unless otherwise stated)

Debts exceeding six months	7,349,829	1,871,374
Other Debts	52,292,449	33,347,629

	-----	-----
TOTAL	59,642,278	35,219,003
	=====	=====

SCHEDULE - 9

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
--	----------------------------	----------------------------

CASH & BANK BALANCE :

Cash on hand	262,154	270,625
Bank Balance		
With Scheduled Banks on :		
Current Accounts	103,630	163,182

	-----	-----
TOTAL	365,784	433,807
	=====	=====

SCHEDULE - 10

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
--	----------------------------	----------------------------

LOANS & ADVANCES :

(Unsecured but Considered good)

Advances recoverable in cash or in kind or for value to be received	2883,796	6,491,952
Deposits	37,30,083	1,733,533
Prepaid Expenses	244,213	200,956
Accrued Interest	18,982	19,130

	-----	-----
TOTAL	6,877,074	8,445,571
	=====	=====

UNISON METALS LTD.



SCHEDULE - 11

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities :		
Sundry Creditors	19,939,347	10,759,827
Other Liabilities	5,520,588	1,478,901
Provisions For :		
Taxation	555,000	580,000
Gratuity	225,444	235,447
TOTAL	26,235,379	13,054,175

SCHEDULE - 12

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
OTHER INCOME :		
Share Dividend	1,500	1,600
Misc. Income	43,565	86,550
Interest (Text deduction at source 5,018/- (Prev. Year Rs. 22,339/-)	367,960	456,683
Liabilities wiritteen back	65,582	---
Weighment Charges	80,347	193,980
Sales Tax Refund	167,200	---
Profit on Sale of Assets	1,900	176,515
Vatav Kasar.	---	6,778
TOTAL	728,054	922,106

SCHEDULE - 13

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
VARIATION IN STOCK :		
Closing Stock of :		
Semi-finished Goods	5,477,981	1,932,973
Finished Goods	1,639,996	3,743,000
Scraps	38,095	96,919
	7,156,072	5,772,892
Less : Opening Stock of		
Semi-finished Goods	1,932,973	2,465,434
Finished Goods	3,743,000	581,586
Scraps	96,919	138,780
TOTAL	5,772,892	3,185,800
Increase (Decrease) in stocks	TOTAL 1,383,180	2,587,092

UNISON METALS LTD.



SCHEDULE - 14

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
MANUFACTURING EXPENSES :		
Consumable Stores & Spares	5,860,553	7,888,856
Maintenance & Repairs	1,758,763	1,332,855
Power & Fuel	6,991,613	6,943,813
Annealing Expenses	11,302,301	9,400,726
Job Work Charges	293,713	---
Excise Duty	1,386,255	---
Effluent Treatment Expenses	1,007,927	929,030
Water Charges	41,023	25,630
Factory Expenses	109,871	61,183
Freight, Octroi & Cartage	1,934,782	1,626,419
TOTAL	30,686,801	28,208,512

SCHEDULE - 15

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
Wages & Salaries	7,981,592	6,557,821
Provident Fund & Other Funds	157,226	112,218
Staff Welfare & Other Benefits	71,570	70,492
TOTAL	8,210,388	6,740,531

SCHEDULE - 16

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
ADMINISTRATIVE & SELLING EXPENSES :		
Packing Expenses	677,936	573,444
Insurance Charges	156,474	160,909
Audit Fee	29,754	27,000
Telephone Expenses	131,761	146,763
Legal & Professional & Consultancy Fees	299,470	469,409
Postage & Stationery Expenses	61,231	64,620
Municipal Tax of Prior year	---	15,319
Rent. Rates & Taxes	21,622	22,879
Preliminary Expenses written of	15,233	15,233
Public Issue Expenses written of	348,001	348,002
Miscellaneous Expenses	266,715	273,721
Freight Outward	258,635	390,465
Travelling Expenses	1,363	28,905
Balance Written off	3450	136,591
Bad Debts	----	102,509
Vatav Kasar	6,415	---
Loss on sale of Assets	371,770	---
Commission	114,268	307,064
Advertisement Expenses	12,347	11,964
TOTAL	2,776,445	3,094,797

SCHEDULE - 17

	Rs.	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
FINANCIAL EXPENSES			
Interest			
Term Loan	1,257,251		
Others	1,648,499		
	-----	2,905,750	3,273,992
Exchange Rate Variation		37,939	74,620
Financial Expenses		2,43,524	122,278
		-----	-----
TOTAL		3,187,213	3,470,890
		=====	=====

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 :

Gratuity liability is provided on actuarial basis for those who have completed 5 years of service on the basis of assumption that all the employees retire on the date of Balance Sheet.

(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) Foreign Currency Transactions :

Transactions in foreign currencies are translated at exchange rates prevailing on the date of transaction or at the contracted exchange rates. Balances of current assets and liabilities outstanding on the date of Balance sheet not covered by forward exchange contracts are translated at the year end exchange rates and the profit/loss so determined are recognised in the Profit & Loss Account of the company in compliance of accounting standards.

(i) 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.

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

2. Payments to Auditors :		31.03.2005	31.03.2004
Audit Fee	Rs.	43,992	44,280
Company Law & Secretarial Matters	Rs.	11,000	10,000
Taxation Matters	Rs.	18,500	16,000
Other Services (Reports etc.)	Rs.	12,454	17,280
		-----	-----
	TOTAL	85,946	87,560
		=====	=====
		31.03.2005	31.03.2004

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

4. MANAGERIAL REMUNERATION :		31.03.2005	31.03.2004
a) Director			
Salary & Allowances		295,200	295,200
Perquisites		28,800	28,800

5. CAPACITIES & PRODUCTION :		31.03.2005	31.03.2004
(a) Licensed Capacity			
No Licence is required		---	---
(b) Installed Capacity :		31.03.2005	31.03.2004
(As certified by the Management)			
S.S. Cold Rolled Sheets	M.T.	6,200	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.	3,602	2,408
S.S. Hot Rolled Sheets	M.T.	7,287	7,039

6. QUANTATIVE PARTICULARS :		31/03/2005	31/03/2004
Raw Materials Consumed :			
S. S. Flats	Rs.	186,455,523	128,836,410
	M.T.	5,742	5,630

Finished Goods :

Hot and Cold Rolling S.S. Sheets

HOT ROLLING SHEETS

COLD ROLLING SHEETS

		31-03-2005	31-03-2004	31-03-2005	31-03-2004
Opening Stock	Rs.	---	---	3,743,000	581,586
	M.T.	---	---	95	16
Sales	Rs.	68,221,909	81,250,067	160,640,958	86,861,285
	M.T.	1,985	3,115	3,528	2,328
Closing Stock	Rs.	---	---	1,639,996	3,743,000
	M.T.	---	---	35	95

TRADING ACTIVITIES : **31-03-2005** **31-03-2004**

S.S. Sheets			
Purchases			
	Rs.	---	1,315,104
	M.T.	---	37,946
Sales			
	Rs.	---	1,321,933
	M.T.	---	37,946

7. CONTINGENT LIABILITIES NOT PROVIDED FOR :	31/03/2005	31/03/2004
Claims not acknowledged	Rs. 181,284	181,284
Income Tax disputed under appeal	Rs. 234,316	234,316
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 :

- Sundry creditors include amounts due to small scale industrial undertaking Rs. 1,45,37,506/-
- The parties being small scale industrial undertakings to whom amount are outstanding for more than one month are Banian & Berry Bearings Pvt. Ltd., M. P. Udhoy, Universal Metal Co. Ltd. British India Rolling Mills and Suhshine Weigh System Pvt. 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	1,881,521
Less : Deferred tax assets-Others	82,496
Net Deffered Tax Liability	<u>1,799,025</u>

14. RELATED PARTY DISCLOSURE, AS REQUIRED BY ACCOUNTING STANDARD-18, IS AS BELOW :

a) List of related persons :

- Associates : Mangalam Alloys Ltd., Mehta Alloys Ltd., Universal Metal Co. Ltd.,
- Directors & Other Persons :
U.C. Mehta, Mahesh V. Changrani, Naresh V. Changrani, Himanshu K. Shah,
Trupti H. 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 31/03/2005
1.	Purchase of Goods	a (i)	1,799.84	141,89 (Cr.)
2.	Remuneration of directors	a (ii)	2.95	---
3.	Interest Paid	a (ii)	1.36	1.36 (Cr.)
4.	Sale of Goods & Services	a (i)	305.25	86,64 (Dr.)
5.	Investment in Shares	a (i)		127.17 (Dr.)
6.	Security Deposits	a (i)		34.00 (Dr.)
7.	Unsecured Deposits	a (ii)		27.83 (Cr.)

15. Loss on sale of car in schedule-16 include Rs. 1,37,491/- pertaining to prior year.

Signatures to Schedules '1' to '18'

As per our report attached.

FOR KISHAN M. MEHTA & CO.

Chartered Accountants

(K. M. MEHTA)

Partner

Ahmedabad: 5th July, 2005

Whole Time Director

Director

Whole Time Director

Ahmedabad:4th July, 2005

UNISON METALS LIMITED

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration Details	:	04-13964
	Registration No.	:	State Code : 04
	Balance sheet date	:	31 March, 2005
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 :		118,836
	Total Assets		118,836
	Sources of Funds :		
	Paid-up Capital		28,044
	Reserves and Surplus		25,338
	Secured Loans		30,470
	Unsecured Loans		6,949
	Deferred Tax Liability		1,799
	Application of Funds :		
	Net Fixed Assets		22,935
	Investment		13,750
	Net Current Assets		55,913
	Misc. Expenditure		4
	Accumulated Losses		---
IV.	Performance of Company (Amt. in Thousands)	:	
	Turnover	:	234,110
	Total Expenditure	:	232,273
	Profit Before Tax	:	1,837
	Profit After Tax	:	1,224
	Earning per Share in Rs.	:	0.51
	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

Director

Ahmedabad: 4th July, 2005

Whole Time Director
Ahmedabad : 4th July, 2005

(Rs. In :Lakhs)

CASH FLOW STATEMENT FOR THE ENDED 31ST MARCH, 2005

	Inflow (Outflow) 2004-2005	Inflow (Outflow) 2003-2004
A. CASH FLOW FROM OPEATING ACTIVITIES :		
Net Profit before tax and extraordinary items	18.37	17.45
Adjustment for :		
Depreciation	23.40	25.93
Interest Paid	29.06	32.74
Dividend Received	(0.02)	(0.02)
Amortisation of Preliminary & Public Issue Expenses	3.63	3.63
Profit on sale of assets	(0.02)	(1.77)
Loss on sale of assets	3.72	—
Interest Received	(3.68)	(4.57)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES : 74.47		73.40
Adjustment for :		
Trade & Other receivables	(228.55)	21.17
Inventories	(28.27)	(24.87)
Trade Payables	132.11	(47.08)
CASH GENERATED FROM OPERATIONS	(50.24)	22.62
Income Tax Paid	(5.80)	(3.75)
CASHFLOW BEFORE EXTRAORDINARY ITEMS	(56.04)	18.87
Prior Year's Adjustment	(0.61)	(0.75)
NET CASH FLOW FROM OPERATING ACTIVITIES	(56.65)	18.12
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets (including Capital Work in progress)	(27.36)	(10.09)
Sale of fixed Assets	2.74	7.11
Sale/(Purchase) of Investments	---	42.38
Dividend Received	0.02	0.02
Interest Received	3.68	4.57
CASH USED IN INVESTING ACTIVITIES	(20.93)	43.98
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceed from Long Term Borrowings & Working Capital Finance	105.95	(22.72)
Dividend Paid	---	(5.41)
Interest Paid	(29.06)	(32.74)
NET CASH SURPLUS IN FINANCING ACTIVITIES	76.90	(60.87)
D NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(0.68)	1.23
F. Cash and cash equivalent as at 1st April, 2004	4.34	3.11
G. Cash and Cash equivalent as at 31st March, 2005	3.66	4.34

BY ORDER OF THE BOARD OF DIRECTORS.

(HIMANSHU K. SHAH)
WHOLE TIME DIRECTOR
Dated : 4th July, 2005.

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

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

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

UNISON METALS LIMITED

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

Attendance Slip

Fifteenth Annual General Meeting 30th September, 2005 at 11.00 a.m. Friday.

Regd. Folio No.

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

I hereby record my presence at the Fifteenth Annual General Meeting of the company at Plot No. 5015, Phase IV, Ramol Char Rasta, GIDC, Vatva, Ahmedabad - 382445 on the 30th September, 2005

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 Fifteenth ANNUAL GENERAL MEETING of
the company to held on Tuesday 30th September 2005 and at my adjournment there of

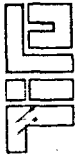
Signed this day

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 signed and must be deposited at the Registered Office of the Company, Not less than 48 hours before the meeting.



BOOK-POST

To,

UNISON METALS LTD.

If Undelivered please return to :
UNISON METALS LIMITED
Plot No. 5015, Phase IV,
Ramol Char Rasta, GIDC,
Vatva, Ahmedabad - 382445.